

# Employment After Retirement

## Introduction

Welcome to the Employment After Retirement interactive experience.

Click on the “Interface Walk-Through” button to learn about the functions of the interactive experience interface.

Or click the “Get Started” button to jump to the beginning of the introduction section.

## *Interface Walk-Through (Optional)*

Welcome to the Interface Walk-Through.

Use these buttons on the top bar to access the current TRS *Employment After Retirement* brochure and glossary.

The brochure link will launch in a new window and pause the tool.

Use the Menu button to jump to a specific section.

The Back and Next buttons can be used to review content or move forward.

The progress bar shows you where you are within each section.

The Pause/Play button will stop the training.

CC activates Closed Captions.

You can also navigate the interactive experience with the following keyboard controls:

Tab allows you to scroll through buttons & page elements;

G opens the glossary;

C opens closed captions;

Spacebar pauses or plays the experience;

M takes you to the menu;

B will open the brochure;

Left arrow will take you back to the previous screen; and

Right arrow will take you to the next screen.

And now you’re ready to get started!

## Introduction (Continued)

If you’re thinking about returning to work after retirement for a TRS-covered employer you’ve come to the right place.

This interactive tool will help you find the information you need to comply with the rules on Employment After Retirement, known as “EAR.”

The rules can be complex, so this tool will help you quickly navigate to the information you need based on your situation.

We'll explain how to avoid revoking your retirement or possibly forfeiting your annuity.

There will be quick links to resources and practice scenarios to keep you on your toes.

The rules around EAR are different for service retirees and disability retirees.

And the rules vary based on your TRS retirement date, so –

Before you go any further, make sure you know if you're a service or disability retiree, and your effective retirement date.

You'll also want to consider whether you plan to work for a TRS-covered employer because these EAR rules only apply to this type of employment.

TRS-covered employers are public, state-supported educational institutions in Texas, including school districts, charter schools, education service centers, and institutions of higher education.

As you navigate through this training, you can always access definitions in the glossary –

And you can always view the TRS EAR brochure at this link.

We encourage you to call TRS Member Services for personalized assistance at 1-800-223-8778.

To continue, you must read and acknowledge the following disclaimer.

Some TRS EAR rules are common to all retirees, and some differ for service and disability retirees and different employment types.

We'll go over the common EAR rules for all retirees now.

No matter how much you want to get back out there and get to work, all TRS retirees must have a one full, calendar-month break in service after their TRS retirement date.

Think of it as a long, well-deserved vacation!

If you return to work in the month directly following your TRS retirement date, you will revoke your retirement and you'll have to start all over again, resubmit all the paperwork, and — this is the worst part — return any annuity payments, lump-sum option payments and TRS-Care health care payments.

So rule #1 is – take that first calendar month off.

Go on that fishing trip or improve your pickleball game. Visit the grandkids. Or just lay back. You've earned it.

Rule #2 – The June 15<sup>th</sup> Rule.

This allows you to have an effective retirement date of May 31<sup>st</sup> but work until June 15<sup>th</sup> to complete work for the school year.

This option delays the start of your one full, calendar-month break.

This means you may not return to work from June 16<sup>th</sup> through July 31<sup>st</sup>; otherwise, you'll revoke your retirement.

So — if you use the June 15<sup>th</sup> rule — no working until after July 31<sup>st</sup>.

That's just more fishing or pickleball time!

Let's make sure you caught all of this.

Ms. Lewis is retiring from teaching in May but is open to returning to work at her school in the future.

Which statements must Ms. Lewis know to protect her benefits?

Select all that apply.

[Voice over for correct answers]

Yes! Correct!

[Voice over for incorrect answer]

Sorry wrong answer. Let's try that again.

Now that you know the key information about EAR for all members, let's look at more specifics for either service or disability retirees.

Click the path that applies to your situation.

## Service Retirees

Please select if your TRS effective retirement date is *before* or *after* January 1<sup>st</sup>, 2021.

### Service Retirees Before Jan. 1, 2021

EAR rules are different for service retirees who retired prior to January 1st, 2021.

If you are a service retiree who retired **before** January 1<sup>st</sup>, 2021, you are **not** subject to EAR restrictions.

You may return to work, up to full time, without losing your annuity as long as you have taken one full, calendar-month break in service.

