

Returning To Work After Retirement

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Topics

- Requirements and Conditions ▷
 - Good-Faith Termination
 - Break In Service
 - WRS Participation Standards
- Options Upon Rehire ▷
 - Annuitant vs. Active Employee
- Impact on Life and Health Insurance ▷
- Retiring Again ▷

Employment Not Covered by the WRS

As a retiree you may work in
private employment any time

No effect on your WRS benefits

No earnings limit

Social Security does impose earnings limits

Requirements and Conditions

Federal Requirement

Federal law requires a
“Good-Faith Termination”
of employment in order to qualify
for a retirement benefit
distribution from a qualified plan
such as the WRS

WRS Requirement

The WRS requires a
“Good-Faith Termination”
and a
“Break in Service”
in order to qualify for a
retirement benefit

Conditions of a Good-Faith Termination

- ◆ WI Admin. Code ETF § 10.08 defines the condition(s) that constitute a valid good-faith termination . . .
 - . . . Employer has no rights to any future services from the employee . . .
 - which means . . .

Good-Faith Termination (Per WI Administrative Code)

Prohibits an *enforceable agreement* for any future employment with the same employer even if it does not meet WRS *participation standards*

and

Prohibits an *enforceable agreement* for any future employment with a different WRS employer that would meet WRS *participation standards*

WRS Participation Standards

WRS Participation Requirements			
If initially employed before 7/1/2011		If initially employed on or after 7/1/2011	
Must be expected to work <ul style="list-style-type: none"> • At least 1/3 of full time • For at least one year 		Must be expected to work <ul style="list-style-type: none"> • At least 2/3 of full time • For at least one year 	
440 hours	Teachers and non-teaching employees of school districts	880 hours	Teachers and non-teaching employees of school districts
600 hours	All others	1200 hours	All others

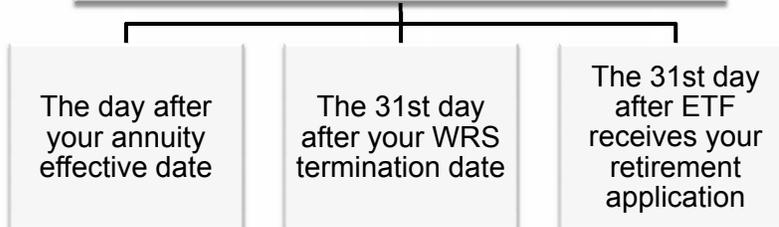
Applies to project or limited term employment (LTE)

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Required Break In Service

Applies if employment meets participation standards
or
 return to employment is with **same** employer,
 regardless of participation

Employment cannot begin until the latest of the following dates:



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Required Break In Service Example

Termination date	6/30
Annuity effective date	7/1
Application received date	5/16

- ▶ Employee returns to work on 8/8

Day after annuity effective date	7/2
31st day after termination date	7/31
31st day after ETF's receipt of application	6/16

Required break in service was met

Required Break In Service Example

Termination date	6/6
Annuity effective date	6/7
Application received date	6/28

- ▶ Employee returns to work on 7/24

Day after annuity effective date	6/8
31st day after termination date	7/7
31st day after ETF's receipt of application	7/29

Required break in service was not met

Required Break In Service

Failure to meet the statutory break in service will result in

- ✓ Cancellation of your annuity
- ✓ Repayment of any benefits received
- ✓ Other WRS benefits may be affected or lost

Options Upon Rehire

Options Upon Rehire

If you are rehired in a position that meets WRS participation standards you will have a choice:

Remain an annuitant

Elect coverage under the WRS

No earnings limit

Rehired Annuitant Form (ET-2319)

This form is mandatory for any rehired employee receiving an annuity from the WRS.

Department of Employee Trust Funds
Wisconsin Retirement System
P.O. Box 7931
Madison, WI 53707-7931
REHIRED ANNUITANT FORM
Wis. Stat. § 40.26 (1)



PLEASE TYPE OR PRINT IN BLACK
Please refer to Chapter 19 of the WRS Employer Manual for instructions on completing this form.

