Working After Retirement

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

Before you can work for a PSRS-covered employer as a retiree, you must properly terminate your pre-retirement employment. Proper termination of employment is also one of the requirements for PSRS 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. If you do, it is important to understand the limits that may apply to your work. You must stay within these limits in order for your retirement benefits to continue without interruption.

Work limits apply to:

- Work performed while employed by PSRS-covered employers
- Work performed while employed by a third-party provider (such as a staffing agency) in certain positions while performing duties at PSRS-covered employers
- Work performed as an independent contractor in certain positions while performing duties at PSRS-covered employers.

The work limits vary depending on your employer and, in some cases, whether the position in which you work as a retiree requires you to have a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE).

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

This section of your handbook applies to:

- All PSRS service retirees
- PSRS disability retirees who are age 60 or older

PSRS disability retirees who return to work before age 60 in any capacity for a PSRS-covered employer, or for any non-covered employer and earn more than $18,000 per year, will have their benefits stopped. See page 65 for more information.

If you have questions about your personal situation, please contact us at (800) 392-6848.

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.

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

- To properly terminate pre-retirement employment, you must:
  - End all employment with all PSRS-covered employers prior to your PSRS retirement date.
  - Not return to work for a PSRS-covered employer in any capacity for a period of one month after your PSRS retirement date.
  - Not enter into any agreement, written or unwritten, for future employment at a PSRS-covered employer in any capacity for a period of one month after your PSRS retirement date.

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.
Agreement for Post-Retirement Work or Volunteer Hours

If a retirement incentive or separation agreement requires you to work 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 PSRS benefits. See page 76 or contact our office for more information.

Social Security Taxes

Your post-retirement salary at PSRS-covered employers may be subject to Social Security taxes. Contact your prospective employer for information.

Employment Definitions

Under PSRS working after retirement rules, the following definitions apply:

- **Full-time employment:** Employment in a position that normally requires at least 600 hours during the school year and requires the employee to either work the full school day or work at least the same number of hours per week as required for such a position.

- **Part-time employment:** Employment for fewer hours than is required of a full-time employee for the same position.

- **Salary:** Financial compensation you receive for covered employment, including employer-paid health, dental or vision insurance premiums for you, the member, payouts for unused leave, and any other payments or incentives received as a result of the employment.

- **School Year:** For retirement purposes, a school year is July 1 through June 30.

- **Temporary-substitute employment:** Employment in a position that is temporarily vacant.

- **Third-Party Provider:** An employment or staffing agency that employs PSRS retirees to provide services at PSRS-covered schools.

- **Volunteering:** Work you perform for which you receive no salary (including health insurance or other benefits).

Working After Retirement Limits

Post-retirement work for PSRS-covered employers, as well as some work as an independent contractor or for third-party employers, is limited by law if you want to continue to receive your retirement benefits. The limits vary depending on your employer and, in some cases, whether the position in which you work as a retiree requires you to have a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE).

PSRS-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)

- Statewide non-profit educational associations that have elected to join

If your work is subject to limits, you must track your work. If you exceed the limits that apply to you, you are no longer eligible to receive your PSRS service retirement benefits, and your benefits will 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 any working after retirement limit that applies to you, the minimum amount of benefits you will lose is one full monthly benefit.

Example

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

When your employer reports to us that you are working after retirement, we will send you individualized information regarding the limits that apply to your work situation. However, it may be helpful to consider in advance what limits will apply to work you are considering. You can start by asking the following questions:

- Is the work performed for a PSRS-covered employer?
- Is that employer a K-12 public school district?
- Is that employer a public, two-year (community) college?
- Is the work performed as an employee of a third-party provider or staffing agency and providing a service at a PSRS-covered employer?
- Does the position in which you work require a DESE-issued certificate?
- Do you meet the IRS definition of an independent contractor?

The following chart gives you a quick look at the various limits that apply, based on the type of work you will perform and your employer. For more detailed information, see the following pages.
Do you work directly for a covered employer?*

**YES**

Is the covered employer a K-12 school district?

Part-Time

Does the position require a DESE-issued certificate?

**YES**

Are you working under Critical Shortage Employment?

**NO**

Your limits are 550 hours and 50% of salary each school year

Full-Time

Does the position require a DESE-issued certificate?

**YES**

Are you working under Critical Shortage Employment?

**NO**

Your limits are 550 hours and 50% of salary each school year

**NO**

Your work is limited to a lifetime total of 24 months of work under Critical Shortage Employment.

