



Information about Senate Bill 892: New Working After Retirement Options for PSRS Retirees

Senate Bill 892 (CCS/SCS/SB 892) was signed into law on July 5, 2018 and goes into effect on August 28, 2018. The law creates different work limitations for **PSRS retirees** who work after retirement for PSRS/PEERS-covered employers in **non-certificated positions**.

- **The law does not create any changes to the working after retirement limits or rules for PEERS retirees, or PSRS retirees working in certificated positions. It only applies to PSRS retirees employed by covered employers in non-certificated positions**, such as a coach, bus driver, cook or office staff.
- Please feel free to call us with questions at **(888) 391-6966** or email **employer_services@psrsmo.org**.

The Basics

- A PSRS retiree can be employed by a covered employer in a non-certificated position(s) without losing retirement benefits, if he or she stays within the statutory salary limit.
- The retiree may earn up to 60% of the minimum teacher's salary set by Missouri law, **\$15,000, per school year**. (The current minimum teacher salary is \$25,000.)
- There is **no limit on the number of hours worked by PSRS retiree in a non-certificated position**.
- Employer contributions are required at the PEERS rate (6.86%).
- Member contributions are not required.
- Employers and working retirees should track salary earned against the limit to help avoid any loss of retirement benefits.
- Employers and working retirees will receive letters when the retiree's salary reaches 50% of his or her limit, and again at 75% of his or her limit.
- Employer-paid insurance for working retirees is considered part of their salary and counts toward the salary limit. Employer contributions will be due on this amount.
- If the retiree's work exceeds the salary limit, his or her retirement benefits will stop effective the month the limit is exceeded and will not resume until the month following when the work ends or a new school year begins on July 1.
- If the retiree's work over the limit is membership eligible, he or she will be required to start a new PSRS membership. The member and employer will then be required to contribute to PSRS at the PSRS 2/3rds contribution rate. Contributions will be required starting from the date the work becomes membership eligible (this may be a partial month). Retirement benefits will not resume until after the member ends membership-eligible employment.

- If the retiree’s work over the limit is not membership eligible, any salary earned over the limit continues to be subject to PEERS contributions from the employer.
- The salary limit is set by law but may change in the future if the law changes.
- The salary limit is per school year and applies to any/all employment in non-certificated position(s) at covered school districts by PSRS retirees. If a retiree works in multiple positions that fall under this provision, his or her total salary limit for such work for the school year is still \$15,000.
- The salary limit will be pro-rated for those who retire in a month other than July. *NOTE: for the 2018-2019 school year, since the new provision becomes available to PSRS retirees on August 28, the proration will be different. See the FAQ section below.*
- If the retiree also works part-time or as a temporary-substitute in a certificated position at a covered employer, his or her work in that position is subject to the 550-hour and 50% of salary limits. This work would need to be tracked separately.

FAQS

Q. Could a PSRS retiree work in a non-certificated position for one employer under this new provision and also for another covered employer (or in another position at the same employer) under the existing 550-hour/50% salary limit provision?

A. Yes. A retired teacher can work two “tracks” simultaneously. For example, a retired teacher could work in a certificated position with the 550-hour and 50% of salary limits at one employer and also work in a non-certificated position with the \$15,000 salary limit and no limit on hours.

The work at the two jobs would need to be tracked separately, as this person would effectively have a different limit for each of the two positions.

EXAMPLE

A retired teacher works as a substitute teacher at Central School District. This is a certificated position. This work is subject to a limit of 550 hours per school year and an annual salary limit of no more than 50% of the annual compensation payable under the employer’s salary schedule for the position, given her level of work experience and education.

She also drives a school bus for the same employer. This is a non-certificated position. For this work, she is subject to a separate salary limit of \$15,000 per school year with no limit on her hours.

Q. Could a PSRS retiree work in a non-certificated position under this provision and also work at a covered school for a third-party employer in a position that requires a DESE-issued certificate?

A. Yes. A retired teacher can work two “tracks” simultaneously. For example, a retired teacher could work as a substitute for a third-party employer at a PSRS-covered school under the 550-hour/50% of salary limits, and also work in a non-certificated position as a school bus driver with the separate \$15,000 salary limit and no limit on hours worked in that position.

Q. If a PSRS retiree works in more than one non-certificated position, is the salary limit still \$15,000?

A. Yes. No matter how many eligible positions are worked the total, annual limit on salary is \$15,000.

Q. Could a PSRS retiree still work in a non-certificated position under the 550-hour and 50% of salary limits?

A. After August 28, 2018, the answer is no.

Q. What are some examples of non-certificated positions in which a PSRS retiree might be employed?

A. Possible positions include:

- Coach
- School bus driver
- Paraprofessional/teacher aide
- Speech/language pathologist
- Audiologist
- School psychologist
- School nurse
- Occupational therapist
- Interpreter for the deaf
- Language translator
- School/home coordinator
- Career education teacher aide

Q. What if a PSRS retiree starts employment for the 2018-2019 school year, but before August 28 when the new provision becomes effective?

A. Until August 28, 2018, all employment, whether certificated or non-certificated, falls under the existing 550-hour and 50% salary limits. The employment should continue to be reported as “Non-Member Retiree” (R) with a “000” position code.

Beginning August 28, 2018, non-certificated work will fall under the new provision. You will need to enroll the retiree as “PSRS as Non-Certificated” (O) with a position code that represents the position the retiree works in. The position code “000” will no longer be accepted. At that time, the new salary limit will begin, and the member will no longer have an hourly limit on the non-certificated work. The 550-hour and 50% salary limits will continue to apply to PSRS retirees working in certificated positions.

Q. Would this provision apply at Community Colleges?

A. Yes.

Q. Would this law apply at Third-Party Employers?

A. No. The only positions PSRS retirees may hold for a third-party employer that are subject to legal limitations are positions that require a DESE-issued certificate, and therefore this would not apply.

Q. Would this \$15,000 per school year salary limit be pro-rated for PSRS retirees who retire in a month only than July?

A. Yes. As with work under the 550-hour and 50% salary limits, the salary limit would be pro-rated for retirees who do not have the opportunity to work a full school year during their first year of work after retirement, due to the month of their retirement date.

Since this new law goes into effect August 28, no working retirees will technically have the option to work a full school year under it during the 2018-2019 school year. Pro-rated limits for the first year will begin for retirees who retire in the month of September and after. July and August retirees would be subject to the full, \$15,000 limit.

Pro-Rated Salary Table
August 28, 2018 – June 30, 2019

Retirement Date	Maximum Salary You Can Earn
September 1	\$12,500
October 1	\$11,250
November 1	\$10,000
December 1	\$8,750
January 1	\$7,500
February 1	\$6,250
March 1	\$5,000
April 1	\$3,750
May 1	\$2,500
June 1	\$0

Starting with the 2019-2020 school year, the pro-rated limits would convert to the normal, 12-month system.