

Working After PEERS Retirement



PUBLIC EDUCATION EMPLOYEE
RETIREMENT SYSTEM OF MISSOURI

A Note to Readers

The information and requirements discussed in this brochure pertain to PEERS service retirees and those PEERS disability retirees who are age 60 or older.

Disability retirees who return to work before age 60 may earn up to the substantial gainful activity limit for non-blind Social Security Disability Insurance (SSDI) benefits, which is set by the Social Security Administration. If they earn in excess of this amount, they are no longer eligible for disability benefits, will have their benefits put on hold and a recovery may be necessary.

For specific information or questions, please feel free to contact our Information Center toll free at **(800) 392-6848**, by email at psrspeers@psrspeers.org or using the LiveChat feature in Web Member Services, the secure portion of our website, www.psrs-peers.org.

Introduction

Working as a retiree for a PEERS-covered employer can be rewarding and beneficial for you and your employer.

Before you can work for a PEERS-covered employer as a retiree, you must properly terminate your pre-retirement employment. Proper termination of employment is also one of the requirements for PEERS retirement. The basic requirements for proper termination are covered in this brochure.

Once you have met the termination requirements, you may choose to work after retirement. Work performed while employed by PEERS-covered employers is subject to a limit on the number of hours you can work each year.

Work for other employers not covered by PEERS is not limited by law and does not impact the payment of your retirement benefits.

Proper Termination of Pre-Retirement Employment

The IRS requires members to provide a clear separation of service between the end of pre-retirement employment and the start of post-retirement work for covered employers.

PEERS requires that you have a separation period of one month from your PEERS retirement date.

To properly terminate pre-retirement employment, you must:

- End all employment with all PEERS-covered employers prior to your PEERS retirement date.
- Not return to work for a PEERS-covered employer in any capacity for a period of one month after your PEERS retirement date.
- Not enter into any agreement, written or unwritten, for future employment at a PEERS-covered employer in any capacity until after receiving your first PEERS retirement benefit. This includes any type of early

retirement incentive or separation agreement that requires you to work in any capacity after retirement in return for salary (including health insurance benefits).

If you violate these rules, your employment is not considered terminated and you are not eligible to retire and receive benefits. Therefore, you are not eligible to work at a covered employer as a retiree. In addition, you are required to repay any benefits received while ineligible and may be required to pay contributions on your salary until you properly terminate your employment.

Example

If Jane retires July 1, she cannot be under any agreement, written or unwritten, for employment, and she may not work for a PEERS-covered employer during the entire month of July. She can agree to employment and begin work on August 1.

Agreements for Post-Retirement Work or Volunteer Hours

If a retirement incentive or separation agreement requires you to work or volunteer in any capacity after retirement in return for salary, including health insurance benefits, you are not considered to have properly terminated your employment and you are ineligible to receive PEERS benefits. Contact our office for more information.



Employment Definitions

- **Full-time employment:** Employment on a regular basis that meets the employer's full-time criteria for the position. For example, if a school district considers a school bus driver to be full-time at 30 hours per week, then a driver working 30 or more hours per week is full-time.
- **Part-time employment:** Employment for fewer hours than required of a full-time employee for the position.
- **Salary:** Financial compensation you receive for covered employment, including employer-paid health, dental and vision insurance premiums for you (the member).
- **School Year:** For retirement purposes, a school year is July 1 through June 30.
- **Substitute Teaching (for a K-12 School District Employer):** Instructing or guiding the studies of students in a teaching position which requires a DESE-issued certificate, in place of a regularly employed teacher who is temporarily unavailable.
- **Substitute Teaching (for a Community College Employer):** Instructing or guiding the studies of students in a teaching position which is certified by the executive officer of the institution according to Missouri law, in place of a regularly employed teacher who is temporarily unavailable.
- **Temporary-substitute employment:** Employment in a position that is temporarily vacant.
- **Volunteering:** Work you perform for which you receive no salary (including health insurance or other benefits).

Temporary Waiver of Work Limit on Substitute Teaching

The work limit on part-time or temporary-substitute work as a substitute teacher is waived through June 30, 2025.

For working after retirement purposes, substitute teaching is defined as follows:

- **For a PEERS-Covered K-12 School District:** Instructing or guiding the studies of students in a teaching position which requires a DESE-issued certificate, in place of a regularly employed teacher who is temporarily unavailable.
- **For a PEERS-Covered Community College:** Instructing or guiding the studies of students in a teaching position which is certified by the executive officer of the institution according to Missouri law, in place of a regularly employed teacher who is temporarily unavailable.

If you substitute teach for a PEERS-covered K-12 school district, a DESE-issued educator certificate or substitute teaching certificate is required in order for your work to be covered under this temporary waiver. For information on how to obtain a substitute teaching certificate, please contact DESE.

