



## **January 2015 PERS Employer Monthly Update.**

### **In this update:**

- 1) 2014 Reconciliation Phase 2 begins January 2, 2015.**
- 2) Reminder: PERS retirees returning to work.**

### **1) 2014 Reconciliation Phase 2 begins January 2, 2015.**

The second phase of 2014 Reconciliation begins January 2, 2015. We ask that employers now focus on resolution of remaining 2014 eligibility issues and posting of records and reports related to those issues. Tools available to resolve remaining eligibility issues for 2014 are the Year-to-Date Wage and Contribution Summary screen and the Eligibility Reports, both accessed through links in the Site Navigation area of any EDX page. Your ESC Account Team members are available to assist you with eligibility problems; please feel free to contact your ESC Account Team by phone or e-mail 8-5, Monday – Friday.

### **2) Reminder: PERS retirees returning to work.**

#### **Tier One/Tier Two retirees:**

**After retirement, Tier One/Tier Two retirees may return to work for a participating PERS employer(s) and continue to receive their retirement benefits as long as they do not work 1,040 hours or more in a calendar year. A Tier One/Tier Two retiree may work up to 1039.99 hours per calendar year and still be considered a retiree, but a Tier One/Tier Two retiree will re-establish active membership if they equal or exceed the 1040 hr. limit in any calendar year. The 1040 hour limitation for retirees returning to PERS employment is commonly referred to as the “1040 hour rule.” The 1040 hour rule does not apply to OPSRP retirees who may NOT return to work for a participating PERS employer(s) in a qualifying position (whether based on hire intent or by virtue of working 600 hours or more in a calendar year) and continue to receive retirement benefits.**

**In addition, Tier One/Tier Two retirees hired into certain positions (listed in ORS 238.082(4)-(8); Sections 2 and 3, chapter 499, Oregon Laws 2007; and Sections 3 and 4, chapter 774, Oregon Laws 2007) may work unlimited hours post-retirement for a participating PERS employer and continue to receive retirement benefits. In order to qualify for these statutory exemptions, the retiree must satisfy all the requirements for the exemption. A common requirement to qualify for these statutory exemptions is that the Tier One/Tier Two member does not receive a reduced service retirement allowance as set forth in ORS 238.280(1), (2) and (3).**

**Age/Service time requirements for Tier One/Tier Two retirement with an unreduced service benefit (“normal” benefit recipient):**

Classification	Age		PERS Service Time
	Tier One	Tier Two	
General Service	58	60	Any age with 30 years of service
Police and Fire	55	55	Age 50 with 25 years of service

**Age/Service time requirements for Tier One/Tier Two retirement with a reduced service benefit (“early” retiree):**

Classification	Age		PERS Service Time
	Tier One	Tier Two	
General Service	55 - 57	55 - 59	Less than 30 years of service
Police and Fire*	50 - 54	50 - 54	Less than 25 years of service

**\*If you are an inactive police officer or firefighter (P & F) Tier One or Tier Two member who attains the age of 50, you may retire with a reduced benefit as long as your last covered position was a qualifying P & F position.**

**Tier One/Tier Two “early” Retirees may qualify for a limited number of exempt positions listed in ORS 238.082(4) and Section 3, chapter 774, Oregon Laws 2007:**

<b>This exception applies to a Tier One/Tier Two “early” retiree* who is employed:</b>	<b>Effective Date of the Exception:</b>	<b>Date the exception expires:</b>
As an administrator or teacher by a school district or educational service district that has its administrative office located in a county of 35,000 or less population.  This exception was amended in 2007. The amended exception is in two parts: 1) As an administrator or teacher by a school district or community college district located in a county of 35,000 or less population; or 2) As an administrator or teacher by an education service district and the retired member’s primary work duties are performed in a county of 35,000 or less population. <b>(Limited application: see (*))</b>	1-1-04 – 7/15/07  7/16/07  7/16/07	N/A
By a school district or education service district as a speech-language pathologist or speech-language pathologist assistant. <b>(Limited application: see (*)).</b>	7-16-07	1-2-16
Is on state active duty with the National Guard and has reached “normal” retirement age. (ORS 399.075(8)) (available to early retiree only if the retiree has reached normal retirement age).	6-11-03	N/A
By the Legislative Assembly or the Oregon State Police for service during a legislative session. (ORS 238.092(2)).	7-16-07	N/A

**(\*) An “early” retirement benefit is actuarially reduced because the member starts receiving benefits before normal retirement age.** Unless the member has 30 years’ service credit, Chapter 238 Tier One general service members retiring between ages 55 and 57 and

Chapter 238 Tier Two general service members retiring between ages 55 and 59 are considered “early” retirees. Chapter 238 Tier One/Tier Two Police & Fire members retiring between ages 50 and 54 without 25 years’ service credit are considered “early” retirees. **Only a limited number of 1040 exceptions are available to “early” retirees, and an “early” retiree must wait six full months after retirement before he/she can be employed in a position under any 1040 exception that is available to early retirees. An “early” retiree who does not wait 6 full calendar months after PERS retirement before being hired into one of these DOES NOT QUALIFY for the exemption and is subject to the 1040 hour/calendar year work limit.**

The positions available to “early” Tier One/Tier Two retirees and listed here can also be found:  
1) In the “Working After Retirement: 1040-Hour Exceptions in Table Format” document available through the PERS employer web page.  
(Positions open to Tier One/Tier Two “early” retirees are noted in the “Early Ret.” column.)

**The exemption from the 1040 hour/calendar year limit APPLIES TO THE POSITION listed in ORS 238.082, NOT to the retiree holding the position.**

Example 1: A Tier One/Tier Two “normal” benefit recipient, hired by an employer into an exempt position, may work unlimited hours WHILE IN THAT EXEMPT POSITION. If the retiree leaves that exempt position and goes to work as a retiree for another PERS employer in a position NOT listed in ORS 238.082 or OAR 459-017-0060, the retiree becomes subject to the 1040 hour/calendar year work limit while working in that non-exempt position.

Example 2: If the retiree works concurrently in an exempt position and a non-exempt position, the hours worked in the non-exempt position will be subject to the 1040hour/calendar year work limit.

**Tier One/Tier Two retirees who have reached federal Social Security full retirement age (65-67, depending on the retiree’s birth date) may work unlimited hours with PERS employers beginning the first of the month after the month in which Social Security full retirement age is reached. This exception does not apply to OPSRP retirees.**

#### **OPSRP retirees:**

**Hiring an OPSRP retiree into a position with “qualifying” hire intent CANCELS the individual’s retirement and re-establishes active membership effective at the hire date. Hiring an OSRP retiree into a position with “non-qualifying” hire intent allows only 599.99 hours of work (total for ALL PERS employers) per calendar year.**

You may hire an OPSRP retiree into a non-qualifying position immediately after retirement and submit the DTL1-11 record at that time. In most cases that DTL1-11 record and any DTL2-07 records will suspend until EDX has been updated to reflect the OPSRP member’s transition from active to retired status. **If the DTL1 and DTL2 records suspend upon submission, you do not need to “re-Save” those records for 90 days or until you have: 1) Verified with the retiree**

**that they have received their first benefit check, or 2) Checked with your ESC Account Representative that the individual is in retired status.**

**Also, NEVER submit a DTL1-15 record to re-hire an OPSRP member as a retiree unless your ESC Account Representative asks you to do so.**

Best regards,

**In compliance with the Americans with Disabilities Act, PERS will provide this document in an alternate format upon request. To request this, contact PERS at 888-320-7377 or TTY 503-603-7766.**