



I'VE RETIRED. NOW WHAT?

Please note this material describes limitations TRS places on post-retirement employment. There may be other limitations placed on earnings by the Social Security Administration.

TRS retirees may return to work after retirement, with certain limitations.

Non-TRS Employers: A retiree can work at an employer that does not participate in TRS without any limitations.

TRS Employers: Retirees cannot work at any TRS Employer in ANY capacity for 60 days following their retirement. After that time period, retirees can return to work subject to certain limitations.

RETURNING TO WORK

First 60 Days

TRS retirees **CANNOT** work at any TRS employer in **ANY** capacity for a **60 day period following either their (1) effective retirement date, or (2) last day of employment, whichever is later.** Failing to observe the 60 day break will result in a forfeiture of all retirement benefits received during this period.

Work after the 60 day period

TRS retirees have two options when returning to work for a TRS employer after the 60 day break. They can return to work in

- (1) Non-Contributory Status**
OR
(2) Contributory Status.

- 1. Non-Contributory Status:**
Retirees continue to receive their monthly retirement benefit, but are subject to earning limitations for the first 36 months following their retirement.
- 2. Contributory Status:**
Retirees suspend their monthly retirement benefit until employment is terminated and are not subject to any earning limitations. These retirees contribute to TRS on the same terms as non-retirees and accumulate additional service years used to accrue a secondary retirement benefit.

EARNING LIMITATIONS ON NON-CONTRIBUTORY EMPLOYMENT

Retired less than 36 months

61 or younger:

Earnings limit is the **lesser** of

- half of your final average salary
OR
- the SSA annual earnings limit for those younger than full retirement age.
(<https://www.ssa.gov/>)

62 or Older:

Earnings limit is the **lesser** of:

- half of your final average salary
OR
- \$30,000.

Since post-retirement earnings limits are based on a calendar year (Jan-Dec), they are prorated when return to employment occurs in mid-year. Retirees can contact TRS to see how this proration affects their return to work plan.

Retired 36 months or more: no limit on earnings.

If you earn more than the stated limits in covered employment, your monthly retirement benefit will be reduced. If you believe you will exceed the limit, you should notify TRS and either have monthly benefits reduced or plan how to repay any overpayment of retirement benefits.

SPECIAL SITUATIONS IN POST-RETIREMENT EMPLOYMENT

Disabled Retirees

Any member under age 62 receiving disability retirement benefits from TRS is not eligible to be employed by any school, public or private, or in a position similar to the position held when disability benefits were approved. After age 62, a retiree receiving disability benefits will be eligible for post-retirement employment under the same conditions that apply to regular retirees.

Working as a Consultant or Independent Contractor

Income from working as a consultant or independent contractor for a public school is exempt from the TRS earnings limits for retirees. However, consulting contracts must meet strict statutory requirements. Contributions must be paid on earnings unless TRS approves the contract. Earnings for services performed pursuant to an approved contract will not be counted towards TRS's earning limitations and post-retirement contributions will not be due from the TRS employer. Individuals retired as administrators are not eligible to work as a consultant or contractor for 2 years after their retirement.

PREARRANGED EMPLOYMENT AGREEMENTS

IRS regulations require a true separation from employment to receive retirement benefits. Prearranged employment agreements between TRS retirees and their previous TRS employers are considered a sham retirement and could affect the retirement benefit.



Have questions about retirement?
TRS is here to help!

Our Retirement Planning Consultants can help with any questions you have regarding participating in TRS.

TRS Member Services:
877-738-6365 (toll-free)
405-521-2387 (OKC)

