



11410 SW 68th Parkway
Tigard, OR 97223
www.pers.state.or.us

Employer Announcement #31

May 26, 2005

PERS Chapter 238 Program (Tier One/Tier Two) Members Who Are Receiving Disability Benefits and Return to Work

Employment in General

If a PERS Chapter 238 Program (Tier One/Tier Two) member who is receiving a disability retirement allowance (disability retiree) is medically released for any work for which he or she is qualified, the disability retiree is no longer eligible for disability retirement benefits. The PERS employer should notify the Disability Unit via e-mail prior to the time the retiree returns to employment using the customer-service.pers@state.or.us mailbox.

Employment in a Non-PERS-Covered Position

A disability retiree who has not been medically released for any work for which he or she is qualified may be employed for an unlimited number of hours with a non-PERS-covered position. Until the disability retiree has reached normal retirement age they must report all gross wages to PERS each month. A monthly disability income offset calculation will be performed to determine whether the benefit must be reduced so that the job-related income and the disability retirement allowance together do not exceed the gross monthly salary earned at the time of retirement for disability.

Non-Qualifying Employment with a PERS Employer

A disability retiree who has not been medically released for any work for which he or she is qualified can return to a PERS non-qualifying position and work fewer than 600 hours while continuing to receive disability retirement benefits. Until the disability retiree has reached normal retirement age they must report all gross wages and hours to PERS each month. A monthly disability income offset calculation will be performed to determine whether the benefit must be reduced so that the job-related income and the disability retirement allowance together do not exceed the gross monthly salary earned at the time of retirement for disability. The PERS employer should notify the Disability Unit via e-mail prior to the time the retiree returns to employment using the returntowork.pers@state.or.us mailbox.

90-day Trial Period in a PERS-Covered Position

A disability retiree who has not been medically released for any work for which he or she is qualified, and has received their first disability benefit check from PERS, may return to work in a qualifying position for a 90-day trial period. During this trial period disability benefits will cease, and wages will not be considered salary for the purposes of contributions or benefits, until the disability retiree continues employment beyond 90 days. If the member continues to work in a qualifying position beyond 90 days, the entire period will be considered qualifying and retroactive contributions will be required back to the first day the disability retiree returned to work. The PERS employer should notify the Disability Unit prior to the time the retiree returns to employment via e-mail at returntowork.pers@state.or.us. The 90-day period is considered a non-qualifying term of employment until completed.

If the member's disability prevents completion of the 90-day trial period, the employer should notify PERS using the returntowork.pers@state.or.us mailbox. PERS will resume the member's disability retirement benefits once we have received medical documentation to substantiate that the member's disability prevented completion of the trial period.

Reporting the Disability Retiree

Please do NOT submit DTL1 or DTL2 records or remit contributions for the member during the trial-service period. The member's disability payments will be held at PERS during the trial-service period. At the end of the 90-day period the employer will receive a form from PERS titled "Completion of PERS-Qualifying Trial Service Employment of Disabled Member." This form should be completed and returned to PERS Disability Unit for processing indicating whether or not the member has successfully completed the trial employment.

If the member has successfully completed the 90-day trial period of employment, the employer should submit a DTL1 record indicating the status as "01-New Hire" and the Status Date as the first day the employee returned to work, not the first day following the 90 day period. DTL2 Wage and Service records must be submitted for each pay period during the trial period. These records may be submitted using the Demographic and Correction report, with wages coded as "05 Positive Adjustment"

To report wages for a member who has not been medically released and is working in a PERS non-qualifying position performing fewer than 599 hours of service do NOT Submit a DTL1 Demographic record when the individual begins work. The individual should instead be reported as "07 Retired/No Contributions."

If you have questions about disabled members who are returning to work, please call the PERS Disability Unit at 503-431-8221 for additional assistance.