A regularly employed teacher is considered temporarily unavailable when the teacher's position is unfilled due to the absence of the regular or former teacher for one year (12 months) or less.

Keep in mind that work performed in other positions not covered by this waiver, including but not limited to work as a bus driver, coach, administrator, nurse or office worker, continues to count toward any applicable work limits and should be tracked to avoid the loss of benefits.

As of this time, the limit on work as a substitute teacher will once again apply effective July 1, 2025.

If you are reported as working after retirement during the waiver, you will receive information on any limits that apply to your work, as well as information on what work falls under the waiver.

If you are unsure whether your work falls under this waiver or have questions, please feel free to contact any of our trained specialists for assistance at **(800) 392-6848**.

Working After Retirement Limits

Unless you are substitute teaching (see page 4), most post-retirement work for PEERS-covered employers is limited by law to a maximum of 550 hours per school year, if you want to continue to receive your retirement benefits.

Work performed for covered employers under Critical Shortage Employment is subject to a different limit. See page 7 for more information.

PEERS-covered employers include:

- All Missouri public school districts *except* the St. Louis (city) and Kansas City public school districts
- All Missouri public two-year colleges (often called community colleges) *except* St. Louis Community College
- Statewide non-profit educational associations that have elected to join

Work for employers that are not covered by PEERS is not limited by law and will not affect the payment of your benefits.

If your work is subject to a limit, you must track your work. If you exceed the limit, your benefits may be put on hold effective the month the limit is exceeded and until the month after your work ends or a new school year begins on July 1, whichever comes first.

If you exceed your working after retirement limit, you must repay to PEERS the amount earned in excess of the limit, or the entire amount of your monthly benefit for any month during which the limit was exceeded, whichever is less.



Determining Your Limit

Work for PEERS-Covered Employers

Part-Time Work

If you work after retirement for a PEERS-covered employer in a part-time or temporary-substitute position, and you want to continue to receive your monthly benefits, you are limited to working a combined maximum of 550 hours per school year (July 1 – June 30).

Please note, this work limit is temporarily waived for work as a substitute teacher. See page 4 for more information.

Limit on Hours

- You can work up to a combined maximum of **550 hours** part-time or as a temporary-substitute each full school year (July 1 – June 30).
- All employment in any capacity with all PEERS-covered employers counts toward the limit.
- Hours that you volunteer while also working for the same employer in a paid position that is subject to the limit on hours will count toward your hourly limit if the duties performed while volunteering and working are **not substantially different**. See page 9 for more information on volunteering.
- If you teach at a PEERS-covered public two-year college, you must convert the credit hours you teach to clock hours in order to track your progress against the hourly limit. **The simple conversion is:**

Conversion Formula

1 Credit Hour = 30 Clock Hours

You will receive more information on the conversion formula when you return to work, along with other information on how to track your hours.

Example

Collin is retired and returns to work for a PEERS-covered K-12 school district as a custodian. His work is subject to the working after retirement limit on hours. If he works more than 550 hours during the school year as a custodian, his retirement benefits may be put on hold.

Full-Time Work

If you work full-time for a PEERS-covered employer in a position subject to the hourly limit, you are no longer eligible for PEERS service retirement benefits. Your benefits will be put on hold until the month after your full-time employment ends or when a new school year begins on July 1, whichever comes first.



Other Working After Retirement Considerations

Critical Shortage Employment

Critical Shortage Employment is a legal provision that allows PEERS retirees to return to work for PEERS-covered employers while continuing to receive PEERS service retirement benefits.

To be employed under this provision, your employer must certify that there is a critical shortage of qualified applicants for the position, and that they have met the necessary requirements to declare a critical shortage.

If you work after retirement for a PEERS-covered employer that has declared a critical shortage, you can work for up to 48 months without losing your PEERS benefits. The 48 months of employment do not have to be consecutive – there can be breaks in the employment. However, you cannot work more than 48 months total throughout your retirement. You do not pay PEERS contributions or earn service while working under this provision.

If you work under this provision and also work in an additional position(s) that is not covered by the Critical Shortage as certified by your employer, the additional position(s) is subject to the separate 550-hour limit.

Example

Gina is retired and returns to work for a PEERS-covered school district as a bus driver under Critical Shortage Employment. In addition, she will provide clerical help in the school office.

Under the Critical Shortage provision, Gina is limited to working a maximum of 48 months as a bus driver.

Her work as an office clerk is limited to a maximum of 550 hours per school year, since it is not part of her Critical Shortage Employment.

An employer can hire up to 10% of the non-certificated staff, not to exceed five individual PEERS retirees, to work under this provision. Employers must meet certain requirements.

