



Guide to Hiring a PERS Retiree

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Hot topic

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Hiring a PERS retiree

Most PERS retirees are welcome to return to work temporarily for a PERS-participating employer and continue receiving their retirement benefits. However, some people, such as retirees who received an early retirement, must work within certain guidelines or risk canceling their retirement.

This employer guide explains what you need to know to employ a PERS retiree, from how to hire them to understanding impacts and restrictions.

Reporting a PERS-retiree new hire

When you hire a retired public employee on a part-time basis, after they retired from your agency or any other public employer, you must create and submit a new Detail 1 record to re-hire them as a retiree. If you re-hire them soon after retirement, make sure the new-hire record is not in the same report as the retiree's final wages or Detail 1 02 - Termination record (see tip about retirement date on next page).

Submitting a new-hire record

On the Member Demographics page, fill in all relevant fields.

SSN: Social Security Number with no dashes.

Status Code: Use the same determination as you would have before Senate Bill 1049 (discussed in next section).

11 – Retiree New Hire with Hr Limit.

Exceptions:

- Only use 12 when hiring a retiree who qualifies for a pre-SB 1049 exception.
- Only use 13 when hiring a retiree who returns to full-time employment, cancels their retirement, and reestablishes active membership.

Status Date: Their first day on this post-retirement job. Can be on or after the retiree's first-of-the-month retirement date, but never before.

Name

Address: Write in all caps.

Date of birth

Gender: Their current legal gender.

PERS Job Class Code: This is the job class for which they are

Detail 1 - Member Demographics:	
SSN:	111223333
Status Code	11 - Retiree New Hire with Hr Limit
Status Date: (MM/DD/YYYY)	
Last Day Service (MM/DD/YYYY)	
Old SSN:	
First Name:	Michael
Last Name:	Gray
Middle Name:	
Name Change Indicator:	N
Address - 1:	
Address - 2:	
Address - 3:	
City:	
State:	NONE
Zip - 1:	
Zip - 2:	
Province:	
Country Code:	USA
Postal Code:	
Date Of Birth: (MM/DD/YYYY)	
Gender:	
PERS Job Class Code:	
Average Overtime Hours	
Unused Sick Leave Hours	
Contract No. of Months	00
Employer Site Distribution Code	
Non PERS Data Memo	

currently being hired, which may or may not be the same job class that they were in when they retired. Most employees are 01 - General Service, 02 - Police and Fire, or 09 - School Employee.

Average Overtime Hours: The average calendar year overtime hours expected for this particular position. This value affects only OPSRP members, but if you hire a Tier One/Tier Two member, you must enter a value just to get the Detail 1 new-hire record to post.

Contract No. of Months (for school employees): How many months in a year a school employee (job class 09) is expected to work for their education employer. The options are 09, 10, 11, and 12. An employee whose job class is other than 09 *always* has the 00 default.

Tips for success

Retirement date

PERS retirement dates are always on the first of a month. Retirees can return to work as a PERS retiree on or after their effective PERS retirement date.

Status code

Choosing the right status code is very important to avoid accidentally returning a retiree to active service and stopping their retirement benefits.

There are three options for status codes: 11, 12, and 13. **If hiring a PERS retiree, choose the code you would have chosen prior to Senate Bill 1049**, as explained in the next section.

Membership plan

Retirees stay in the plan they were in when they retired: Tier One, Tier Two, or OPSRP. EDX calculates your employer contributions on their wages based on their existing PERS membership plan.

Job class

No matter what kind of work a retiree did before they retired, their new-hire record has a job code that matches the current job. For example, if a career police officer retires and seven months later takes a position at a school district, their new job will have a school-employee job code.

If record “suspends” (i.e., fails to post)

If a Detail 1 new-hire record and any subsequent Detail 2 status code 17 wage records suspend, wait about 90 days to re-save the records. Post-retirement employment segments and associated wages will not post until PERS staff have processed the retirement, which takes about 90 days.

If you are still having trouble getting records to post, contact your [PERS account representative](#).

Working retiree annual hours limitations

Before 2020, working retirees were only allowed to work up to a certain number of hours per year. Employers did not pay any contributions on their hours and retirees did not earn any benefits on those hours.

Starting January 1, 2020, the [Work After Retirement section of Senate Bill 1049](#) relaxed these restrictions. From 2020 through 2024, the bill allows **most** retirees to work unlimited hours for a PERS-participating employer while continuing to receive their retirement benefits (without accruing any new benefits).

The bill also requires employers to pay [employer contributions](#) on PERS retirees' salaries as if they were active members, excluding IAP (6%) contributions. The contributions don't go to the retirees but instead apply to employers' assets to help reduce their rates.

Most retirees can work an unlimited number of hours

Only retirees who retire early and return to work too soon (within six months of their retirement) are limited in the number of hours they are allowed to work per year without risking their retired-member status. Early retirees are responsible for choosing the right time to retire and the right time to return to work if they want to work post-retirement while receiving their retirement benefit. See the "PERS Retirements" section on page 7 for an explanation of early retirement.

