

# Working After Retirement

*This brochure explains the basic provisions for working after retirement with private employers, out of state employers, and employers who participate in the Alaska PERS. It also explains the reemployment restrictions for members who retired under a Retirement Incentive Program (RIP). For specific information regarding your individual retirement, please contact the Alaska Division of Retirement and Benefits.*

## Can I return to work after retirement?

Yes. After you retire, you may work for a private company, in state or out of state, without limitations.

You may work for an out of state or federal government employer without limitations.

If you retired under the standard provisions for the PERS (excluding Retirement Incentive Program (RIP) retirees), you may reemploy and become a member of the Teachers' Retirement System (TRS), Judicial Retirement System (JRS) or National Guard and Naval Militia Retirement System (NGNMRS) without limitations.

You may work in a temporary, nonpermanent position, or on a personal services contract without affecting your retirement benefits.

**Caution:** There are some restrictions for those who retired under a RIP. See RIP reemployment information in this brochure.

## Returning to Work With a PERS Employer

Normal retirement is defined as retiring with either age or service eligibility for an unreduced retirement benefit. After vesting, normal retirement age is 55 for Tier I, 60 for Tiers II/III, and any age for "all others" with 30 years of service or police/firefighters with 20 years of service. (Normal retirement does not include RIP retirees.)

## Returning to Work With a PERS Employer in a Permanent Full-Time or Part-Time Position After Normal Retirement

Alaska Statute 39.35.150 prohibits a member from working in a PERS covered position while receiving PERS retirement benefits.

If you go back to work in a PERS position, your retirement benefit will be suspended until you terminate employment. PERS contributions will be deducted from your paycheck and you will accrue PERS service. You are required to pay back any retirement benefits you receive while simultaneously earning PERS credit. This amount must be paid in full before you retire again.

For most members, when you retire again, your first retirement benefit will be restarted once we receive notification that you have terminated employment. You must apply for the additional retirement benefit earned during reemployment. The additional benefit will be calculated using your back-to-work employment segment and salaries.

For those first hired prior to July 1, 1977, a second option is also available; your retirement benefit can be recalculated combining your original service and back-to-work service. This combined service is then multiplied by the average monthly salary, based on your high three consecutive salaries. Upon your subsequent retirement, you may elect the calculation you prefer.

## Returning to Work With a PERS Employer Permanent Full-Time or Part-Time Position after Early Retirement

Early retirement is defined as retiring prior to normal age eligibility with a reduced retirement benefit. After vesting, early retirement age is 50-54 for Tier I and 55-59 for Tiers II/III.

If you go back to work in a PERS position, your retirement benefit will be suspended until you terminate employment. PERS contributions will be deducted from your paycheck and you will accrue PERS service.

When you retire again, if you were first hired prior to July 1, 1977, you may have your benefit calculated in one of two ways. Your first and second retirement benefits can be calculated together, as if you had not retired early, with an actuarial reduction based on what you received on early retirement. Or, you may choose to have your previous retirement reinstated. A second retirement benefit will then be calculated using your back-to-work employment segment and salaries. This benefit will have an actuarial increase based on the duration of your reemployment and the difference between your early retirement compared to a normal retirement benefit.

If you were hired after July 1, 1977, you will receive your original retirement benefit and a second benefit based on your back-to-work employment segment and salaries.

## Returning to Work After Taking a Level Income Option (LIO) at Retirement

Under the Level Income Option, you receive a larger PERS retirement benefit before age 65 and a smaller benefit after age 65.

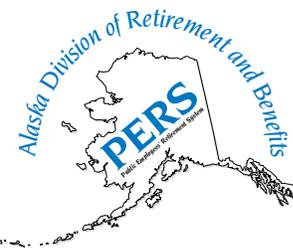
When you return to work, your LIO retirement will be recalculated and adjusted for the pre-65 and post-65 benefits when you terminate employment. Please contact the Division of Retirement Benefits for further information on the affects of reemployment on this option.