In order to employ retirees under this provision, the employer must annually:

- Not have offered early retirement incentives for either of the previous two school years
- Post the vacancy or vacancies for at least one month
- Solicit applications through the local newspaper, other media, or teacher education programs
- Make a good faith effort to fill positions with non-retired applicants
- Determine that there is an insufficient number of eligible applicants for the advertised position(s)
- Declare that they currently have a shortage of employees

Working as an Independent Contractor or Consultant

Employees can be covered by PEERS and independent contractors cannot. Therefore, work done as an independent contractor does not count toward the PEERS working after retirement limits.

How can you tell if you are an employee or an independent contractor? In general, the common law standard dictates that if your employer has the right to control the manner and means of accomplishing the work you are responsible for performing, then you are an employee, not an independent contractor.

Working as a Consultant

Whether a position is referred to as “consulting” does not determine whether PEERS covers that person. The critical distinction between being an employee and being an independent contractor or consultant is based on IRS definitions.

Corporations Working as Independent Contractors

Whether or not an individual is incorporated does not, by itself, ensure that an individual is considered an independent contractor with respect to post-retirement employment.

Depending on the circumstances, a corporation could be considered as only a shell or alter ego of the individual. If the individual is merely performing a role that ordinarily

would be considered an employee, the corporation will likely be considered an alter ego of the person, and the PEERS working after retirement limits will apply. The central question remains: Who has the right to control the activities of the individual – the corporation or the employer?

If you have questions about how to tell if your post-retirement work status is one of an employee or an independent contractor, you can find information on the IRS website www.irs.gov, call your local IRS office, or call the IRS toll free at **(800) 829-1040**. Employers should complete an IRS Form SS-8 and return the form to the IRS.

You may also refer to IRS Publication 15-A, Employer's Supplemental Tax Guide.



More About the Work Limit

Pro-Rated Limit on Work in the Year You Retire

During your first year of work after retirement, your limit may be pro-rated based on your retirement date, if your retirement date causes you to be ineligible to work an entire school year as a retiree.

When your employer reports to us that you are working as a retiree, we will send you information that includes your personal limit for the school year.

Pro-Rated Hourly Limits During First School Year After Retirement	
Retirement Date	Maximum Hours You Can Work for the School Year
July 1	550
August 1	504
September 1	458
October 1	413
November 1	367
December 1	321
January 1	275
February 1	229
March 1	183
April 1	138
May 1	92
June 1	0

Volunteering for Covered Employers May Count Toward Limit on Hours

You can volunteer for a PEERS-covered employer after retirement for an unlimited amount of time with no effect on your benefits if you are not a paid employee for the same employer for any duties, and do not receive salary from the same employer.

But if you perform paid work in a position subject to the 550-hour per school year limit **and** also volunteer after retirement for the same PEERS-covered employer, and the volunteering and working are **essentially performing the same function**, the time spent on volunteer work is not considered volunteering and counts toward the 550-hour limit.

If the volunteer work and duties for which you are paid are **substantially different**, only the hours for which you are paid count toward the 550-hour limit.

What Happens if You Exceed the Work Limit?

If you work more than 550 hours in a school year:

- You must notify PEERS immediately.
- Your benefits may be put on hold effective the month in which the limit is exceeded.
- You are required to repay, at minimum, the amount you earned in excess of the limit.
- If your benefits are put on hold, they will resume the month **after** your employment again ends or when a new school year begins on July 1.
- If you meet membership eligibility requirements, you must establish a subsequent PEERS membership and pay contributions to PEERS. See the next section for more information.

If you exceed the limit, your benefits may be put on hold. PEERS will recover, at minimum, the amount you earned in excess of the limit.

Establishing a Subsequent Membership as a PEERS Retiree

- If your post-retirement work for a PEERS-covered employer meets membership eligibility requirements, you must establish a new membership and pay contributions on your salary. You will earn service under your new membership.
- If you earn a minimum of one year of service under your new membership, you are eligible for a second retirement benefit.
- You also have the option to request a refund of your contributions and any interest earned under the new membership. When you do this, you forfeit rights to a second monthly retirement benefit.

You cannot

- Combine your second benefit with your initial benefit
- Choose a Partial Lump Sum Option (PLSO) payment on your second membership
- Choose the Accelerated Payment Plan (APP) on your second membership

You are not eligible to receive retirement benefits for any month in which you earn service for employment at a PEERS-covered employer. If you earn a full year of service, PEERS must recover any benefits paid during that school year.

Example

Mark is retired. If Mark begins working full-time in August, his benefits stop beginning with the August benefit payment and PEERS will recover his July benefit payment because it was paid to him during a school year (July 1 - June 30) when he is set to earn a full year of service. If he does not end up earning a full year of service for the school year, PEERS will repay his July benefit.

It is important to notify PEERS of the start and end dates of your PEERS-covered employment. PEERS will verify the dates with your employer, determine the months for which you are entitled to benefits, and whether you need to reimburse any benefits.