The general guidelines for retirees who return to work after retirement are provided below.

PERS members who retire at full retirement age .	May work unlimited hours and still receive their PERS retirement benefits.	No hour limit.
PERS members who retire early (before they reach full retirement age) and have had a complete break from all PERS-participating employment for at least six months from their effective retirement date.	May work unlimited hours and still receive their PERS retirement benefits.	No hour limit.
PERS members who retire early and have not had a complete break from all PERS-participating employment for at least six months from their effective retirement date.	Are limited in how many hours they can work per year and still receive their retirement benefits.	Hour limit. Tier One/Tier Two retirees: limit of 1,039.9 OPSRP retirees: limit of 599.9
PERS retirees who choose to stop their retirement and return to work as an "active" member.	No longer receive their PERS retirement benefits.	No hour limit because they are no longer retirees.

Exceptions

Tier One/Tier Two retirees who are not eligible to work unlimited hours under SB 1049 may be able to work unlimited hours under one of the [exceptions that were available prior to SB 1049](#). These exceptions are not available to OPSRP retirees.

Hours that count against a retiree with annual work hour limits

- All hours worked for any PERS-participating employer count against the limit for the year in which they were worked.
- Paid leave offered to retirees counts against annual work limits, if taken.
- Comp time counts against the annual work limit in the year earned, not in the year taken.

Consequences of surpassing the hour limit

PERS (Tier One/Tier Two)

- If working retiree meets or exceeds the 1,040-hour limit in **less than six months** after retirement, their retirement is canceled, and they become an active member as of the **date of hire** as a working retiree.
- If working retiree meets or exceeds the 1,040-hour limit after **six months or more** after retirement, their retirement is canceled, and they become an active member as of the **first of the month** after the month in which the work limit was met or exceeded.

OPSRP

- If the working retiree meets or exceeds the 600-hour limit, their retirement is canceled, and they become an active member as of whichever of the following comes later:
 - The first of the year in which they met or exceeded 600 hours as a working retiree.
 - The date of hire in the year in which they met or exceeded 600 hours as a working retiree.

Possible additional consequences

- Any retirement benefits paid after active membership is re-established must be repaid by the member.
- Employer must begin making contributions to the employee's IAP account and start deducting voluntary contributions (if applicable) on the date the employee's active membership is re-established.

Working retiree Social Security limitations

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](#)) have no work limit beginning the first of the month after their full retirement age birthday month.

If a retiree is receiving Social Security benefits and **has not reached full retirement age under Social Security**, the Social Security Administration and PERS have additional limitations on their employment. They may need to limit their hours to stay within the income allowed under the annual Social Security income limits.

PERS retirements

PERS offers three different types of retirement: normal (full benefit), early (reduced benefit), and disability.

The age at which a PERS member is eligible for a normal or early retirement depends on their PERS plan, their job class, and their years of service.

Normal retirement

Retirement benefits are generally based on how long you work (i.e., service time), how much you earn, and what type of retirement option you choose (i.e., how long benefits will be paid out). A normal retirement benefit usually provides the maximum benefit.

Employees who have been working in a PERS-qualifying position for at least 25 years can qualify for normal retirement at a younger age.

Retirement eligibility based on service time

Job class	Retirement age			PERS service time
	Tier One	Tier Two	OPSRP	
General Service and School	any	any	58	30 years
Police & Fire	50	50	53*	25 years

*Employee must have held the position of police officer or firefighter continuously for five or more years immediately before the effective date of retirement to qualify for normal retirement at this age.

Retirement eligibility based on age, plan, and service time

Job class	Retirement age			PERS service time
	Tier One	Tier Two	OPSRP	
General Service and School	58	60	65	Less than 30 years
Police & Fire	55	55	60*	Less than 25 years

*Employee must have held the position of police officer or firefighter continuously for five or more years immediately before the effective date of retirement to qualify for normal retirement at this age.

Early retirement

Retiring early reduces an employee's potential benefits compared to normal retirement benefits. It also adds restrictions on those who return to work for a PERS employer.

Retirement eligibility based on age

A member who does not have enough service time to qualify for normal retirement may qualify for early retirement for general service, school, and police & fire employees based upon reaching a minimum age.

Job class	Age			PERS service time
	Tier One	Tier Two	OPSRP	
General Service and School	55	55	55	Less than 30 years
Police & Fire	50	50	50*	Less than 25 years

*Employee must have held the position of police officer or firefighter continuously for five or more years immediately before the effective date of retirement to qualify for normal retirement at this age.

Disability benefits

A disability retirement is not the same as a service retirement. Tier One or Tier Two members may apply for a disability retirement if they become sick or injured and can no longer perform any work for which they are qualified.

While Tier One and Tier Two members are eligible for a disability retirement regardless of their age, OPSRP benefits work differently. The disability benefit OPSRP members may apply for is not a retirement benefit. OPSRP disability benefits end once the member becomes eligible to retire under OPSRP retirement eligibility rules and recipients are then required to apply for a service retirement.

