

Utah Post-Retirement Employment Restrictions

As of May 8, 2012

Generally:

Utah places limitations on employment (reemployment) for a retiree of the Utah Retirement Systems (URS) if the retiree returns to work for a participating employer of URS. A retiree may not collect a retirement allowance while at the same time:

1. receiving any retirement-related employer contribution; or
2. earning additional service credit.

(a) "Reemployed," "reemploy," or "reemployment" means work or service performed after retirement in exchange for compensation.
(b) Reemployment includes work or service performed on a contract if the retiree is:

- (i) listed as the contractor; or
- (ii) an owner, partner, or principle of the contractor.

Utah Code Subsection 49-11-102(42)

Separation Requirement:

A retiree may not return to work, including part-time or certain contract work, with any URS-covered entity within one year of retirement. After the one-year separation, a retiree who returns to work on a full-time basis may elect to:

1. keep receiving the allowance and forfeit any new retirement contribution (in which case the employer pays an amortization rate to URS); or
2. cancel the allowance and earn additional service credit, if applicable (in which case the employer pays retirement contributions to URS, the same as for other employees, and two-year's minimum service is required for the retiree to earn additional service credit).

Except for limited service as provided below, if a retiree returns to work with any URS-covered entity before completing the one-year separation requirement, the retirement allowance is canceled as provided in option 2. above.

Limited Service Exception:

A retiree may be reemployed after 60 days of separation after retirement if the retiree:

1. does not receive any employer-paid benefits; and
2. does not earn, for any calendar year, more than the lesser of: (a) \$15,000; or (b) one-half of the retiree's final average salary.

If a retiree is reemployed within one year, the one-year separation period restarts on the termination date of the reemployment.

Applicability:

Reemployment restrictions apply to a person who:

1. is a URS retiree; and
2. begins reemployment with a URS-participating employer on or after July 1, 2010.

Reemployment restrictions do not apply to a person who is:

1. not a URS retiree;
2. a URS retiree but was reemployed before July 1, 2010, and remains employed with the same employer;
(*Separate restrictions apply. See Utah Code Section 49-11-504.*)
3. an elected official whose position is not full-time; or
4. reemployed as an active senior judge appointed to hear cases by the Utah Supreme Court.

Reporting Requirements:

A URS-participating employer must notify URS if a retiree is reemployed.

A URS retiree must notify URS if reemployed by a URS-participating employer.

Source: Utah Code Section 49-11-505