If your full-time employment results in the establishment of a subsequent membership, you must also properly terminate your full-time employment before receiving benefits from this membership. See page 3 for more information.

Record-Keeping Requirements

All PEERS retirees subject to working after retirement limits are required to maintain a **Working After Retirement Record** tracking their work each month. Employers are also required to **maintain** such records and report the information to PEERS.

Working After Retirement Record forms are sent to you each school year when your employer reports your return to work after retirement. These forms are also available on the PEERS website.

You should not send a record form to PEERS unless we request it. We may request access to these forms for review at any time.

Accurate record keeping can prevent you from losing benefits. It is in your best interest to:

- Keep an accurate record of your work.
- Consult with your employer when you begin your post-retirement employment to discuss how to track your work.
- Check with your employer regularly to ensure your records are accurate and consistent

If you work for a PEERS-covered employer, that employer reports the hours you work to PEERS each payroll period.

Use PEERS Web Member Services to view your progress toward the working after retirement limit as reported by your employers. Keep in mind, there can be a delay between the time of your work and when your employer submits payroll to PEERS, so you may have worked more hours than what is reported online.

You will also receive notification by letter when you are approaching your limit based on payroll information reported to PEERS by your employer.

If there are discrepancies in the hours you track and those reported by your employer, we will consider your employer's record official.

Frequently Asked Questions

Q. If I work part-time or as a temporary-substitute for a PEERS-covered employer after retirement, how many days in a school year can I work?

A. The law limits the number of **hours** you can work as a retiree, not the number of **days**. The number of days you can work depends on your employer's method of counting the hours in a workday. The number of hours counted as a full day varies from district to district. Talk to your employer to make sure you understand how your work is being tracked.

Q. What hours count toward the 550-hour limit?

A. You are required to count all your time necessary to complete the requirements of your position.

Q. Do I count my lunch period toward the 550-hour limit?

A. If you are being paid for your lunch period and are required to remain at school during lunch, it counts toward the 550-hour limit. If you are not receiving pay for your lunch period and are able to leave for lunch, then you should not count the time toward the limit. However, it is always a good idea to check with your employer to be sure you understand how your employer is tracking time.

Q. If I receive a paid holiday, what do I count toward the 550-hour limit?

A. The hours paid for that day do not count toward the 550-hour limit because you did not "work" the hours.

Q. If I exceed the 550-hour limit, when could my benefits stop?

A. Your benefits may be put on hold effective the month you exceed the 550-hour limit. If your benefits are put on hold, they will not resume until the month after your employment ends or when a new school year begins on July 1.

Q. If I exceed the 550-hour limit, how much of my benefits will I lose?

A. If you exceed the limit, you must repay to PEERS the amount earned in excess of the limit, or the entire amount of your monthly benefit for any month during which the limit is exceeded, *whichever is less*.

Q. Does the 550-hour limit also apply to disability retirees?

A. For disability retirees, post-retirement work limits depend on their age. Prior to age 60, disability retirees cannot have earnings in excess of the substantial gainful activity limit for non-blind Social Security Disability Insurance (SSDI) benefits, which is set by the Social Security Administration. Prior to age 60, disability retirees have no limit on hours worked.

At or after age 60, disability retirees are no longer subject to the SSDI earnings limit. However, when working for a PEERS-covered employer, they are subject to the same hourly limit that applies to service retirees.

Q. Can participating in a retirement incentive cause me to lose retirement benefits?

A. Yes. For a period of one month from your PEERS retirement date, you cannot be under a written or unwritten agreement for employment at a PEERS-covered employer in any capacity. This includes retirement incentives or separation agreements that require you to work or volunteer in any capacity after retirement in return for salary (including paid health insurance benefits). If you are under either a written or unwritten agreement for future employment, you are not considered to have properly terminated your employment and are not eligible to receive PEERS benefits.

Q. I teach for a public two-year college, and I am paid by the credit hour. How do I determine the number of clock hours to report?

A. Because Missouri's public two-year colleges (also referred to as community colleges) track classroom teaching time in credit hours, you must convert those credit hours to clock hours when tracking your employment as an instructor against the working after retirement limit on hours. The simple conversion is one credit hour equals 30 clock hours.

Legal Disclaimer

This booklet explains your rights, benefits and responsibilities as a member of the Public Education Employee Retirement System of Missouri (PEERS). It is intended to serve as a ready source of information about the System and not as a legal document or a substitute for the law. If differences appear between the law and the booklet, the law must prevail.

The System is governed by the laws found in Chapter 169, *Revised Statutes of Missouri* and the *Missouri Code of State Regulations (CSR)* Title 16, Division 10.

Similarly, the law takes precedence over any oral statements made by a representative of PEERS regarding your rights, benefits and responsibilities as a PEERS member.

For further information, please refer to the PEERS *Member Handbook*, contact us at our office or visit us online.



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