

PERS Employer Outreach, Communication and Education

Welcome!

EDX Reporting Topics:
Reporting Retirees

V20 November 18, 2014

Retiree Work Hour Limits

- **Ch.238 Tier One/Tier Two retiree:**
 - May not equal or exceed 1,040 hours per calendar year.
 - May work 1,039.99 hours per calendar year and still maintain retiree status.
- **OPSRP retirees MAY NOT return work as retirees in any calendar year in which they worked as an active service member in a “qualifying” position:**
 - **Partial year employment in a job with “qualifying” employer hire intent in a calendar year of less than 600 hours total service , or**
 - **Any job in a calendar year of 600 hours or more total service (both pre-retirement and post-retirement hours are counted for purposes of determining whether 600 hours are worked in the calendar year).**
 - **In a calendar year WITH NO ACTIVE SERVICE, OPSRP retirees may return to work:**
 - **In a “non-qualifying” job:**
 - May not equal or exceed 600 hours per calendar year.
 - May work 599.99 hours per calendar year and still maintain retiree status.
 - **An OPSRP retiree CANNOT work as an OPSRP retiree in a “qualifying” job.**
 - Active membership is re-established on the later of the first day of the calendar year or the date of hire, into a “qualifying” job.
- **Retiree work limits represent combined service with all PERS employers in any calendar year.**
- **Reference:**
 - Tier One/Tier Two: ORS 238.078, 238.082, OAR 459-017-0060.
 - ORSRP: ORS 238A.245, OAR 459-075-0300.

The consequences of meeting or exceeding an annual work hour limit:

- **Active membership is re-established.**
 - **Tier One/Tier Two retirees:**
 - **Retired less than six months** when equaling or exceeding the annual 1040 hour work limit:
 - **Active membership is re-established at the date of hire as a retiree.**
 - **Retired more than six months** when equaling or exceeding the annual 1040 hour work limit:
 - **Active membership is re-established at the first of the month after the month the work limit was met or exceeded.**
 - **OPSRP retiree in a “non-qualifying” job(s):**
 - **Back to the first of the year** in which the member worked throughout the year (pre- and post-retirement) and met or exceeded 600 hours, or
 - **Back to the date hire** in the year 600 hours was met or exceeded.
 - **(Whichever comes later).**
 - **Note: Hours of service with any PERS participating employer count towards the 600 hours.**

Consequence of re-establishing active membership:

- Any retirement benefits paid after active membership is re-established must be repaid by the member.
- Employer contributions begin from the date active membership is re-established.
- Contributions to the member's IAP account begin the date active membership is re-established.

Who is responsible for observing retiree annual work hour limits?

- **Retirees are responsible:**
 - **For knowing applicable work hour limits, and**
 - **Remaining within annual work hour limits, and**
 - **For knowing the consequences of exceeding limits.**
- Employers are strongly encouraged:
 - To help retirees monitor work hours and avoid adverse consequences of work limit violation.

What hours count against a retiree annual work hour limit?

- **All compensated time paid in any calendar year.**
 - Compensated work hours count against the limit in the year worked.
 - Paid leave offered to retirees:
 - Counts against the Tier One/Tier Two 1040 hour annual work limit if taken.
 - **DOES NOT count** against the OPSRP retiree “non-qualifying” position 600 hour annual work limit if taken.
 - Comp. time counts against the annual work limit **in the year earned, NOT the year taken.**
 - Only for Tier One/Tier Two retirees working concurrently in a job subject to the 1040 hour work limit and a job exempt from the work limit (positions listed in ORS 238.082):
 - Compensated hours worked in job(s) subject to the annual work limit count against the work limit in the year worked.
 - Compensated hours **worked in a position exempt from the annual work limit DO NOT count against the work limit.**

The sequence for reporting members retiring and returning to work as retirees:

1. Prior to a member's retirement, ensure all active service DTL2 records have been reported and posted, then...
2. Submit the DTL1-02 Termination record and verify it posts, then...
3. Submit DTL1 retiree records:
 1. DTL1-11: Tier One/Tier Two retiree with a calendar year work limit; OPSRP retiree in a "non-qualifying" position.
 2. DTL1-12: **ONLY for Tier One/Tier Two retirees**, returning with no work limit. **NEVER used for OPSRP retirees.**
4. After a retiree DTL1 record has posted, begin submitting DTL2-07/Retired/No Contributions, ONLY in Regular reports.

DTL1-11:

- Used to report a Tier One/Tier Two retiree with a 1,040 hour/calendar retiree work limit.
 - Work limit applies regardless of the retirement benefit payment option chosen by the retiree.
- Used to report an **OPSRP retiree in a “non-qualifying” position only in a calendar year with NO ACTIVE SERVICE.**
 - The work hour limit in the “non-qualifying” job is 600 hours/calendar year.
 - **NEVER use a DTL1-15 record** to return an OPSRP retiree to work in a “non-qualifying” position **unless your ESC Account Representative asks you to do so.**
 - If the DTL1-11 and/or DTL2-07 records for an OPSRP retiree suspend:
 - Wait a minimum of 90 days to re-save those suspended records, or...
 - Wait to re-save those suspended records until you have verified the OPSRP retiree has received their first retirement benefit.

DTL1-12:

- **Used to report ONLY Tier One/Tier Two retirees, NEVER to report OPSRP retirees.**
- **Used to report Tier One/Tier Two retirees who have NO annual work hour limit:**
 - **Tier One/Tier Two members who retired with a “normal” benefit.**
 - 30 years service regardless of age.
 - Tier One: Age 58 or older, without 30 years service.
 - Tier Two: Age 60 or older, without 30 years service.
 - Tier One/Tier Two Police and Fire: 55 or older, or 50-54 with 25 years service.
 - **May work unlimited hours in positions listed in ORS 238.082 as exempt from the 1040 hr./calendar year annual limit.**
 - **Work unlimited hours ONLY while in an position listed in ORS 238.082.**
 - **Moving to a position not listed in ORS 238.082 re-imposes the 1040 work hour limit.**
 - **Tier One/Tier Two “early” retirees with a reduced benefit:**
 - Tier One: Age 55-57 without 30 years service.
 - Tier Two: Age 55-59 without 30 years service.
 - Tier One/Tier Two Police & Fire: Age 50-54 without 25 years service.
 - **Must wait six full months after retirement before returning to one of the few ORS 238.082 exempt positions available to “early” retirees, or ineligible for the exemption and subject to the 1040 hr. annual limit.**
 - **Tier One/Tier Two retirees (never OPSRP retirees) who have reached full Social Security retirement age.**
 - Age 65-67, based upon Social Security Full Retirement Age which depends upon birthdate.
 - **No work limit beginning the first of the month after full retirement age birthday month.**

DTL1-13:

- Used to report Tier One/Tier Two and OPSRP retirees who:
 - Have exceeded a work hour limit and re-established active membership, or
 - Have voluntarily returned to active service thus discontinuing their retirement benefit.
- Steps to report either category of retiree:
 - Submit a DTL1-13, then...
 - Contact your ESC Account Team representative.
 - **Your representative will begin a series of steps to reverse the individual's retirement status to "inactive" status so you can re-hire the individual as an active service member.**
 - Any problems reversing the member's retirement status to inactive status could delay posting of active service DTL1 records.
 - **The individual will return as an active member of the program from which they retired, Tier One/Tier Two or OPSRP.**

This concludes the EDX Reporting Topics: Reporting Retirees presentation.

Questions?