Do you work for a third-party provider or as an independent contractor?***

**YES**

Does the position require a DESE-issued certificate?

**YES**

Your work is not limited by law.

**NO**

Your work is not limited by law.

**NO**

If you choose to return to work full-time, your benefits will be put on hold and you will be required to start a new membership.

---

PSRS

*Covered employers include all Missouri public school districts (except the St. Louis city and Kansas City districts), Missouri public two-year colleges and statewide educational associations that have elected to join.*

***This only applies to third party or independent contractors providing services to a covered employer.*
Part-Time Work for PSRS-Covered K-12 School Districts

The limits on part-time or temporary substitute work for PSRS-covered K-12 school districts and educational associations depend on whether or not the position requires a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE).

Certificated Part-Time Work

Unless you are working under Critical Shortage Employment (see page 84), DESE-certificated part-time work for a PSRS-covered K-12 school district or educational association is subject to the following limits on hours and salary.

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).
- Hours that you volunteer while also working for the same employer in a paid position that is subject to limits on hours and salary will count toward your hourly limit if the duties performed while volunteering and working are not substantially different. See page 86 for more information on volunteering.

Limit on Salary

- You can earn up to 50% of the annual compensation payable under the PSRS-covered employer’s salary schedule for the position or positions, given your level of work experience and education.
- If the position is not subject to the employer’s salary schedule, please contact your employer for information on how to determine your salary limit.
- If you fill more than one position subject to limits on both hours and salary, the 50% salary limit is based on the annual salary of the highest paid position in which you work at least 20% of your total hours during the year.
- For tracking purposes, your salary includes any employer-paid health, dental or vision insurance premiums for you, the member, payouts for unused leave, and any other payments or incentives received as a result of the employment.

Example 1

Amy is retired and returns to work for a PSRS-covered K-12 school district as a part-time teacher. Because teachers are required to have a DESE-issued certificate, her work is subject to the working after retirement limits on hours and salary.

Amy has worked as a retiree with the district for 10 years, and has reached her limit for annual leave days that can be carried over. The district will be paying out those days over her limit, in the amount of $900.

The annual compensation payable for the teaching position is $40,000.

\[ 50\% \times 40,000 = 20,000 \]

Her 50% salary limit is $20,000.

The $900 annual leave payout will count toward her limit, so she can effectively earn $19,100 during the school year.

Her hourly limit is 550.

Example 2

John is retired and returns to work for a PSRS-covered K-12 school district as a part-time teacher. Because teachers are required to have a DESE-issued certificate, his work is subject to the working after retirement limits on hours and salary.

The annual compensation payable for the teaching position is $40,000. His employer pays $3,000 per year toward health insurance premiums for active, full-time employees, and this amount should be included in the full-time annual base salary, even though the employer is only paying $2,000 toward John’s health insurance.

\[ 40,000 + 3,000 = 43,000 \]

\[ 50\% \times 43,000 = 21,500 \]

\[ 21,500 - 2,000 (John’s insurance) = 19,500 \]

Therefore, he may earn $19,500 for the school year.

His hourly limit is 550.
Non-Certificated Part-Time Work

Unless you are working under Critical Shortage Employment (see page 84), non-DESE-certificated part-time work for a PSRS-covered K-12 school district or educational association is subject to the following salary limit.

Limit on Salary

- You can earn up to $15,000 each full school year (July 1 – June 30).
- The $15,000 per school year limit is determined by Missouri law and is 60% of the minimum teacher's salary as set by Missouri law (currently $25,000 per year).
- If you fill more than one non-certificated position at a covered K-12 school district or educational association, your combined, total salary limit is still $15,000.
- All salary you receive, including employer-paid health, dental and vision insurance premiums paid for you, payouts for unused leave, and any other payments or incentives received as a result of the employment, counts toward the $15,000 limit, unless you are working for the same employer in a position subject to limits on both hours and salary. In such case, your insurance premiums will count toward your salary limit for that position.

Example

Jane is PSRS retiree who returns to work for a PSRS-covered K-12 school district as a school bus driver. Because school bus drivers are not required to have a DESE-issued certificate, her work is subject to the $15,000 per school year salary limit. At the district where she works, the annual compensation payable for a school bus driver is $14,000. Her employer is not paying anything toward her health insurance. Therefore, Jane will be able to work the entire school year as a bus driver without impact on her service retirement benefits.

Full-Time Work for PSRS-Covered K-12 School Districts

The limits on full-time work for PSRS-covered K-12 school districts and educational associations depend on whether or not the position requires a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE).

