

# Working After Retirement



*This brochure explains the basic provisions for working after retirement with private employers, out of state employers and employers who participate in the Alaska TRS. It also explains the reemployment restrictions for members who retired under a Retirement Incentive Program (RIP). For specific information regarding your individual retirement, please contact the Alaska Division of Retirement and Benefits.*

## **Can I return to work after retirement?**

Yes. After you retire, you may work for a private company, in state or out of state, without limitations.

You may work for an out of state or federal government employer without limitations.

You may work for a private school that does not participate in the TRS without limitations.

If you retired under the standard provisions for the TRS (excluding Retirement Incentive Program (RIP) retirees), you may reemploy and become a member of the Public Employees' Retirement System (PERS), Judicial Retirement System (JRS) or National Guard and Naval Militia Retirement System (NGNMRS) without limitations.

You may work in a temporary, non-permanent position or on a personal services contract without affecting your retirement benefits.

**Caution:** There are some restrictions for those who retired under a RIP. See RIP reemployment information in this brochure.

## **Returning to Work with a TRS Employer**

Normal retirement is defined as retiring with either age or service eligibility for an unreduced retirement benefit. After vesting, normal retirement age is 55 for Tier I, 60 for Tier II, and any age for both tiers with 20 years of service. (Normal retirement does not include RIP retirees.)

### **Returning to Work With a TRS Employer in a Permanent Full-Time or Part-Time Position After Normal Retirement**

Alaska Statute 14.25.043 prohibits a member from working in a TRS covered position while receiving TRS retirement benefits.

If you go back to work in a TRS position, your retirement benefit will be suspended until you terminate employment. TRS contributions will be deducted from your paycheck and you will accrue TRS service. You are required to pay back any retirement benefits you receive while simultaneously earning

TRS credit. This amount must be paid in full before you retire again.

If you receive a contract for 172 days or more which entitles you to receive a full year of service credit, the reemployment date is July 1, the beginning of the school year. Retirement benefits will stop effective June 30. You are not eligible for retirement benefits from July 1 to June 30 of the school year in which you become reemployed.

If you work less than 172 days, the reemployment date will be the actual hire date and you will accrue a partial year service credit. Retirement benefits will stop as of the date of reemployment.

For most members, when you retire again, your first retirement benefit will be restarted once we receive notification that you have terminated employment. You must apply for the additional retirement benefit earned during reemployment. The additional benefit will be calculated using your back-to-work employment segment and salaries.

### **Returning to Work With a TRS Employer in a Permanent Full-Time or Part-Time Position After Early Retirement**

Early retirement is defined as retiring prior to normal age eligibility with a reduced retirement benefit. After vesting, early retirement age is 50-54 for Tier I and 55-59 for Tier II.

If you go back to work in a TRS position, your retirement benefit will be suspended until you terminate employment. TRS contributions will be deducted from your paycheck and you will accrue TRS service.

The period of reemployment is determined by whether or not your contract is for 172 days or more (see additional information under #1).

When you retire again, you will receive your original retirement benefit and a second retirement benefit that is based on your back-to-work employment segment and salaries.

Members are required to pay back any retirement benefits they receive while simultaneously earning TRS credit.

## **Health Insurance Plans**

### **What happens to my health insurance while I am reemployed?**

If you receive major health benefits (including dental-vision-audio) paid either by the State of Alaska or yourself, your major

medical insurance coverage under the AlaskaCare Retiree Health Plan will end on the last day of the month in which you become reemployed. However, if you are reemployed on the first day of a month, your coverage will end on the last day of the previous month.

**Note:** If you rehire for a full school year, your coverage will end retroactively to June 30.

If you have insurance under your employer, you may need to verify when it goes into effect. If there is a waiting period before your active coverage begins, you may want to purchase retiree COBRA coverage. The Division will provide you with the form and information when we are notified of your return to work.

### **Dental-Vision-Audio (DVA) Insurance Plan**

If you selected the optional DVA insurance plan at retirement, you may continue this coverage once you retire again.

### **Long-Term Care (LTC) Insurance Plan**

If you or you and your spouse are participating in the LTC program, you must pay the premiums during your period of reemployment in order to continue coverage. If you do not pay the premiums, you will not be eligible for LTC when you retire again. The Division will provide you with the form and information when we are notified of your return to work.

## **RIP Reemployment**

### **What are the RIP reemployment provisions?**

If you retired under the Retirement Incentive Program (RIP), and return to work in a position that is covered by the Teachers' Retirement System, the Public Employees' Retirement System or (for those who retired under the 1996-2000 RIP) the Judicial Retirement System or the University of Alaska's Optional Retirement Program, you will:

1. Forfeit the three years of incentive credit that you received; and
2. Owe the TRS 110% of the benefits that you received as a result of the program, including any costs for health insurance.

An indebtedness will be established for what you owe and will be reduced by the amount that you paid to participate in the RIP.

Interest (currently 7%) will accrue on your indebtedness from the date that you become reemployed until the indebtedness is

either completely paid or you retire again. Any balance remaining when you retire again will result in an actuarial reduction to your future retirement benefits.

If you retired under the 1996-2000 TRS RIP, you have the following additional restrictions: you are prohibited from entering into personal services contracts with the University of Alaska or a state of Alaska agency or returning to State employment in a temporary or nonpermanent capacity for three years after you retire.

### **Are there any exceptions for RIP retirees that want to go back to work?**

Yes. The following exceptions are very specific and narrowly defined:

- Personal services contracts may be allowed by the University Board of Regents for the University and the Commissioner of Administration for the State when there is a compelling reason to retain an employee who has specialized or extensive experience that relates to a particular program or project.
- Personal services contracts with the legislature are allowed during legislative sessions for hourly individuals who are not eligible for retirement, health, or leave benefits.
- Personal services contracts with the University of Alaska may be allowed for individuals who are employed only to teach or perform research duties.
- Personal services contracts during the three- or five-year restriction with a State agency or the University of Alaska if it is determined that there is a compelling reason to do so because of an individual's specialized or extensive experience that relates to a particular program or project.

### **Need more information?**

Please contact the Member Services Contact Center, Division of Retirement and Benefits by calling (907) 465-4460 or by email at [doa.drb.mscc@alaska.gov](mailto:doa.drb.mscc@alaska.gov).

## **What Tier Am I?**

Members who first entered a TRS position and were making contributions:

- **Tier I** — Before 7/1/90.
- **Tier II** — On or after 7/1/90, but before 7/1/06.

The information included here only applies to Tiers I and II.

## **Alaska Division of Retirement and Benefits**

6th Floor, State Office Building | 333 Willoughby Ave. | P.O. Box 110203 | Juneau, AK 99811-0203

### **Member Services Contact Center**

Hours: 10 a.m. - 3:30 p.m.

Toll-Free: (800) 821-2251 | In Juneau: (907) 465-4460 | Fax: (907) 465-3086 | TDD: (907) 465-2805

[Alaska.gov/drb](http://Alaska.gov/drb) | [doa.drb.mscc@alaska.gov](mailto:doa.drb.mscc@alaska.gov)

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