



## TULARE COUNT EMPLOYEES' RETIREMENT ASSOCIATION SEPARATION FROM SERVICE FOLLOWING RETIREMENT RETURN TO WORK WITH A TCERA EMPLOYER SUMMARY OF REQUIREMENTS

**A return to active employment status with a TCERA employer in any capacity may affect your retirement benefits.** Please read this information carefully and contact TCERA with questions regarding the effect of return to work on your retirement benefits.

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If you return to work, either as an employee or an independent contractor, for a TCERA employer following your retirement from TCERA, you and the employer need to ensure your return to work complies with retirement and tax law during the entire course of your employment. California retirement law and federal tax law provide specific return to work restrictions and consequences for retirees who return to work in the same public retirement system from which they receive a benefit. Strict penalties may be imposed on a retiree who does not satisfy these requirements. The following is a summary of those requirements.

### All Members

- **Extra Help - 960 Hour Limit:** Following any required break in service, retirees may continue to receive their retirement benefit if their extra help employment with a TCERA employer is limited to 960 hours per fiscal year (July 1 to June 30). If extra help employment exceeds 960 hours during a fiscal year, **your retirement benefit payment will be suspended and benefits already paid during the period worked in excess of the limitation must be repaid.** It is the responsibility of you and your employer to ensure that the hours limit is not exceeded. TCERA is not responsible for monitoring your hours of employment.
- **Return to work as a regular employee/reinstatement as an active member of TCERA:** Your return to work must be approved by the Board of Retirement. Contact the Retirement Office for a **TCERA Retiree Reinstatement Application**. You will need to provide medical evidence confirming that you are not incapacitated for the duties of the new job. Employment cannot begin until after approval by the Board of Retirement. **Your retirement benefit will be suspended** effective on the date of your re-employment. Your benefit will be reinstated upon your retirement from the new position.
- **Return to Work after Receiving Unemployment Insurance:** A California public agency is prohibited from appointing a retiree if, during the 12-month period before an appointment, the retiree received unemployment arising out of California public employment.

## All General Members

- There can be no agreement or understanding prior to retirement regarding your return to work.
- All General members must have a 180-day break in service. This restriction may be waived by the Board of Supervisors (or the applicable employer governing body) following your retirement date if you have special skills needed to perform work of a limited duration. If this requirement is not met, there is a plan violation **and your retirement benefit payment will be suspended, and benefits already paid must be repaid**, until there is a 180-day break in service.
- There must be a two pay period break in service following retirement, which cannot be waived. If the two pay period requirement is not met, federal and state tax penalties may apply. Consult a tax professional for more information.

## All Safety Members

- There can be no agreement or understanding prior to retirement regarding your return to work.
- Safety members may return to a Safety service position without a 180-day break in service.
- Safety members returning to a General position must have a 180-day break in service. This restriction may be waived by the Board of Supervisors (or the applicable employer governing body) following your retirement date if you have special skills needed to perform work of a limited duration. If this requirement is not met, there is a plan violation and **benefits will be suspended, and benefits already paid must be repaid**, until there is a 180-day break in service.
- There must be a two pay period break in service following retirement, which cannot be waived. If the two pay period requirement is not met, federal and state tax penalties may apply. Consult a tax professional for more information.

**Note:** A “break in service” as used throughout this Summary includes the employee terminating employment with no agreement or understanding between the employer and employee that the employee will return to work, either as an employee or an independent contractor, for the employer for the appropriate number of continuous days.

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This Summary was prepared to help retirees understand issues surrounding return to work for a TCERA employer. The information is necessarily general and not exhaustive and TCERA encourages any retiree seeking to return to work as an independent contractor or employee of a TCERA employer to discuss these requirements with the proposed employer. You should not rely solely on the information contained in this Summary. TCERA cannot provide tax advice. If you have tax questions, you may want to seek the advice of a qualified tax professional. If there is any discrepancy between information in this Summary and legal requirements under State or Federal law, the law will govern.