Certificated Full-Time Work

If you work full-time for a PSRS-covered K-12 school district in a position subject to both hourly and salary limits, you are no longer eligible for PSRS service retirement benefits (unless you are working in Critical Shortage Employment, see page 84), and 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.

Non-Certificated Full-Time Work

Because there is no limit on hours worked in non-DESE-certificated positions at K-12 school districts, your work may be full-time until you reach your salary limit. See the previous section for more information.

Work for a PSRS-Covered Community College

As a retiree, you may work simultaneously in more than one position subject to working after retirement limits.

If you work after retirement in multiple positions subject to different limits, you must track your work for those positions separately. You will receive information on each limit and the appropriate Working After Retirement Record forms to use for each.

Part-Time Work

Any part-time or temporary-substitute work for a PSRS-covered public two-year (community) college is subject to limits on both the number of hours you can work each school year and the salary you can earn each school year.
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).
- Hours that you volunteer while also working for the same employer in a paid position that is subject to these limits on hours and salary will count toward your hourly limit if the duties performed while volunteering and working are **not substantially different**. See page 86 for more information on volunteering.
- If you teach at a PSRS-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.

Limit on Salary

- You can earn up to **50% of the annual compensation payable** under the PSRS-covered employer’s salary schedule for the position or positions, given your level of work experience and education.
- If the position is not subject to the employer’s salary schedule, please contact your employer for information on how to determine your salary limit.
- If you fill more than one position subject to limits on both hours and salary, the 50% salary limit is based on the annual salary of the **highest paid** position in which you work at **least 20%** of your total hours during the year.

  For tracking purposes, your salary includes any employer-paid health, dental or vision insurance premiums for you, the member, payouts for unused leave, and any other payments or incentives received as a result of the employment.

Example

Collin is retired and returns to work for a PSRS-covered community college as an adjunct professor, part-time. His work is subject to the working after retirement limits on hours and salary.

The annual compensation payable for the position is $40,000. His employer pays $5,000 toward Collin’s health insurance.

\[
\text{Annual compensation} = 40,000 + 5,000 = 45,000 \\
\text{Salary limit} = 0.5 \times 45,000 = 22,500
\]

His 50% salary limit is $22,500. The $5,000 his employer pays toward his health insurance premiums counts toward this limit, so he can earn $17,500 before reaching his salary limit.

\[
\text{Salary limit} - 5,000 = 17,500
\]

His hourly limit is 550. Because he is paid by the credit-hour, he will use the following conversion to determine the clock hours he will track against his hourly limit.

\[
\text{1 credit hour} = 30 \text{ clock hours}
\]

Full-Time Work

If you work full-time for a PSRS-covered community college in a position subject to both hourly and salary limits, you are no longer eligible for PSRS service retirement benefits (unless you are working in Critical Shortage Employment, see page 84), and 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.
Work for Third-Party Providers or as an Independent Contractor

Certificated Part-Time Work

Part-time or temporary-substitute work as a substitute teacher, or in any other position normally requiring a DESE-issued certificate, for a third-party provider (such as a staffing agency) or as an independent contractor with work performed at a PSRS-covered school district is subject to limits on both the number of hours you can work and the salary you can earn each school year.

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).

Hours that you volunteer while also working for the same employer in a paid position that is subject to these limits on hours and salary will count toward your hourly limit if the duties performed while volunteering and working are **not substantially different**. See page 86 for more information on volunteering.

Limit on Salary

- You can earn up to $16,500 per school year, which is 50% of the minimum salary set by the Missouri Department of Elementary and Secondary Education (DESE) for a full-time teacher with a master’s degree and at least 10 years of public teaching experience.
- If you work for both a third-party provider and also directly for a PSRS-covered employer, your salary limit may be calculated differently. Please contact us for more information.
- For tracking purposes, your salary includes any employer-paid health, dental or vision insurance premiums for you, the member, payouts for unused leave, and any other payments or incentives received as a result of the employment.

Example

David is a PSRS retiree working as a substitute teacher employed by a staffing agency that provides temporary and part-time employees for schools. He is assigned to work at a PSRS-covered K-12 school district. Because teachers are required to have a DESE-issued certificate, his work is subject to the working after retirement limits on hours and salary.

Because he works for a third-party provider, David’s salary limit is $16,500, or 50% of the minimum salary set by DESE for a full-time teacher with a master’s degree and at least 10 years public teaching experience.

50% x $33,000 = $16,500
His 50% salary limit is $16,500
His hourly limit is 550.