Eligibility for disability benefits

A member must be totally, not partially, disabled and unable to perform any work for which they are qualified for a least 90 days. There are two categories of disability: non-duty and duty.

Non-duty criteria:

- Employee must have 10 or more years of qualifying service as a Tier One, Tier Two, or OPSRP member.
- They must be totally, not partially, disabled.
- They anticipate that they will be unable to perform any work for which they are qualified for at least 90 days.

Duty criteria:

- They have established membership in the Tier One, Tier Two, or OPSRP program.
- They are totally, not partially, disabled.

- They anticipate that they will be unable to perform any work for which they are qualified for at least 90 days.
- Their work was the contributing cause of their injury or disease.

Returning to work – Tier One and Tier Two Members

Tier One/Tier Two disability benefit recipients who want to return to work have three options: returning to work part time, doing a 90-day trial-period of full-time work, and returning to work full time. These which are discussed in more detail below.

Option 1: Return to work part time

Tier One and Tier Two disability retirees may return to part-time work and continue receiving their disability retirement benefit, as long as they comply with these limitations:

- They must not work in a qualifying position.
- They must stay within a work-hour limit of 599.9 hours per calendar year.

If they do not heed these limitations, their disability retirement will be canceled, and they will become an active PERS member. Any disability retirement benefits they receive after they begin work in a qualifying position or exceed the allowed hours may have to be repaid.

Option 2: Complete a 90-day full-time trial

Tier One and Tier Two members who receive a disability retirement benefit and have not been medically released to work may return to full-time work on a trial basis. They may choose to do a 90-day trial period during which their disability benefit will be paused.

OPSRP disability benefit recipients are not eligible for this trial employment period.

For Tier One and Tier Two members, electing to return to work on a trial basis allows them to determine if they are able to return to employment full-time. While they are in their trial period, their disability retirement benefits will be suspended. This enables them to turn their disability benefits back on if they discover during the trial period that they cannot work and need to return to disability retirement.

How to hire a disability recipient for a 90-day trial

To hire a disability recipient for a trial period, the employer must first complete these steps:

- 1 Notify the PERS Disability Unit by e-mail at DisabilityEligibilitySQ@pers.oregon.gov that you intend to hire the retiree (the retiree may complete this step instead).
- 2 Submit a Detail 1 record using status code 01 - New Hire. The Status Date is the first day of the 90-day trial period, not the first day following the 90-day period.
- 3 Submit Detail 2 records for each pay period during the trial period using wage code 05 - Positive Adjustment. Use a Demographics and Adjustment Report to submit those records.

After the trial period

After successful trial period (full 90 days): At the end of the 90-day period, the employer receives from PERS a form titled Completion of PERS-Qualifying Trial Service Employment of Disabled Member. The employer must complete and return the form to PERS' Disability Unit for processing, confirming that the member successfully completed the trial employment.

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 disability claim will be closed.

After unsuccessful trial period (less than 90 days): If the member's disability prevents them from completing the 90-day trial period, the employer completes these steps.

- 1** Email PERS Disability Unit at DisabilityEligibilitySQ@pers.oregon.gov to notify PERS that the trial period is ending early.
- 2** Include a statement, email, or letter from the retiree's treating physician indicating they are unable to continue to work full time.

PERS will resume the member's disability retirement benefits once the Disability Unit receives the email and processes the employee's return to disability retirement.
- 3** Report wages earned during the unsuccessful trial period as 07 - Retiree wages in a Demographics and Adjustment report.

Option 3: Return to full-time work

A member receiving disability benefits who feels confident they are ready to return to full-time work can forego the trial period. To hire a member receiving disability benefits, the employer needs to complete these steps.

- 1** Notify the PERS Disability Unit by e-mail at DisabilityEligibilitySQ@pers.oregon.gov that you intend to hire the member (the member may complete this step instead).
- 2** Submit a Detail 1 record using status code 01 - New Hire. The Status Date is the first day of the 90-day trial period, not the first day following the 90-day period.
- 3** Submit Detail 2 records for each pay period during the trial period using wage code
01 – Regular Wages. Use a Regular Report to submit those records.

Returning to work – OPSRP members

OPSRP disability benefit recipients cannot do any type of work (PERS-covered, non-PERS-covered, or self-employment) while receiving an OPSRP disability benefit. If an OPSRP disability retiree returns to any type of work, their disability retirement will be canceled, and they will become an active PERS member. Any disability retirement benefits they receive after they return to work may have to be repaid.

Therefore, OPSRP disability recipients are welcome to return to work, but their disability benefits will end as of their first day on the job.

To hire an OPSRP disability benefits recipient, follow the steps above under Option 3.

Learn more

For a detailed explanation of the rules around hiring a PERS retiree, read the [Work After Retirement webpage](#) for employers. The following webpages provide information for PERS members.

[Eligibility to Retire Tier One/Tier Two webpage](#)

[Eligibility to Retire OPSRP webpage](#)

[Applying for Disability \(OPSRP Members\) webpage](#)

[Applying for Disability \(Tier One/Tier Two\) webpage](#)