

Post-Retirement Employment for TRS Retirees

TRS Retirees may continue to receive retirement benefits and work for a participating RSA agency under the following conditions:

1. The retiree must not be employed in a **permanent full-time capacity**.
2. The retiree's compensation during the 2014 calendar year **cannot exceed \$23,000**.

During the year in which retirement is effective, retirees are subject to a prorated earnings limit based upon the number of months remaining in the calendar year.

A TRS Disability Retirees' earnings are additionally limited to the difference between his or her average final compensation and annual retirement benefit regardless of whether or not the employer is an ERS or TRS member agency.

Key Points for TRS Agencies:

Act 2014-297 amends the post-retirement employment statutes in 2 ways:

1. It applies the post-retirement limitations and compensation caps to retirees working as independent contractors for participating employers.
2. It requires retirees to provide written notice to RSA and the employing authority that he or she will be performing duties on a full-time or permanent basis or will earn an amount in excess of the compensation caps. This notice must be provided within thirty days after the date the retiree knows or should know that he or she will be performing these duties.

The Attorney General issued Opinion 2013-044 which clarified that the employing agency has a legal duty to report to RSA what retirees are performing work and to provide sufficient information for RSA to determine whether pension suspension rules apply.

Employing agencies have access to the Contribution Reporting Application which can be used to determine if a new employee already has an existing account with RSA and view the employee's Tier Status. <https://cra.rsa-al.gov>

Post-Retirement employment compensation limits are based on when the retiree earns the pay, not when it is received. For example, a retiree who performs work for a TRS agency in December 2013 might not receive compensation for the work until January 2014. However, the compensation counts against the 2013 earnings limitation.

TRS retirees must have a one-month break in employment starting with the retirement date before returning to any part-time work with a TRS or ERS agency.