

# Changes to Key Utah Post-Retirement Reemployment Provisions

November 10, 2015

	<b>Law Before the 2010 Changes</b>	<b>Current Law</b>	<b>2016 Proposal</b>
<b>Who may return to work after retirement?</b>	<p>A retiree who returns to work at a different agency.</p> <p>OR</p> <p>A retiree who is reemployed by the same agency after six months from the retirement date.</p> <p>OR</p> <p>A retiree of an agency who is reemployed by the same agency within six months of retirement, if reemployed on less a part-time basis by the same agency and earnings are limited.</p>	<p>A retiree who has completed one year of separation from all participating employers from the retirement date.</p> <p>OR</p> <p>A retiree who has 60 days of separation, if no employer benefits are provided and calendar year earnings are limited (\$15,000 or ½ of the retiree’s final average salary).<sup>i</sup></p>	<p>A retiree who returns to work at a different agency after 60 days from the retirement date.<sup>ii</sup></p>
<b>What do retirees who return to work after retirement receive and what is required or prohibited from the employer?</b>	<p>The retiree receives:</p> <ul style="list-style-type: none"> <li>• Salary;</li> <li>• A monthly retirement allowance; and</li> <li>• An employer contribution into the retiree’s defined contribution plan (e.g. 401(k)) of the same percentage of the retiree’s salary that would have been required to be contributed if the retiree were an active member, up to the amount allowed by federal law.</li> </ul> <p>The working retiree may not earn additional service credit while receiving a retirement allowance.</p>	<p>The retiree receives:</p> <ul style="list-style-type: none"> <li>• Salary; and</li> <li>• A monthly retirement allowance.</li> </ul> <p>A retiree may not earn additional service credit or receive any retirement-related contribution from a participating employer while receiving a retirement allowance.</p> <p>The participating employer pays the amortization rate for the reemployed retiree who has completed the one-year separation.</p>	<p>The retiree receives:</p> <ul style="list-style-type: none"> <li>• Salary; and</li> <li>• A monthly retirement allowance.</li> </ul> <p>A retiree may not earn additional service credit or receive any retirement-related contribution from a participating employer while receiving a retirement allowance.</p> <p>The participating employer pays the contribution rate to the system that would have covered the retiree if the retiree's reemployed position were considered to be an eligible, full-time position within that system.</p>

	<b>Law Before the 2010 Changes</b>	<b>Current Law</b>	<b>2016 Proposal</b>
<b>Who may retire in place?</b>	The Commissioner of Public Safety, an elected sheriff, or an appointed chief of police.	No URS members.	No URS members.
<b>What do those who retire in place receive and what is required or prohibited from the employer?</b>	<p>The retiree:</p> <ul style="list-style-type: none"> <li>• Receives salary;</li> <li>• Receives a monthly retirement allowance;</li> <li>• May continue in the elected or appointed position; and</li> <li>• May file for an exemption from retirement coverage, which qualifies them for an employer contribution into the retiree’s defined contribution plan (e.g. 401(k)) of the same percentage of the retiree’s salary that would have been required to be contributed if the retiree were an active member, up to the amount allowed by federal law.</li> </ul> <p>The working retiree may not earn additional service credit while receiving a retirement allowance.</p>	Not applicable.	Not applicable.

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<sup>i</sup> The one-year separation requirement is restarted after the retiree’s last day of this restricted reemployment.

<sup>ii</sup> Other proposals include: (1) The 2016 proposal with the exemption to the one-year separation requirement only for a retiree who returns to work as an educator, public safety officer, or firefighter; (2) The 2016 Proposal with the exemption to the one-year separation requirement only for a retiree who returns to work in rural employment or at a Title I School; and (3) Increasing the earnings limit for retirees who have 60 days of separation.