Remember — if your effective retirement date is May 31<sup>st</sup> and you work up to June 15<sup>th</sup>, be sure to review the June 15<sup>th</sup> Rule.

Click on the glossary for this information.

And finally, let's talk about surcharges.

If you retired on or after September 1<sup>st</sup>, 2005 and work more than one-half time in a month, in most cases your employer will owe TRS pension and health care surcharges even if you've had a 12-month break after you retired.

Your employer can no longer directly or indirectly pass any surcharge amount on to you.

Please contact TRS if you feel your employer is not following this rule.

Answer this quick question before you go.

You have a retirement date before January 1<sup>st</sup>, 2021.

What is the only condition you must meet before returning to work?

Select the best answer.

[Voice over for correct answers]

Yes! Correct!

[Voice over for incorrect answer]

Sorry wrong answer. Let's try that again.

### **Service Retirees After Jan. 1, 2021**

If you retired **after** January 1<sup>st</sup>, 2021, you may only return to work for a TRS-covered employer during a month, without losing your annuity for that month, if the work qualifies for an EAR exception.

The types of employment that qualify for an EAR exception are:

Substitute Employment;

One-Half Time or Less Employment;

Full-Time Employment after a 12 full, consecutive-calendar-month break in service;

Non-Profit Tutor Employment;

COVID-19 Surge Personnel Employment.

Note that when we look at each exception, we are assuming that you are only working under that exception.

If you work in more than one position and combine more than one exception during a month, different rules apply.

Be aware, in the first 12 months after you retire, you will be considered an employee if you work as a volunteer — even without pay — or as an independent contractor for a TRS-covered employer in a position that an employee would normally hold.

This will cause you to be subject to EAR restrictions and possibly forfeit your annuity.

If you're thinking about volunteering or working as an independent contractor, please contact TRS.

Let's look at substitute employment first.

Generally, you may work as a substitute without any limits unless the position you are working in is vacant.

You may only work in a vacant position up to 20 days during a school year.

You can substitute in multiple vacant positions during a school year, but each position is subject to the 20-day limit.

Temporarily serving as a monitor for an in-person class, while the classroom teacher temporarily teaches the class virtually, is substitute work.

You may work one-half time or less each month.

Under this exception, you cannot work more than 92 hours total.

Keep in mind the 92-hour limit applies to the total hours you work in all non-substitute, part-time positions.

So, if you work one-half time or less in more than one position during a month, the total number of hours from all positions cannot exceed 92 hours.

You may return to work full time, without losing annuity payments, **after** taking a 12 full, consecutive-calendar-month break in service.

You can take a 12-month break at any time after your retirement.

You may work up to full time for a school district in a non-profit tutor position...

...if the position meets all requirements of Texas Education Code Section 33.913.

Your employer will be able to tell you if your position qualifies for this exception.

Service retirees may return to work up to full time under the COVID-19 Surge Personnel Employment exception.

This exception is for certain federally funded positions that are in addition to normal staffing levels to help reduce student learning loss related to the COVID-19 pandemic.

It does not apply to employment with institutions of higher education.

This exception ends December 31<sup>st</sup>, 2024.

You should check with your employer to find out if a position qualifies.

Let's look at an example.

Choose the situations in which a service retiree returning to work needs to pay attention to the number of days or hours worked.

Select all that apply.

[Voice over for correct answers]

Yes! Correct!

[Voice over for incorrect answer]

Sorry wrong answer. Let's try that again.

You may be asked to work in multiple positions that qualify for different EAR exceptions in the same month.

If you combine one-half time work with substitute work, you cannot work more than 11 days total in a calendar month.

You may also combine the non-profit tutor position with other types of employment but keep in mind varying limits may apply.

Please reach out to TRS for more information.

Once you have a 12-month break, you can return to full-time employment without any limits, even if that work would normally be subject to another EAR exception.

Work that qualifies for the COVID-19 Surge Personnel exception is accounted for separately and doesn't combine with any other EAR exception.

This Combining Exceptions chart, which can be found on page 11 in the EAR brochure, will help you see the monthly limits for your combined employment.

You can access the EAR brochure by clicking the brochure button at the top right of the screen.

Reading the chart is simple.

Find your first employment type on the left, then your second employment type at the top.

