

Keeping Up-to-Date
(Continued)

A supplement to Medicare is available at age 65 to you and your spouse through the Public Employees Health Program (PEHP). For more information call PEHP at (801) 366-7555 or (800) 765-7347, or visit the PEHP website at www.pehp.org.

Lost or misplaced checks may be replaced if you request it in writing.

Direct Deposit is available to deposit your monthly check free of charge directly to your bank or credit union for safety and convenience. You'll receive a detailed monthly deposit notification, unless you notify us otherwise.

Forms are available from the Retirement Office, or on the URS website at www.urs.org.

Address changes are important when it comes to protecting your check. Even though your retirement check may be sent directly to a bank or credit union, we need a current home address to ensure that other important information (publications, monthly deposit notifications and year-end tax information) is sent directly to you. Requests for address changes must have your signature. Forms are available from the Retirement Office or on the URS website at www.urs.org.

Utah Retirement Systems

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(801) 366-7770 • (800) 695-4877
TTY (800) 877-8339 or 711

Southern Utah Branch

165 North 100 East #9
St. George, UT 84770-2505
(435) 673-6300 • (800) 950-4877

www.urs.org

Utah Retirement Systems
Retiring Right!

Post-Retirement Employment



Post Retirement Employment

Retiring Right!

So, you're retiring (at least officially), but you think you might like to put in a few more shifts after you retire. That's OK, many people do. Before you clock in, though, read the important information in this pamphlet. It may apply to you.

Definitions

Agency means the participating employer from which you retired. An agency *does not include* a subdivision of an agency.

Post Retired full-time employment means employment requiring 20 or more hours of work per week or at least a half-time teaching contract.

Post-retirement employment means employment *after* the effective date of your retirement listed on the application you file with the Retirement Office.

Retirement date means the date you select as your effective retirement date on the retirement application you file with the Retirement Office.

Same Agency

Returning to work WITHIN six months of retirement

20 hours or more per week—

If you retire from one of the Utah Retirement Systems and return to employment requiring 20 or more hours of work per week, or at least a half-time teaching contract, for the same agency within six months of your retirement date, your retire-

ment benefit will be cancelled. This means your monthly retirement benefit will stop on the first day of the month following your date of re-employment. You'll return to membership in the retirement system, if you qualify, and you'll accrue additional service credit toward a future retirement. **Exclusion:** If you are a post-retired elected official, your retirement benefit will not be cancelled and you will not accrue additional service credit.

Fewer than 20 hours per week—

When you return to post-retired employment requiring fewer than 20 hours of work per week or less than a half-time teaching contract for the same agency within six months of your retirement date, and you're not an elected official, your compensation cannot exceed the Social Security earnings limit, if you are under full retirement age according to Social Security guidelines. If you exceed this limit, your retirement benefit will be reduced by 25% for each month you exceed the limit through the end of the six-month period. You will not accrue service credit. **Exclusion:** If you are a post-retired elected official, your retirement benefit will not be reduced and you will not accrue additional service credit.

General requirements for re-employment by the same agency

- 1) There can be no guarantee or agreement, written or verbal, between your employer and you that you will have full-time employment in the future.
- 2) Recruitment for your position must commence as soon as possible after your retirement announcement and be consistent with your employer's recruiting procedures for similar positions.

Requirements for re-employment by the same agency — within six months of retirement

- 3) Your job duties for the six-month period immediately following your retirement must be distinctly different or sufficiently reduced from your pre-retirement job duties.
- 4) Within your newly-defined job duties, your employer cannot require or expect you to work 20 hours or more per week.

If any of the preceding four requirements are not met, URS will cancel your retirement benefit.

Returning to work six months AFTER retirement

If you retire from one of the Utah Retirement Systems and return to employment requiring 20 or more hours of work per week, or at least a half-time teaching contract, for the same agency six months after your retirement date, you may keep your retirement benefit and your salary, but you won't accrue service credit.

If you return to regular *full-time employment*, as defined on page 4, for the same agency, your employer must make the required payments to a defined contribution plan. (See *Required Payments to a Defined Contribution Plan* on page 4.)