Employee Name (Last, First, Middle)	Social Security Number or Member ID
Address (street, city, state, zip)	Sex (Male/Female)
Employer Name (if State participation)	WRS Code
ETF Employer ID No. (09-036-)	FOR ETF ONLY
Effective Date	WRS Term Date
Termination Date	Benefit Effective Date
WRS Code (to be completed by ETF)	Benefit App. Method

EMPLOYMENT CATEGORY

<input type="checkbox"/> 30 General Employee	<input type="checkbox"/> 42 Educational Support Personnel
<input type="checkbox"/> 31 Court Reporter	<input type="checkbox"/> 43 Supreme Court Justice
<input type="checkbox"/> 32 State Exec. Retirement Plan (Wis. Stat. § 20.923 (4), (8) or (9))	<input type="checkbox"/> 46 Legislator or State Constitutional Officer
<input type="checkbox"/> 33 Protective Occupation Under Social Security	<input type="checkbox"/> 47 Court of Appeals Judge
<input type="checkbox"/> 34 Protective Occupation Not Under Social Security	<input type="checkbox"/> 48 Circuit Judge
<input type="checkbox"/> 40 Teacher	<input type="checkbox"/> 49 Elected Official or Appointed to Fill an Elected Office
<input type="checkbox"/> 41 Executive Teacher	

Employee Election

I understand that at this point, I am not eligible to participate in the WRS. If I want to become eligible, I understand that I would need to fill out a new Rehired Annuitant Form indicating my intent to participate in the WRS, or my intent not to actively participate in the WRS.

I elect to participate in the WRS as an active employee pursuant to Wis. Stat. § 40.26 (1). I certify I had a valid termination and have remained terminated from all WRS participating employment between my date of termination and the latest of the following dates:

- the day after my annuity effective date, or
- the 31st day after my termination date, or
- the 31st day after ETF received my benefit application.

I understand my WRS annuity will be terminated and WRS coverage will begin effective the first of the month following ETF's receipt of this election. I understand this election can be revoked only if ETF receives my written request to withdraw this election prior to the day WRS coverage would resume. I will be eligible to reapply for a retirement annuity only when I again terminate all WRS covered employment. Note: This option is available even if you have been rehired for an extended period and you now want to participate as an active employee.

I do not elect to actively participate in WRS pursuant to Wis. Stat. § 40.26 (1). I certify I have a valid termination and have remained terminated from all WRS participating employment between my date of termination and the latest of the following dates:

- the day after my annuity effective date, or
- the 31st day after my termination date, or
- the 31st day after ETF received my benefit application.

I understand I may elect to actively participate in the WRS at any time in the future, provided I meet the WRS eligibility criteria for participation, by filing an updated form.

EMPLOYEE MUST SIGN HERE

Signature of Employee (in ink) _____ Date _____

AGENT MUST SIGN HERE AND SUBMIT TO ETF

I hereby certify the named is an employee of this participating employer, and that the indication above reflecting that the employee is or is not currently eligible to participate in the WRS as defined in Wis. Stat. § 40.22 is accurate. I further understand that if a determination has been made that the employee is not WRS eligible, if the employee were to later become WRS eligible under Wis. Stat. § 40.22, I would need to provide the employee the option of electing to participate in the WRS and to fill out a new Rehired Annuitant Form. I understand that Wis. Stat. § 943.336 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct. I certify that I am responsible for reporting coverage information to the Wisconsin Retirement System.

Signature and Title of Agent _____ Date _____

Not eligible to participate

Electing Coverage

Remaining an Annuitant

Re-employment Requirement

Effect on WRS Life and Health Insurance

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Effect on Life Insurance

If you return to work prior to age 70 with a participating employer

Your choice as an Annuitant

- Continue coverage as retiree
- Premiums deducted from annuity until age 65

Your choice as a participating employee

- Continue coverage as retiree
- or**
- Apply for coverage as active employee
- Premiums deducted from salary

*Wisconsin Public Employers
Group Life Insurance Program*

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For Annuitants Insured Under:



Effect On Health Insurance

- ◆ If not electing to participate in the WRS
 - ▲ Health coverage as an annuitant is not affected
- ◆ If electing to participate in the WRS
 - ▲ Eligible for health coverage offered to active employees and
 - ▲ No longer eligible for coverage as annuitant

