

PERS Plan 1

Thinking About Working After Retirement?

Washington State Department of Retirement Systems

This publication describes what could happen to your Public Employees' Retirement System (PERS) Plan 1 benefit if you return to work for an employer covered by one of the state retirement systems. You can return to work for an employer not covered by a Washington state retirement system without impacting your monthly benefit unless you are a disability retiree.

When do I become a retiree?

You must fully retire before you can be covered under return-to-work laws. To do so, you must:

- Meet the age and service requirements for retirement
- File an application for retirement with the Department of Retirement Systems (DRS)
- End all employment with any DRS-covered employer(s)
- Sever all contractual agreements (written or verbal) for future employment with your DRS-covered employer(s)

Taking these actions will establish your effective retirement date as the first day of the month following the month in which you left employment.

Example 1

Maria applies for retirement and terminates her employment Aug. 15, 2017. She meets the age and service requirements. Her effective retirement date is Sept. 1, 2017.

Example 2

Quinn applied for retirement and terminated his employment July 15, 2016. He had enough service credit to meet the requirements for retirement. However, he did not meet the age requirement until March 22, 2017. His effective retirement date, therefore, was April 1, 2017.

What should I do before I return to work?

Before you return to work for a DRS-covered employer, tell the employer you are a retiree. If the employer doesn't know you are retired, you could be reported as an active member, which might stop your benefit. Ask the employer about your eligibility for membership in a DRS or higher education retirement plan. If you have questions, contact DRS.

Questions answered inside

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How soon can I return to work?

First, leave all DRS-covered employment, regardless of whether your employment is being reported to DRS. Then you must wait at least 30 consecutive days after your effective retirement date before returning to work.

If you return to work for a DRS-covered employer in any capacity before 30 days have passed, your benefit will be reduced by 5.5% for every eight hours you work in a month — up to 160 hours.

If the reduction is more than your monthly benefit, the excess will be taken from the next month's payment. The reduction will continue until you stop working for a full 30 days.



What if I return to work before my effective retirement date?

If you terminate employment and file a retirement application but return to work before your effective retirement date, your application for retirement will be canceled.

Because you will not be considered retired, you will return to active membership if you return to an eligible position, and you will be required to pay member contributions.



Which hours count toward the annual limit?

All hours for which you receive compensation count toward the annual limit. This includes paid holidays or compensatory time, sick leave, and annual leave taken in place of normal work hours.

Sick leave or annual leave that is cashed out at the end of an employment period doesn't count toward the limit. Cashed out compensatory time does count toward the limit.



How many hours can I work each year and still receive my benefit?

You must be separated from employment for at least 30 days after your effective retirement date before you can return to work for a DRS-covered employer and continue to receive an unreduced benefit.

Before you retire from your current place of employment, you must not have a written or verbal agreement to return to work.

Once you have been retired for at least 30 consecutive calendar days, additional rules apply based on the date you retired and where you plan to return to work.

If you return to work for a state agency or political subdivision, such as a city, county or other public employer, the hours you work will impact your PERS Plan 1 monthly benefit.

The following rules apply when you return to work in a position eligible for a DRS or higher education retirement plan (HERP):

- You can work up to 867 hours in a calendar year (Jan. 1-Dec. 31) without impacting your retirement benefit.
- Your PERS Plan 1 retirement benefit will be suspended once you work more than 867 hours within a calendar year. Your monthly benefit will resume the first of the month following your last day of employment or the start of the next calendar year when the number of hours you may work resets to 867, whichever comes first.
- HERPs are non-DRS retirement plans offered by institutions of higher education, such as the University of Washington Retirement Plan and Western Washington University Retirement Plan. If you work for a higher education employer, check with your employer to find out whether your position is HERP-eligible.

Fast fact

You can review your contribution details and sign up for direct deposit of your monthly benefit in your *online retirement account*. Sign up or log in at www.drs.wa.gov/oa.

**What happens if I work more than the annual limit?**

If you are employed in a PERS-, SERS- or TRS-eligible position and work more than the allowed 867 hours, your monthly benefit will be suspended for the remainder of the calendar year or until you terminate your employment. In the month you exceed the limit, your benefit will be prorated.

Example

Min retires effective Jan. 1, 2017, and returns to work in a PERS-eligible position Feb. 1, 2017. She works for the remainder of the year. On July 11, 2017, she exceeds 867 hours of employment for the calendar year. Her benefit is suspended beginning July 12, 2017. She receives a partial monthly benefit for July 1 through July 11. Min's benefit restarts Jan. 1, 2018.

**What if I am receiving a disability retirement?**

If you are a disability retiree, returning to any kind of employment could affect your monthly benefit.

Your return to work could mean you are no longer disabled and, therefore, no longer eligible to receive a disability retirement.

If you retired because of a disability and are considering returning to work, contact DRS.

**What if I retired as a dual member?**

A dual member retiree is someone who has combined service credit earned in more than one retirement system to qualify for retirement.

If you retired as a dual member, contact DRS to find out the impacts returning to work will have on your monthly benefit.

**Can I return to active membership?**

You aren't required to return to PERS membership, but you can choose to if you are a PERS Plan 1 retiree; are employed in a full-time, PERS-covered position; and at least 90 days have passed since you retired.

Your return to active PERS membership could impact your future retirement benefit. Contact DRS for a benefit estimate before returning to membership.

If you retired with fewer than 15 years of service credit, you can become a contributing member of the Teachers', School Employees', or Law Enforcement Officers' and Fire Fighters' retirement systems. However, your PERS benefit might be suspended pending termination of your employment.

General information

Overpayments and underpayments: If you receive an overpayment of your monthly benefit, you will be required to repay it to DRS. If you receive an underpayment, DRS will correct the error and pay you the amount owed.

Health care: If you have retired from state government, a public education institution or a local government employer participating in the Public Employees Benefits Board (PEBB), you have the option to return to PEBB-sponsored coverage when you return to full retirement status.

If you have questions about your health care coverage, contact the Health Care Authority

at 800-200-1004 or visit www.hca.wa.gov. If you have retired from employment with a local government, you will need to coordinate with your employer and health care provider to determine your health care options.

DCP: If you are receiving Deferred Compensation Program (DCP) payments and return to work for an employer offering DCP, your payments will cease. You can restart them after you end employment. If you aren't yet receiving DCP payments and you return to work, you can keep contributing to your account. If you have questions, contact DCP at 888-327-5596 or dcpinfo@drs.wa.gov.

To contact DRS

<p>Call </p> <p>360.664.7000 800.547.6657 TTY 711</p>	<p>Write </p> <p>Department of Retirement Systems PO Box 48380 Olympia, WA 98504</p>	<p>Email </p> <p>General inquiries: drs.contact@drs.wa.gov</p> <p>Send a secure message through your online account: drs.wa.gov/aaa</p>
<p>Visit </p> <p>6835 Capitol Blvd. SE Tumwater, WA 98501</p> <p>See the DRS website for directions.</p>	<p>Hours </p> <p>Monday - Friday 8 am to 5 pm Pacific Time</p>	<p>Website </p> <p>drs.wa.gov</p> <p>You can also send email through the Contact Us page on the DRS website.</p>

This document is a summary. It is not a complete description of working after retirement. State retirement laws govern your benefit. If a conflict exists between the information in this document and what is contained in current law, the law governs.