



City of Austin Employees' Retirement System

**City of Austin Employees' Retirement System
Board Approved Policy**

Policy: R- 1

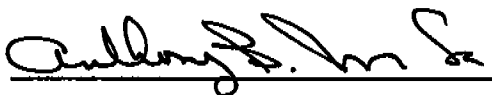
Subject: Retirees Working for the City of Austin

Review Committee: Benefits & Services

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November 30, 2004
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February 27, 2001

Printed Name of Chairperson: Anthony B. Ross, Sr.

Signature of Chairperson: 

City of Austin Employees' Retirement System
Rules for COAERS Retirees Returning to Work for the City of Austin

I. PURPOSE AND SCOPE

The City of Austin Employees' Retirement System (COAERS) Board of Trustees has adopted this Policy regarding Retirees who return to work for the City of Austin or COAERS (hereinafter collectively referred to as "employer") after retirement. Vernon's Ann.Texas Civ.St. Art. 6243n (governing statute) establishes restrictions on the number of hours and duration of any employment by a member with the City of Austin after retirement. This policy implements the governing statute and ensures regulatory compliance.

II. RESPONSIBILITIES

- A. **Executive Director:** Shall review reports on Retiree work schedules and notify Retirees by mail of any potential noncompliance with the governing statute. Upon final determination, shall suspend the annuity of any Retiree found to be in noncompliance.
- B. **Retirees Working for the City of Austin:** Shall notify the Retirement Office if their work schedule exceeds the limits of the governing statute and therefore requires suspension of annuity payments.

III. WAITING PERIOD

- A. A member who has not attained the age of 55 at retirement may not work for the City of Austin within 90 days of his or her retirement date and may not have an agreement (oral or written) prior to retirement to return to work for the City of Austin after retirement. If employment with the City of Austin occurs within 90 days of retirement, the retirement will be invalidated.
- B. This restriction will apply to Retirees working for any employer covered by the City of Austin Employees' Retirement System.

IV. SUSPENSION OF A RETIREMENT ALLOWANCE

- A. COAERS shall suspend the retirement allowance of:
 - 1. A member who resumes employment after retirement as provided in Section III above;
 - 2. A retired member who resumes employment after retirement as a regular full-time employee of the City of Austin, COAERS, or an agency of the City; or

3. A retired member who resumes employment with an employer in a position that is not required to participate in another retirement system maintained by an employer, and who is not a regular full-time employee of an employer, if the member works for, or is compensated by, an employer for more than 1,508 hours in any rolling 12-month period after the member resumes employment with the employer.
- B. A suspension of a retirement allowance shall begin with the retirement allowance payable the last day of the month following the month in which the retired member exceeded 1,508 hours of employment in a rolling 12-month period.
- C. A suspension of a retirement allowance shall be in effect until the member's employment terminates, and the member applies in writing for reinstatement of the retirement allowance and qualifies for retirement.
- D. A retired member who resumes employment in a position not required to participate in another retirement system maintained by an employer may voluntarily suspend his or her retirement allowance. However, such a member must also meet the requirements of Section III above.
- E. A suspension of a retirement allowance will not occur in the following situations:
 1. A member who retires after reaching normal retirement age and continues or resumes employment with the City of Austin in a position that is required to participate in another retirement system maintained by the City of Austin, or
 2. A Retiree who is working for the City of Austin as an independent contractor as defined by Internal Revenue Code.

V. REINSTATEMENT OF A RETIREMENT ALLOWANCE

A member whose retirement allowance is suspended may retire again and reinstate a retirement allowance. The reinstatement of a retirement allowance shall be subject to the following provisions:

- A. The retirement system shall calculate the reinstated retirement allowance based on the member's total creditable service, reduced actuarially to reflect the gross amount of total retirement allowance paid to the member prior to suspension of the retirement allowance.
- B. The reinstated retirement allowance cannot be less than the previous retirement allowance prior to the suspension.
- C. The member cannot change the actuarial equivalent life annuity option they selected at their original retirement date.

- D. The member cannot change the survivor or beneficiary designated under an actuarial equivalent life annuity option at their original retirement date.

VI. COMPLIANCE

- A. The burden of compliance shall rest with the Retiree.
- B. The City of Austin Employees' Retirement System will provide information to all Retirees as to the restrictions on Retirees working for the City of Austin, as part of the retirement process; however, it is ultimately the responsibility of the Retiree to know the plan provisions relating to returning to work. Absence of notice will not be considered a valid defense.
- C. Employees making application for retirement who have not attained the age of 55 at the time of retirement will be required to affirmatively state that they will terminate employment no later than their selected retirement date and that they have not entered into an agreement (oral or written) to return to work for the City of Austin after retirement.