Effect On Health Insurance

State Retirees Returning to State Employment



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Effect On Health Insurance

State Retirees Returning to Local Employment

- ◆ If participating employee is using state SL credits to pay for health insurance premiums:
 - ▲ Must put SL credits in escrow (unless already escrowed)
 - ◆ Cannot access until you retire again
 - ▲ Must have comparable coverage elsewhere

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Effect On Health Insurance

Local WRS Retirees

- ◆ If terminate employment from a local WRS employer
 - ▲ Eligible for the *Local Annuitant Health Plan (LAHP)*
 - ▲ Must apply for both your annuity and health coverage within 60 days of termination

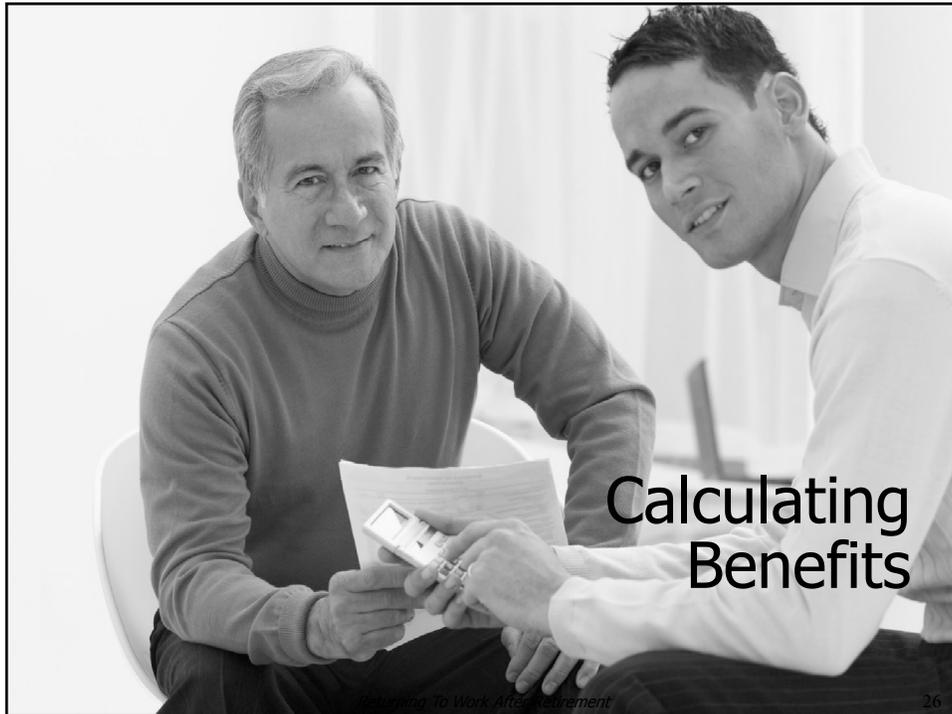
Retiring Again

Retiring Again



Upon terminating WRS employment again

- ✓ Can reapply for a retirement annuity
- ✓ Select any annuity option for which you are eligible



Calculating Benefits

Recalculating a Retirement Annuity

- ① The calculation uses new final average monthly earnings (if applicable) for all WRS employment
- ② Service earned after return to work is calculated based on laws in effect on the most recent termination date
- ③ Service earned prior to original retirement is calculated based on laws in effect when originally retired

Recalculating a Retirement Annuity

- ◆ After annuity is calculated
 - ▲ Annuity will be reduced by the value of the payments made before the annuitant's normal retirement age and then converted to a monthly amount
- ◆ The value of the *recalculated* retirement benefit may be larger than the original, but it can never be less

No Earnings limit

Wrapping up

WRS requires a good-faith termination and minimum break in service prior to future WRS employment

Choice of remaining an annuitant **or** electing WRS participation (active employment)

Remaining an annuitant

- Keep existing life and health insurance
- Continue receiving your monthly annuity & a paycheck from your employer

Electing WRS participation

- Annuity stops
- Earn sick leave
- Enroll in life/health insurance with employer
- ETF will re-calculate your annuity
- Choose any payment option for which you are eligible

Thank you for
watching