Are you a service retiree who is thinking about going back to work?

I have a friend who retired last year and his retirement was revoked because he returned to work too soon. How can I make sure that doesn’t happen to me?

If you do not wait a full calendar month before returning to work or negotiating for full-time employment, then your retirement will be revoked.

If you’re thinking about going back to work once you retire, here are some important factors to consider before negotiating your employment:

Know your effective date of retirement and make sure that you have ended all work for any TRS covered employer by that date, including work as an employee, an independent contractor, or a volunteer.

Then you must wait one full calendar month before returning to work in Texas public education.

Keep in mind that our Employment after Retirement guidelines apply to all TRS covered employers. This includes all public, state-supported educational institutions in Texas, including higher education, community, and junior colleges.

After I’ve taken my one-month break, how much can I work without losing my retirement payments?

Once you have taken a full, calendar-month break in service following your retirement date, then you can return to work at a TRS covered employer, with certain restrictions. There are three ways you can work without losing any retirement payments:

You can substitute for an unlimited number of days, provided that the position is not vacant. If you are unsure if the position is vacant, please check with your employer.

You can work in any position up to one-half time each month, or if you combine substitute and other work, even volunteer work, it must be for one-half time or less.

If you plan to combine substitute and other work for one half time or less, contact TRS for more information about restrictions.

If you exceed these work restrictions in any month, then you forfeit your annuity for that month. In addition, you may owe TRS for any payments you received while working in violation of these restrictions.

To find out more information about the number of days or hours you can work each month in a half-time position, please visit TRS.texas.gov and review the Employment after Retirement limits chart.

What if I want to work full time after retirement?

If you choose to take a full 12 month consecutive break in service, then you can work as much as you want after that 12 month break in service is complete.
If you work into the month of June but no later than June 15th to complete work required for the school year, you may establish a May 31st retirement date. However, this will impact your 12-month consecutive break in service. If you work any days in June, then your twelve month break in service will start July 1st of the year you retire.

During your 12 month break in service, you cannot work for a TRS covered employer in any capacity. There are no exceptions. You cannot work part-time, as a substitute, or as an independent contractor.

Even volunteering with a TRS-covered employer could jeopardize your 12 month break in service. If the work you are performing as a volunteer is the same work that you will perform after your 12-month break in service, then you are not in compliance with TRS’s rules.

If you are interested in taking a 12 month break in service, please refer to the Employment After Retirement brochure on the TRS website.

If you go back to work full time after a one month break in service but before taking a full 12 month break, then your retirement payments will be suspended. In addition, you may owe TRS for any payments you received while working full time.

If I’m working as an independent contractor, does TRS’s Employment after Retirement restrictions apply to me?

This is an important question and TRS urges you to use caution when working as an independent contractor after retirement. TRS closely scrutinizes whether retirees are truly working as independent contractors and meet the legal requirements.

While working as an independent contractor is not subject to TRS’s restrictions on Employment After Retirement, your status as an independent contractor must meet all legal requirements for this type of work arrangement.

In determining whether an individual is an employee or independent contractor, TRS uses the test applied under common law and any guidance issued by the Internal Revenue Service regarding factors to consider when determining an individual’s employment status.

If you have questions about whether your employment arrangement meets the legal test for an independent contractor, please contact TRS or get advice from a lawyer. While there are some tasks or projects that can be performed by independent contractors, the most common types of jobs held by retirees cannot.

Some examples of jobs that are likely NOT suitable for performance by an independent contractor are: Superintendent, Teacher, Administrator, Coach, Principal or Assistant Principal, or Administrative Support.

An enjoyable retirement is a destination which requires planning and consideration. Make sure you take the necessary steps required to get there.

This video addresses some of the most common questions TRS receives about returning to work after a service retirement and is not meant to address every possible employment after retirement scenario.
Different rules apply if you are a disability retiree. To learn more about working after retirement, please visit, TRS.Texas.Gov and review the Employment after Retirement brochure. As you go through the retirement process, you can also call TRS at 800-223-8778.

Thanks for watching.