Non-Certificated Part-Time Work

Work for a third-party provider or as an independent contractor in positions that are not DESE-certificated is not limited by law. However, if you work as an independent contractor, it is important to be sure you meet the IRS requirements to qualify, see page 84-85.

Example

Ann is a PSRS retiree working as a paraprofessional employed by a staffing agency that provides temporary and part-time employees for schools. She is assigned to work at a PSRS-covered K-12 school district. Because paraprofessionals are not required to have a DESE-issued certificate, her work is not subject to the working after retirement limits on hours and salary.
Other Working After Retirement Considerations

Critical Shortage Employment

Critical Shortage Employment is a legal provision that allows PSRS retirees to return to work for PSRS-covered employers while continuing to receive PSRS 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 PSRS-covered employer that has declared a critical shortage, you can work for up to 24 months without losing your PSRS benefits. The 24 months of employment do not have to be consecutive – there can be breaks in the employment. However, you cannot work more than 24 months total throughout your retirement. You do not pay PSRS 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 Critical Shortage Employment as certified by your employer, the additional position(s) is subject to the separate limit(s) that apply, based on whether that position requires a DESE-issued certificate. See previous pages of this section for more information on those limits.

Example

Gary is retired and returns to work for a PSRS-covered school district as a physics teacher under Critical Shortage Employment. In addition, he will coach volleyball.

Under the Critical Shortage provision, Gary is limited to working a maximum of 24 months as a physics teacher.

His additional duty as a coach is subject to an annual salary limit of $15,000 per school year, since it is a non-certificated position and not part of his Critical Shortage Employment.

An employer can hire up to 10% of the certificated staff, not to exceed five individual PSRS retirees, to work under this provision. Employers must meet certain requirements and cannot use Critical Shortage Employment to fill the position of superintendent.

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

What is the difference between an employee and 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.

If you work after retirement as an independent contractor for a PSRS-covered employer in a position that does not normally require a certificate issued by the Missouri Department of Elementary and Secondary Education (DESE), your work does not count toward the PSRS working after retirement limits.

However, if, as an independent contractor, you work for a PSRS-covered employer in a substitute teacher role or any other position normally requiring a DESE-issued certificate, your work does count toward the PSRS working after retirement limits.
Working as a Consultant

Whether a position is referred to as “consulting” does not determine whether PSRS 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 PSRS 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 Limits

Working in Multiple Positions Subject to Limits

As a retiree, you may work simultaneously in more than one position subject to working after retirement limits.

If you work after retirement in multiple positions subject to different limits, you must track your work for those positions separately. You will receive information on each limit and the appropriate Working After Retirement Record forms to use for each.

Example

Wade is a PSRS retiree. He works as a part-time teacher for a PSRS-covered K-12 school district. Because teachers are required to have a DESE-issued certificate, Wade’s work in this position 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 his level of work experience and education.

The annual compensation payable for the teaching position is $40,000.

50% x $40,000 = $20,000

His 50% salary limit is $20,000.

His hourly limit is 550.

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

Because the annual compensation payable for a school bus driver is $14,000 at the school district where Wade works, and his employer is not paying anything toward his health insurance, Wade will be able to work the entire school year as a bus driver without impact on his service retirement benefits.

He must track this work as a teacher separately from his work as a bus driver, against the specific limits for each.

Pro-Rated Limits on Work in the Year You Retire

During your first year of work after retirement, your limit(s) 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(s) for the school year.
### Work Subject to Hours and Salary Limits

#### Pro-Rated Limits

During First School Year After Retirement

<table>
<thead>
<tr>
<th>Retirement Date</th>
<th>Maximum Hours You Can Work for the School Year</th>
<th>Maximum Salary Allowed for the School Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1</td>
<td>550</td>
<td>50%</td>
</tr>
<tr>
<td>August 1</td>
<td>504</td>
<td>46%</td>
</tr>
<tr>
<td>September 1</td>
<td>458</td>
<td>42%</td>
</tr>
<tr>
<td>October 1</td>
<td>413</td>
<td>38%</td>
</tr>
<tr>
<td>November 1</td>
<td>367</td>
<td>33%</td>
</tr>
<tr>
<td>December 1</td>
<td>321</td>
<td>29%</td>
</tr>
<tr>
<td>January 1</td>
<td>275</td>
<td>25%</td>
</tr>
<tr>
<td>February 1</td>
<td>229</td>
<td>21%</td>
</tr>
<tr>
<td>March 1</td>
<td>183</td>
<td>17%</td>
</tr>
<tr>
<td>April 1</td>
<td>138</td>
<td>13%</td>
</tr>
<tr>
<td>May 1</td>
<td>92</td>
<td>8%</td>
</tr>
<tr>
<td>June 1</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Volunteering for Covered Employers May Count Toward Limit on Hours

You can volunteer for a PSRS-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 PSRS-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.

