
Working After Retirement

When you return to work in a PERS-covered permanent full-time or part-time position after a normal retirement—not early retirement and not Retirement Incentive Program (RIP)—you have two options available: the Standard Option and the Waiver Option.

When you return to work in a permanent full-time or part-time position after an early retirement, you can only choose the Standard Option.

There are special restrictions on returning to employment in the PERS, the Teachers' Retirement System (TRS), Judicial Retirement System (JRS), and the University Optional Retirement Program if you retired under a RIP or retired early.

Standard Option

When you go back to work, your retirement benefit will be suspended until you terminate employment. PERS contributions will be deducted from your paycheck and you will accrue PERS service. Health coverage will also end.

If you have reemployed in a PERS-covered position and are once again making PERS contributions, you will earn an additional retirement benefit calculated on the service and salaries earned by your second period of employment.

Waiver Option

You will continue to receive your retirement benefit payments during reemployment. You will not pay any PERS contributions and you will not accrue PERS service. Your retiree health coverage will end.

This legislation was enacted during the 2005 legislative session to attract and retain a strong Alaska workforce. The law is effective July 1, 2005, and ends June 30, 2009. If the legislature does not extend this special legislation, as of July 1, 2009, if you continue in PERS-

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covered employment your retirement benefit will stop and you will begin making contributions to PERS.

Retirement Incentive Programs

If you retired under a RIP and are considering returning to work in a position covered by either the PERS, the TRS, or the JRS, please contact the Division before accepting employment because you will:

- ◆ Forfeit the three years of incentive credit you received;
- ◆ For the 1986 and 1989 RIPs, owe the PERS 110% of the additional benefits you received as a result of your participation in the RIP, including any costs for health insurance if you were not otherwise eligible to retire;
- ◆ For the 1996–2000 PERS classified school district RIP, owe the PERS 110% of the additional benefits you received as a result of your participation in the RIP, including any costs for health insurance if you were not otherwise eligible to retire; and
- ◆ For the 1996–2000 PERS (nonschool district) RIP, owe the PERS 150% of the benefits you received as a result of your participation in the RIP, including any costs for health insurance if you were not otherwise eligible to retire.

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 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 RIP, you are prohibited from entering into professional services contracts within the University of Alaska or a state agency or returning to state employment in a temporary or nonpermanent capacity for:

- ◆ Public employees—five years after you retire; or
- ◆ School district PERS employees—three years after you retire.

State of Alaska RIP retirees cannot contract with the state agency from which they were employed at the time of appointment to retirement.

Exceptions

- ◆ 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 hire an employee who has specialized or extensive experience relating 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 to teach or perform research duties; or
- ◆ Personal services contracts during the three or five year restrictions 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.

Earlier Retirement Incentive Programs

If you retired under the 1986 RIP or 1989 RIP and return to PERS-covered employment, you will owe the PERS 110% of the additional benefits that you received as a result of your participation in the program, as well as any costs for health insurance. That amount will be reduced by the amount that you paid to participate in the RIP. All other provisions apply as listed in the 1996–2000 RIP, except:

- ◆ No time restriction before reemployment can occur under the 1986 program and one year restriction under the 1989 program;
- ◆ No restriction on rehiring with the same agency from which you retired; and
- ◆ Under the 1986 or 1989 RIP, participants will lose the three-year RIP credit if they are hired under the University Optional Retirement Program.

