



## I'VE RETIRED NOW WHAT?

Whether TRS retirees are interested in earning extra income or getting paid to do something they enjoy, many retirees find themselves considering working after retirement. There is good news for these retirees - TRS allows its retirees to return to work after retirement, with certain limitations:

**Non-TRS Employers:** A retiree can work at an employer that does not participate in TRS without any limitations.

**TRS Employers:** Retirees cannot work at any TRS Employer in ANY capacity for 60 days following their retirement. After that time period, retirees can return to work subject to certain limitations.



## RETURNING TO WORK

When a retiree returns to work for a TRS employer there are special considerations related to that employment:

### First 60 Days:

TRS retirees **CANNOT** work at any TRS employer in **ANY** capacity for a **60 day period following their last day of preretirement employment.**

Failing to do so will result in a forfeiture of all retirement benefits received during this period.

### Work after the 60 day period:

TRS retirees have two options when returning to work at a TRS employer after the 60 day break. They can return to work in **(1) Non-Contributory Status** (receiving retirement benefits) or **(2) Contributory Status.**

**1. Non-Contributory Status:** Retirees returning to work in a non-contributory status continue to receive their monthly retirement benefit, but are subject to earning limitations for the first 36 months following their retirement.

**2. Contributory Status:** Retirees returning to work in a contributory status suspend their monthly retirement benefit until employment is terminated and are not subject to any earning limitations. These retirees contribute to TRS on the same terms as non-retirees and accumulate additional service years. These service years may be used to accrue a secondary retirement benefit. This is a second separate retirement—these years are not added the member's initial retirement calculation.

These rules only apply to work at a TRS employer. TRS employers include public schools, technology centers, public higher education entities and specific state agencies that employ public education professionals.

### PRE-ARRANGED EMPLOYMENT AGREEMENTS

IRS regulations require a true separation from employment to receive retirement benefits.

Prearranged employment agreements between TRS retirees and their previous TRS employers are not considered a good-faith separation. Such a retirement is considered a sham retirement and could affect the qualified tax status of TRS.

## EARNING LIMITATIONS ON NON-CONTRIBUTORY EMPLOYMENT

If you retire from TRS and continue to receive your monthly retirement benefit, you are in "non-contributory" post-retirement employment. After the mandatory 60 day break in employment, you are subject to earning limitations until 36 months after your retirement. These earning limitations vary based on age:

### Retired less than 36 months:

**61 or younger:** Earnings limit is the **lesser** of

- half of your final average salary (used to calculate your retirement), OR
- the SSA annual earnings limit for those younger than full retirement age.

**62 or Older:** Earnings limit is the **lesser** of:

- half of your final average salary (used to calculate your retirement), OR
- \$30,000.

### Retired 36 months or more:

- **No limit on earnings.**

If you earn more than the stated limits in covered employment, your monthly retirement benefit will be reduced dollar for dollar on the excess amount starting the month after you exceed the limit. If you believe you will exceed the limit, you should notify TRS and either have monthly benefits reduced or plan how to repay any overpayment of retirement benefits by March 1 of the following calendar year.

Since post-retirement earnings limits are based on a calendar year (Jan-Dec), earnings limits are prorated when return to employment occurs in mid-year. Retirees can contact TRS to see how this proration affects their return to work plan.

## SPECIAL SITUATIONS IN POST-RETIREMENT EMPLOYMENT

### Disabled Retirees

Any member under age 62 receiving disability retirement benefits from TRS is not eligible to be employed by any school, public or private, or to a position similar to the position held when disability benefits were approved. After age 62, a retiree receiving disability benefits will be eligible for post-retirement employment under the same conditions that apply to regular retirees. Disabled retirees may be employed in private industry or noneducation related governmental employment so long as combined earnings from such employment and the TRS disability payments do not exceed the final average salary used in calculating your retirement entitlement.

### Working as a Consultant or Independent Contractor

Income from working as a consultant or independent contractor for a public school is exempt from the TRS earnings limit (for example, an athletics official or a conference presenter). However, consulting contracts must meet strict statutory requirements. Retirees who plan on performing consultant or independent contractor work for a TRS employer should contact TRS and provide documentation on the nature of the contract (including a job description). You cannot be an employee and consultant or independent contractor for the same school district. Contributions must be paid on earnings unless TRS approves the contract. Earnings for services performed pursuant to an approved contract will not be counted towards TRS's earning limitations and post-retirement contributions will not be due from the TRS employer.

Please note that this material describes limitations TRS places on post-retirement employment. There may be other limitations placed on earnings by the Social Security Administration.

### Exception to Post-Retirement Earning Limits:

SB 267 (2021) created a limited exception to TRS postretirement earning limitations. If you retired on or before July 1, 2020, AND did not work in any public school in any capacity during the twelve-months immediately after your retirement date, you may be eligible to use this exception. Eligible retired members hired as active classroom teachers will be eligible to work without any limitation on earnings from July 1, 2021, through June 30, 2024. These returning retirees must be hired on temporary contracts and will not receive any additional service credit towards their retirement calculation. Additional rules apply.



**Have questions about TRS and retirement? TRS is here to help!**

Our Retirement Planning Consultants stand ready to help with any questions you have regarding participating in TRS.

**TRS Member Services:**  
**877-738-6365 (toll-free)**  
**405-521-2387 (OKC)**