Because you receive no salary for volunteer work, it will not have any impact on the payment of your benefits if your work is subject only to the $15,000 per school year salary limit.

### Work Subject to Only a Salary Limit

#### Pro-Rated Limits

During First School Year After Retirement

<table>
<thead>
<tr>
<th>Retirement Date</th>
<th>Maximum Salary Allowed for the School Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1</td>
<td>$15,000</td>
</tr>
<tr>
<td>August 1</td>
<td>$13,750</td>
</tr>
<tr>
<td>September 1</td>
<td>$12,500</td>
</tr>
<tr>
<td>October 1</td>
<td>$11,250</td>
</tr>
<tr>
<td>November 1</td>
<td>$10,000</td>
</tr>
<tr>
<td>December 1</td>
<td>$8,750</td>
</tr>
<tr>
<td>January 1</td>
<td>$7,500</td>
</tr>
<tr>
<td>February 1</td>
<td>$6,250</td>
</tr>
<tr>
<td>March 1</td>
<td>$5,000</td>
</tr>
<tr>
<td>April 1</td>
<td>$3,750</td>
</tr>
<tr>
<td>May 1</td>
<td>$2,500</td>
</tr>
<tr>
<td>June 1</td>
<td>$0</td>
</tr>
</tbody>
</table>

What Happens if You Exceed a Limit?

If you exceed any of your working after retirement limits:

- You must notify PSRS immediately.
- Your benefits will be put on hold effective the month in which the limit is exceeded.
- You are required to repay benefits received while ineligible.
- Your benefits 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 PSRS membership and pay contributions to PSRS. See the next section for more information.

If you exceed a limit, you are no longer eligible for benefits and they will be put on hold. The minimum amount you will forfeit is one full monthly benefit.
Establishing a Subsequent Membership as a PSRS Retiree

- If your post-retirement work for a PSRS-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

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

Example

Mark is retired. If Mark begins teaching full-time in August, his benefits stop beginning with the August benefit payment and PSRS 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, PSRS will repay his July benefit.

It is important to notify PSRS of the start and end dates of your PSRS-covered employment. PSRS 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 the section entitled, Proper Termination of Pre-Retirement Employment on page 76 for more information.

Reimbursing PSRS for Benefits Received While Ineligible

The limitations on working after retirement are established in Missouri law and PSRS/PEERS Board of Trustees’ regulations. If it is determined that you did not properly terminate employment or you are employed in a position not in compliance with those laws and regulations, you are required to reimburse all retirement benefits paid while ineligible, including funds in a PLSO distribution, and pay contributions that may have been required. The minimum amount of benefits you will lose is one full monthly benefit.

- If you do not properly terminate employment you must repay any benefits received while ineligible.
- It is necessary for PSRS to recover any benefits paid to you for months you also receive retirement service. If you receive one year of service for the school year, you may not receive any retirement benefits for that school year.
- If you exceed any limit that applies to you while working after retirement, you forfeit your benefits effective the month you exceed either limit and until the month after your employment ends or a new school year begins on July 1. You are required to repay benefits received while ineligible.
- If you receive PSRS disability retirement benefits and are younger than age 60, you cannot be employed in any capacity by a PSRS-covered employer, or work for any non-covered employer and earn salary that is considered a livelihood by PSRS ($18,000 or more per year). If you earn more than is allowed, you forfeit your disability benefits and must be re-certified as disabled in order for them to resume. After age 60, you can work for a covered employer or for a third-party provider providing services at a covered school district, but the applicable limits apply.
Record-Keeping Requirements

All PSRS 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 PSRS.

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 PSRS website.

If you work after retirement in multiple positions that are subject to different limits, you will need to track your work for those positions separately. You will receive information on each limit and receive the appropriate Working After Retirement Record forms to use for each.

You should not send a record form to PSRS 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 PSRS-covered employer, that employer reports the hours you work and salary you earn to PSRS each payroll period. Third-party providers also provide this information to PSRS on a regular basis.

Use PSRS Web Member Services to view your progress toward working after retirement limits 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 PSRS, so you may have worked more hours and/or earned more salary than what is reported online.

