This publication describes what could happen to your Public Employees’ Retirement System (PERS), School Employees’ Retirement System (SERS) or Teachers’ Retirement System Plan 2 or Plan 3 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.

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)
- Terminate 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, 2015. She meets the age and service requirements. Her effective retirement date is Sept. 1, 2015.

Example 2
Quinn applied for retirement and terminated his employment July 15, 2014. He had enough service credit to meet the requirements for retirement. However, he did not meet the age requirement until July 15, 2015. His effective retirement date, therefore, was Aug. 1, 2015.
How soon can I return to work?

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 before 30 days have passed, your benefit will be reduced by 5.5 percent for:

- **PERS or SERS**: Every eight hours you work in a month — up to 160 hours
- **TRS**: Every seven hours you work in a month — up to 140 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 and be required to pay member contributions.

What should I do when I return to work?

When you return to work for a DRS-covered employer, tell your employer you are a retiree. If your employer doesn’t know you are retired, you could be reported as an active member, which might stop your benefit.

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

The rules that determine the number of hours you can work while continuing to receive your benefit depend on how you choose to retire.

**Normal retirement or early retirement using factors other than the 2008 Early Retirement Factor (ERF):**

- **For a DRS-covered employer in a position that is ineligible for membership in a DRS or higher education retirement plan (HERP)**

- **TRS**: Every seven hours you work in a month — up to 140 hours

Your monthly benefit will stop if you work more than 867 hours in a calendar year. Your monthly benefit will resume following your last day of employment or at the beginning of the next calendar year, whichever comes first.

**Early retirement using the 2008 ERF:**

- **You can’t work in any capacity for a DRS-covered employer and continue to receive your monthly benefit. If you return to work, you won’t receive your monthly benefit for any month in which you work. Your benefit will restart the first of the month after you stop working. Once you turn 65, you can work under the rules previously described.**

- **You cannot earn compensation from a DRS-covered employer for services performed as a contractor and continue to receive a monthly benefit.**

For more information, see *Thinking About Retiring Early?* available on the DRS website.

* Higher education employers may not offer participation in HERP to retirees (or members who are eligible to retire) from any DRS-administered retirement plan listed in RCW 41.50.030. If you’re a retired retiree who was participating in HERP before July 1, 2011, you may continue to do so.

** Under a 2007 law, PERS, SERS and TRS Plan 2 and Plan 3 members may choose to use the 2008 ERF at retirement. To qualify, members must be at least 55, have at least 30 years of service credit and retire on or after July 1, 2008, for PERS or Sept. 1, 2008, for SERS or TRS.
What happens if I work more than the annual limit?

You can work as many hours as you want in a calendar year. However, 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


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 are not required to return to PERS, SERS or TRS membership, but you may choose to do so if you are employed in an eligible position.

If you retired from PERS, SERS or TRS with fewer than 15 years of service credit, you may become a contributing member of PERS; SERS; TRS; Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF); Public Safety Employees’ Retirement System (PSERS); or Seattle’s, Spokane’s or Tacoma’s first-class city retirement systems.

However, your PERS, SERS or TRS benefit could be stopped, pending termination of your employment.

Recalculating your benefit

If you return to active PERS, SERS or TRS membership, your future retirement could be impacted. If your retirement status is terminated because you return to membership, your monthly benefit will be recalculated when you reapply.

If you first retired early, the actuarial value of the monthly benefit you received might be assessed against your second retirement. Contact DRS for an estimate before resuming membership.

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.
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 payment from the Deferred Compensation Program (DCP), returning to work won’t affect your payments. If you are not yet receiving payment and return to work, you can continue making contributions to the plan up to an annual maximum contribution amount, depending on your income. If you have questions, contact DCP at 888-327-5596 or dcpinfo@drs.wa.gov.

**Contract work with a Washington state educational institution:** If you are a TRS retiree, your employment status and rights differ from those of an active, tenured teacher. The duration of a return-to-work contract is limited to one year. However, a contract can be renewed each year at the discretion of your employer. For more information, contact the Office of the Superintendent of Public Instruction (OSPI) at 360-725-6000 or visit www.k12.wa.us.

Contact DRS

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**Visit**

6835 Capitol Blvd.
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*Directions are available on the DRS website.*

**Hours**

Monday - Friday
8 am to 5 pm PST

**Website**

www.drs.wa.gov

You can also send us email through the DRS website. Visit the Contact Us page.

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.