If you return to employment requiring fewer than 20 hours of work per week, or less than a half-time teaching contract, you won't be subject to post-retired penalties, or required payments to a defined contribution plan, nor will you accrue service credit.

Different Agency

If you return to employment with an agency other than the one from which you retired, you won't be subject to post-retired penalties, nor will you accrue service credit. However, your employer must make the required payments to a defined contribution plan, if you are employed *full-time* as defined on page 4.

Required Payments to a Defined Contribution Plan

This section applies to regular *full-time employment* as defined by each retirement system:

- **Public Employees** — Employment normally requiring the following:
 - An average of 20 or more hours of work per week, including benefits normally provided by the employer;
 - Teaching half-time or more;
 - Working an average of 20 or more hours per week as a classified school employee, regardless of benefits.
- **Public Safety and Firefighters** — Employment normally requiring 2,080 hours of regularly scheduled employment per year (approx. 40 hours/week).

If you return to *full-time employment* as a *nonexempt retiree*, your employer must pay into a qualified defined contribution plan the same percentage of your salary the employer would be required to pay into your URS pension account if you were an active member of the retirement system.

If your employer participates in the qualified defined contribution plan administered by URS, payments must go to the URS plan. If your employer does not participate in the URS plan, payments will go to a qualified defined contribution plan offered by your employer.

If you return to *full-time employment* as a *nonexempt retiree* for a state agency under the Public Employees Noncontributory Retirement System, your employer must also pay 1.5% of your gross salary to the URS 401(k) plan. If you return to *full-time employment* as a *nonexempt retiree*, for an educational institution covered by

the Public Employees Noncontributory Retirement System, your employer must pay 1.5% of your gross salary to the URS 401(k) plan or another authorized, qualified plan.

Note: Required payments to a defined contribution plan **do not** apply to the commissioner of public safety, an elected sheriff in the Public Safety Contributory and Noncontributory Retirement Systems, and to an appointed chief of police in the Public Safety Noncontributory Retirement System who exempts, retires, receives a monthly retirement benefit, and continues in office full-time.

Private Industry

URS retirees may work and earn any amount in private industry without URS penalty.

Service Credits

You can only earn service credit when your retirement is cancelled upon returning to post-retired employment. If you then retire anew after two years, your original service credit will be calculated on the original retirement formula while any new service credit will be calculated on the formula in effect at the time of your second retirement. If you retire anew *before* two years from the cancellation date, your original monthly benefit will be resumed without earning additional service and salary credit.

A Final Word

This brochure is general in nature. Because the rules governing post-retirement benefits are complex, please contact the Defined Benefit Retirement Department at (801) 366-7770 or (800) 695-4877 to find out how your retirement benefits could be affected by returning to work.

Contact the Defined Contribution Department at (801) 366-7720 or (800) 688-401k for information on your 401(k), 457, and IRA plan benefits.

Federal and Utah state income taxes

can be withheld from your retirement check. Federal income tax will be withheld beginning with your first retirement check unless you tell us otherwise. You may change your withholding status at any time. If you're a non-resident, check your state's tax laws for the status of your Utah retirement benefits. Forms are available from URS or on the URS website at www.urs.org.

If you had retirement contributions withheld from your paycheck, you may exclude a percentage of your monthly benefit from taxation. Every January you'll receive a 1099R showing the gross and taxable amounts of benefits paid to you the previous year and the taxes withheld. To access your 1099R for the previous tax year, go to www.urs.org and click on *myURS*. Consult a tax professional regarding your own situation.

Social Security benefits are federally sponsored. Contact your nearest Social Security office or visit www.ssa.gov.

Your right to privacy is protected.

We'll give information over the telephone to the member, participant, or retiree only if he/she can demonstrate his or her identity through knowledge of personal information. If such knowledge cannot be demonstrated, we won't divulge retirement information over the telephone. Since your file is confidential, we will not release information to your spouse, relative, or group representative. Pension and savings plans (401(k), 457, IRAs) information provided via the URS web site and Interactive Voice Response (IVR) System, is permitted only with a valid user identification and PIN. For more information on confidentiality of records or any person's right to access this information, contact the Retirement Office.

Beneficiary designations should be kept current and on file in our office at all times. Forms are available from the Retirement Office or on the URS website at www.urs.org.