## Health Insurance Plans

### What happens to my health insurance while I am reemployed?

If you receive major health benefits (including dental-vision-audio) paid either by the State of Alaska or yourself, your major medical insurance coverage under the AlaskaCare Retiree Health Plan will end on the last day of the month in which you become reemployed. However, if you are reemployed on the first day of a month, your coverage will end on the last day of the previous month.

If you have insurance under your employer, you may need to verify when it goes into effect. If there is a waiting period before your active coverage begins, you may want to purchase retiree COBRA coverage. The division will provide you with the form and information when we are notified of your return to work.



## Dental-Vision-Audio (DVA) Insurance Plan

If you selected the optional DVA insurance plan at retirement, you may continue this coverage once you retire again.

## Long-Term Care (LTC) Insurance Plan

If you or you and your spouse are participating in the LTC program, you must pay the premiums during your period of reemployment in order to continue coverage. **If you do not pay the premiums, you will not be eligible for LTC when you retire again. The division will provide you with the form and information when we are notified of your return to work.**

## RIP Reemployment

### What are the RIP reemployment provisions?

If you retired under the Retirement Incentive Program (RIP), and return to work in a position that is covered by the Teachers' Retirement System, the Public Employees' Retirement System or (for those who retired under the 1996-2000 RIP) the Judicial Retirement System or the University of Alaska's Optional Retirement Program, you will:

1. Forfeit the three years of incentive credit that you received; and
2. The following applicable circumstance:
  - a) For the 1986 and 1989 RIPS, owe the PERS 110% of the benefits that you received as a result of the program, including any costs for health insurance.
  - b) For the 1996-2000 PERS classified school district staff, owe the PERS 110% of the benefits that you received as a result of the program, including any costs for health insurance.
  - c) For the 1996-2000 PERS (non-school district staff), owe the PERS 150% of the benefits that you received as a result of the program, including any costs for health insurance.

An indebtedness will be established for what you owe and will be reduced by the amount that you paid to participate in the RIP.

Interest (currently 7%) will accrue on your indebtedness from the date that you become reemployed until the indebtedness is either completely paid or you retire again. Any balance remaining when you retire again will result in an actuarial reduction to your future retirement benefits.

If you retired under the 1996-2000 PERS RIP, you have the following additional restrictions: you are prohibited from entering into personal services contracts with the University of Alaska or a state of Alaska agency or returning to State employment in a temporary or nonpermanent capacity for five years after you retire (state of Alaska and municipal PERS) or three years after you retire (school district PERS).

### Are there any exceptions for RIP retirees who want to go back to work?

Yes. The following exceptions are very specific and narrowly defined:

- Personal services contracts may be allowed by the University Board of Regents for the University and the Commissioner of Administration for the State when there is a compelling reason to retain an employee who has specialized or extensive experience that relates to a particular program or project.
- Personal services contracts with the legislature are allowed during legislative sessions for hourly individuals who are not eligible for retirement, health, or leave benefits.

- Personal services contracts with the University of Alaska may be allowed for individuals who are employed only to teach or perform research duties.
- Personal services contracts during the three- or five-year restriction with a State agency or the University of Alaska if it is determined that there is a compelling reason to do so because of an individual's specialized or extensive experience that relates to a particular program or project.

### Need more information?

Please contact the Member Services Contact Center, Division of Retirement and Benefits by calling (907) 465-4460 or by email at [doa.drbsmcc@alaska.gov](mailto:doa.drbsmcc@alaska.gov).

## What Tier Am I?

Members who first entered a PERS position and were making contributions:

- **Tier I** — Before 7/1/86.
- **Tier II** — On or after 7/1/86, but before 7/1/96.
- **Tier III** — On or after 7/1/96, but before 7/1/06.

The information included here only applies to Tiers I, II, and III.



## Alaska Division of Retirement and Benefits

6th Floor, State Office Building | 333 Willoughby Ave. | P.O. Box 110203 | Juneau, AK 99811-0203

### Member Services Contact Center

Hours: 10 a.m. - 3:30 p.m.

Toll-Free: (800) 821-2251 | In Juneau: (907) 465-4460 | Fax: (907) 465-3086 | TDD: (907) 465-2805

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