Where the two meet, you will find if limits apply.

Your work for the example shown would **not** qualify for an EAR exception.

This chart is available to you in the EAR brochure on the TRS website, and you can always call our Member Services at 1-800-223-8778 for help with specific questions.

Let's look at an example.

Lynn has been asked to substitute for a teacher who is ill.

She has also been asked to work one-half time proctoring tests.

How much can Lynn work this month in both positions and still qualify for an EAR exception?

Select the best answer.

[Voice over for correct answers]

Yes! Correct!

[Voice over for incorrect answer]

Sorry wrong answer. Let's try that again.

It's always better to check before you work, because TRS-covered employers are required to submit detailed payroll information monthly, including the type of employment, hours and days worked, and salary of every employee.

TRS reviews this information to determine whether or not a retiree's employment qualifies for an EAR exception.

So what happens if your employment with a TRS-covered employer doesn't qualify for an EAR exception?

The good news is that as of May 2021, you won't automatically lose your annuity unless TRS has sent you at least two prior notices for exceeding the limits on EAR.

These notices are part of the new "three strikes" warning procedure.

The first time TRS receives notice from your employer that you have gone over the EAR limits, you will be notified that your employment did not qualify for an EAR exception and receive a warning or "first strike."

But you will not forfeit your annuity for the month or months in which you worked, or owe TRS any other amounts for those months.

If you exceed the limits on EAR, in a month after TRS sends you the notice of your "first strike," you will receive a "second strike" warning.

You will have to pay TRS the gross amount of what you earned for the month or months that you went over the limits, or the gross amount of your annuity payment for that month or months, whichever is less.

The "second strike" EAR notification will include the months you exceeded the EAR limits and the amount you owe for each month.

And if you exceed the limits on EAR in any month following the month in which TRS sends your "second strike" notification, you will lose your monthly annuity for each month that you went over the limits.

Be aware, you will receive a first and second strike only once during your retirement, and strikes do not reset each school year.

Let's look at an interactive activity to make sure you understand the three-strikes procedure.

Select the best answer.

[Voice over for correct answers]

Yes! Correct!

[Voice over for incorrect answer]

Sorry wrong answer. Let's try that again.

And finally, let's talk about surcharges.

If you retired on or after September 1<sup>st</sup>, 2005 and work more than one-half time in a month, in most cases your employer will owe TRS pension and health care surcharges, even if you've had a 12-month break after you retired.

Substitute work by itself will not trigger surcharges and employment under the COVID-19 Surge Personnel exception is exempt from surcharges.

Your employer can no longer directly or indirectly pass any surcharge amount on to you.

Please contact TRS if you feel your employer is not following this rule.

## Disability Retirees

If you are a TRS disability retiree, you are subject to restrictions on employment and the amount of compensation you may earn.

You may only return to work without losing your annuity if the work qualifies for an EAR exception.

Be aware, in the first 12 months after you retire, you will be considered an employee if you work as a volunteer — even without pay — or as an independent contractor for a TRS-covered employer in a position that an employee would normally hold.

This will cause you to be subject to EAR restrictions and possibly forfeit your annuity.

If you're thinking about volunteering or working as an independent contractor, please contact TRS.

For some disability retirees, the law limits the amount of money you may earn from any source *without* losing annuity payments.

Now we'll look at the EAR exceptions in more detail.

After a one full, calendar-month break in service, you may work **up to 90 days in a school year** — September 1st through August 31st — under the following EAR Exceptions:

Substitute  
One-Half Time or Less  
Non-Profit Tutor

Generally, you may work as a substitute...

...during a month without any limits unless the position you are working in is vacant.

You should check with your employer to verify if your position is vacant.

You may only work up to 20 days in a vacant position per school year.

You can substitute in multiple vacant positions during a school year, but each position is subject to the 20-day limit.

Temporarily serving as a monitor for an in-person class, while the classroom teacher temporarily instructs virtually, is substitute work.

Working one-half time or less qualifies as an EAR exception.

To qualify, you cannot work more than 92 hours total in a month.

Keep in mind the 92-hour limit applies to the total hours you work in all non-substitute, part-time positions.

So if you work one-half time or less in more than one position during a month, the total number of hours from all positions cannot exceed 92 hours.

You may work up to full time for a school district in a non-profit tutor position...



