

# Returning to State Employment

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# Returning to SERS

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## Returning to Work After Retiring

- If member returns to state employment on a permanent basis after retirement, they should notify SERS immediately.
- There are two methods of returning to state employment that may not affect the continuation of a SERS pension: contractual (Tier 1 only) and non-permanent (Both Tiers).

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## Reciprocity

- If a member receives a pension from more than one Illinois public retirement system which participates in the Retirement Systems' Reciprocal Act, they must notify each retirement system.
- Each reciprocal retirement system has specific rules to determine if retirees are eligible to receive pension benefits during reemployment.

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## Reciprocity

- Tier 1 retirees receiving a proportional annuity from another reciprocal retirement system that return to service under that system will have the proportional annuities payable from that System and SERS suspended for the duration of that service.
- Tier 2 retirees who return to work with a system that participates in the Retirement Systems' Reciprocal Act will have their pension suspended even if the retiree did not retire reciprocally.

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## Contractual Employment

### Tier 1

If a member returns to State employment on a contractual basis after retiring and were not a participant in the 2002-2003 Early Retirement Incentive (ERI) program or if the member returns to employment in the private sector, their SERS benefit will not be affected. Early Retirement Incentive participants from 2002-03 are not allowed to return to work on a contractual basis.

### Tier 2

If a member returns to State employment as a contractor with the employer from which they retired, their benefit shall be suspended.

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## Non-Permanent Reemployment

- If a retiree's employment with the state will last for 75 or less working days per calendar year (any part of a day is counted as a full day), they will continue to receive their pension payment.
- During employment, they make no contributions to SERS, but they must contribute to Social Security.
- If a member works more than 75 working days, their pension benefit will end on the 76th day and they will resume contributing to SERS.
- 75-day employment requires certification to be submitted to SERS by their agency.

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## Permanent Reemployment

- If a member is reemployed by the state on a permanent basis, they won't be eligible for pension benefits while working. They will make contributions to both SERS and Social Security during the employment and earn additional service credit.
- After the member again retires from state employment, they must reapply for a pension. The new pension amount will be the benefit earned before reemployment, plus the pension amount earned during reemployment.
- If the member re-enters state service within three years after retiring, they may qualify to have the new retirement benefit computed as though they never retired. To qualify, they must repay all of the pension benefits they received, plus interest.
- The repayment may be made in a lump sum, by installments paid within five years after the reemployment, or before the next retirement date, whichever is first.

# **Returning to SERS**

## **Returning to Work After Receiving a Refund**

If a member returns to state employment after receiving a refund, they may repay their refunded contributions with interest and have their previous service credit restored after they complete at least 24 months of credited service subsequent to the date of the refund.

Credited service from other public retirement systems under the Reciprocal Act can also be used to meet the two year requirement.





## Returned to Work Retirees

### **Do I need to continue submitting Form #3904 - Report of Retiree Non-Permanent Employment?**

No, all Retirees employed in a nonpermanent position need to be reported under the Returned to Work Retirees Task. At the end of each payroll period, the dates the Retiree worked should be entered and certified. Each payroll period needs to be certified. You can certify all remaining payroll periods as final once the Retiree has completed their contract with the Agency. All Retirees, Reported Days Worked, and Certifications need to be submitted by February 15 of the following year.



## **Returned to Work Retirees**

**Do I need to continue submitting Form #3905 - Certification of Retiree Return to State Employment?**

No, Form #3905 – Certification of Retiree Return to State Employment is no longer required.

# Returned to Work Retirees

## **What days should be reported?**

Any fraction of a day worked is considered a full work-day. If the Retiree is paid for a holiday, sick day, personal day, etc., it is the same as if the day was worked and must be reported.



## **Returned to Work Retirees**

**Can I make a correction to the Reported Days Worked for a payroll period after the certification has been submitted?**

Yes, you are allowed to add an adjustment to the Reported Days Worked and recertify until February 15th of the following year.

After February 15th, you will not be able to modify any of the data entered for the previous calendar year.



# Returned to Work Retirees

## **What happens if a Retiree exceeds the 75-day limit?**

When a retired nonpermanent employee exceeds 75 working days during a calendar year the SERS pension is suspended, and their employment status must be changed to permanent. Reciprocal system pensions are also suspended.

The permanent status is effective the first pay period following the date the employee completed 75 working days in a calendar year and SERS retirement contributions must be deducted from salary.



# Returned to Work Retirees

## **What happens if a Retiree exceeds the 75 day limit?**

If the nonpermanent employee participated in any Alternative Retirement Cancellation Payment (ARCP) buyout and exceeds the 75-day limit, or returns to full time employment, the employee is required to repay to SERS the ARCP portion of their buyout within 60 days of the return-to-work date. Reciprocal system pensions are also terminated. Retirement deductions must be made from their salary for SERS effective the first pay period following the date they complete 75 working days.



# Returned to Work Retirees

## **What happens if a Retiree exceeds the 75-day limit?**

If the nonpermanent employee participated in the Contingent Lump Sum Incentive Program (CLSIP) and exceeds the 75-day limit, or returns to full time employment, the employee is required to repay to Central Management Services the full amount of the incentive, including any amounts withheld for taxes, etc. The employing agency should contact Central Management Services' Personnel for clarification of employment restrictions.