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

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

Record-Keeping Forms

You will receive a personalized record-keeping form that applies to your working after retirement situation. Blank forms can be found on our website, www.psrs-peers.org.

Frequently Asked Questions

Q. If I work in a position subject to the 550-hour limit, how many days in a school year can I work?
A. The law does not limit the number of days you can work as a retiree. If your work is subject to the 550-hour limit, 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 by employer. 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, including if you are:

- Required to have a planning period
- Given a lunch break and must remain at the school
- Required to grade papers
- Responsible for supervising students between events and when traveling

Q. The class I teach is only 50 minutes long. Do I count that as an hour (60 minutes) toward the 550-hour limit?
A. If you are only required to work 50 minutes, and you only work 50 minutes, then it is appropriate to count 50 minutes toward your 550-hour 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. 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 my limits?
A. The salary you receive for a paid holiday counts toward your salary limit. If you are also subject to a limit on your hours, the hours paid for that day do not count because you did not “work” the hours.

Q. What counts toward my salary limit?
A. For tracking purposes, your salary includes any employer-paid health, dental or vision insurance premiums for you, the member, payouts for unused leave, and any other payments or incentives received as a result of the employment, including such things as gift cards and conference registration fees.

Q. If I exceed my working after retirement limit(s), when do my benefits stop?
A. Your benefits are put on hold effective the month you exceed a limit. Benefits do not resume until the month after your employment ends or a new school year begins on July 1.

Q. If I exceed my working after retirement limit, how much of my benefits will I lose?
A. The entire benefit for the month you exceed the limit(s) is lost. If you end your employment that month, your benefits resume the following month. If you do not end your employment, your benefits resume the month following the end of your employment or on July 1 at the start of a new school year.

Q. If I accept a coaching position at a covered K-12 school district, what is my working after retirement limit?
A. Post-retirement work as a coach (a non-certificated position) is subject to a $15,000 per school year salary limit and no limit on hours.

Q. Do working after retirement limits also apply to disability retirees?
A. If you receive PSRS disability retirement benefits and are younger than age 60, you cannot work in any capacity for a PSRS-covered employer, or work for any non-covered employer and earn salary that is considered a livelihood by PSRS ($18,000 or more per year). At or after age 60, you can work for a covered employer or third-party provider without affecting your benefits, but the applicable limits apply.

Q. Can participating in a retirement incentive cause me to lose retirement benefits?
A. Yes. For a period of one month from your PSRS retirement date, you cannot be under a written or unwritten agreement for employment at a PSRS-covered employer in any capacity. This includes retirement incentives or separation agreements that require you to work 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 PSRS benefits.

**Example**

Zach is subject to and exceeds the 550-hour limit on April 10, so he forfeits his April benefit. If he ends his employment in April, his benefits resume in May. If his employment continues, his benefits will resume the month following the termination of his employment or on July 1, at the start of a new school year.
Q. If I work in a non-certificated position for one K-12 school district and also in a certificated position for another K-12 school district, what are my limits?
A. In this case, you would have separate limits for each position. Work in certificated positions for PSRS-covered K-12 school districts is subject to the 550-hour and 50% of salary limits, while work for PSRS-covered K-12 school districts in non-certificated positions is subject to a $15,000 salary limit with no limit on hours. The work for the two jobs must be tracked separately.

The same holds true if you work for the same PSRS-covered K-12 school district in two positions, one certificated and one that is not.

Example

Faye is a retired teacher who works as a substitute teacher at a PSRS-covered K-12 school district filling in for a full-time teacher. This is a certificated position. Her 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 school district. 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. Can I work in a non-certificated position for a PSRS-covered K-12 school district and also work at a covered school while employed by a third-party provider in a position that requires a DESE-issued certificate?
A. Yes. For example, you could work as a substitute teacher (a certificated position) for a third-party provider at a PSRS-covered K-12 school district under the 550-hour/50% of salary limits, and also work directly for a PSRS-covered K-12 school district 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 I work in both a certificated position and a non-certificated position concurrently for the same PSRS-covered K-12 school district, toward which of my salary limits is my employer-paid insurance counted?
A. In this case, any employer-paid insurance premiums for you, the member, will count toward your 50% salary limit for work in the certificated position and not toward your $15,000 per school year salary limit for the non-certificated position.

Q. If I work in more than one non-certificated position subject to only a salary limit, 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. What are some examples of non-certificated positions in which a PSRS retiree might be employed and be subject to the $15,000 per school year salary limit?
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

This is not a complete list. Please check with your employer to be sure you understand whether your position requires a DESE-issued certificate.