...if the position meets all requirements under Texas Education Code Section 33.913.

Your employer will be able to tell you if your position qualifies for this exception.

Remember: You may not work more than 90 days **total** in a school year — September 1st through August 31<sup>st</sup> — under any of these exceptions or a combination of these exceptions.

If you go over the 90-day limit, you *will* lose your annuity for that month and every month you continue to work for the remainder of that school year.

There *is* a way for disability retirees to return to full-time employment, under the three-month trial work period, without forfeiting their annuity.

You are allowed a one-time only trial work period to determine if you can return to work full time.

This trial period must be for three months in a row and cannot occur during the same school year you retired.

To choose the trial work period, you must fill out the *Employment After Retirement Disability Election* form (TRS 118D), which can be found on the TRS website, and send it to TRS.

Keep in mind any work during the three-month trial period does not count toward your 90-day limit.

If you continue to work full time after the trial work period has ended, you will be recovered from disability retirement and returned to active membership.

You will no longer receive your disability annuity payment.

You may be asked to work in multiple positions that qualify for different EAR exceptions in the same month.

If you combine one-half time or less employment with substitute work you may not work more than 11 days in a month, rather than 92 hours.

Keep in mind, varying limits apply when combining the non-profit tutor position with other types of employment.

Please reach out to TRS for more information.

This Combining Exceptions chart, which can be found on page 11 in the EAR brochure, will help you see the monthly limits for your combined employment.

You can access the EAR brochure by clicking the brochure button at the top right of the screen.

Reading the chart is simple.

Find your first employment type on the left, then your second employment type at the top.

Where the two meet, you will find the limits that apply.

Keep in mind even when combining EAR exceptions, you may not work more than 90 days total in a school year without losing your annuity for any month you work for the rest of the school year!

Let's look at an example.

Luis, a former physics teacher, retired two years ago due to a disability.

He is happy to fill in occasionally as a substitute teacher.

His district desperately needs a physics sub to cover a teacher's parental leave.

Which factors should Luis consider if he does not want to risk forfeiting his disability retirement annuity?

Select all that apply.

[Voice over for correct answers]

Yes! Correct!

[Voice over for incorrect answer]

Sorry wrong answer. Let's try that again.

Some disability retirees are also subject to compensation limits.

If your effective date of disability retirement is after August 31st, 2007 and you apply for disability retirement **after** that date, you are limited in the amount of money you can earn in a calendar year.

This is called a compensation limit.

It includes payment for any work, for any employer, including a TRS-covered employer, non-TRS-covered employer, self-employment, work as an independent contractor, and profit from a business.

The limit is the highest salary you received in any school year before your disability retirement, or \$40,000, whichever is greater.

This limit does not apply if you are receiving gross disability retirement benefits of \$2,000 or less per year.

If this compensation limit applies to you, you must correctly report all compensation to TRS by May 1st of the calendar year after the money was earned.

If you go over the amount of compensation allowed, you will lose your disability annuity payment and be required to pay the full cost of your TRS-Care coverage until you let TRS know that your income is below the limit.

Let's look at a couple of examples.

Joanne retired three years ago due to a disability but is now interested in using her three-month trial period.

Choose what Joanne needs to do now.

Select the best answer.

[Voice over for correct answers]

Yes! Correct!

[Voice over for incorrect answer]

Sorry wrong answer. Let's try that again.

Eloise's retirement date is May 31st, 2017.

She has been offered a job teaching online with a non-TRS employer.

What should Eloise be aware of?

Select the best answer.

[Voice over for correct answers]

Yes! Correct!

[Voice over for incorrect answer]

Sorry wrong answer. Let's try that again.

## **Closing**

Whew! We know these rules can be complex.

We hope this information helps you navigate them.

If you still have questions, or need more information, here are a couple of ways to get help.

Read the *TRS Employment After Retirement* brochure on the TRS website at [www.trs.texas.gov](http://www.trs.texas.gov).

Or call us at 1-800-223-8778.

If you're thinking about going back to work for a TRS-covered employer, we're here to help you make sure you are following the EAR limits and guidelines.

Either way, we hope that fishing trip, dream vacation or trip to see the grandkids is fantastic!

Congratulations! You have completed the Employment After Retirement Interactive Experience!