

Working After Retirement – Update

Information to clarify the June 3 DA Memo, “Working After Retirement Changes From Recent Legislation”

Who Is “Licensed” and Eligible for the Earnings Limit Exemption?

The Department of Education is responsible for accepting licenses from school personnel and has provided a list of positions eligible for the earnings limit exemption.

- Educator (teacher, administrator)
- Audiologist
- Speech Pathologist
- Occupational Therapist
- Physical Therapist
- Social Worker
- Registered Nurse
- Dietician
- Licensed Professional Counselor
- Licensed Clinical Professional Counselor
- Psychologist
- Orientation and Mobility Instructor

Community college employers are not affected by Sen. Sub for HB 2072.

Employer Reporting and Contributions

We have added specific contribution rates. The rate is based on the actuarially required rate, not the current statutory employer rate. If a KPERS retiree is in a licensed position, contributions should be for all compensation, even compensation for duties in addition to the licensed position.

When you hire a retiree, use the enrollment section in the employer web portal. Remember to select “Plan 6” when entering your employer number on the login page. For retirees with an earnings limit, complete a Retiree Earnings Limitation Form (KPERS-15S) if they reach \$20,000.

Non-Licensed Employee – Return to Work for *Same* Employer

	Return to Work Eligibility Date	Reporting & Contribution Rates	Earnings Limit
Normal Retirement & Early Retirement	On & after July 1, 1988	Report status & earnings	\$20,000

Non-Licensed Employee – Return to Work for *Different* Employer

	Return to Work Eligibility Date	Reporting & Contribution Rates	Earnings Limit
Normal Retirement & Early Retirement	Before July 1, 2006	Report status & earnings	None
	On & after July 1, 2006	Report status & earnings 7/1/09 to 6/30/10 16.07% 7/1/10 to 6/30/11 16.48%	None

Licensed Employee – Return to Work for *Same* Employer

	Return to Work Eligibility Date	When Compensation Paid	Reporting & Contribution Rates	Earnings Limit
Normal Retirement	Anytime	July 1, 2009, through July 1, 2012	Report status & earnings 7/1/09 to 6/30/10 20.07% 7/1/10 to 6/30/11 20.48%	None
Early Retirement	Before March 28, 2009	July 1, 2009, through July 1, 2012	Report status & earnings 7/1/09 to 6/30/10 20.07% 7/1/10 to 6/30/11 20.48%	None
	On & after March 28, 2009	July 1, 2009, through July 1, 2012	Report status & earnings	\$20,000

Licensed Employee – Return to Work for *Different* Employer

	Return to Work Eligibility Date	When Compensation Paid	Reporting & Contribution Rates	Earnings Limit
Normal Retirement	Before July 1, 2006	All dates	Report status & earnings	None
	July 1, 2006, through June 30, 2009	July 1, 2006, through June 30, 2009	Report status & earnings 7/1/08 to 6/30/09 15.95%	None
		On & after July 1, 2009	Report status & earnings 7/1/09 to 6/30/10 20.07% 7/1/10 to 6/30/11 20.48%	None
	On & after July 1, 2009	July 1, 2009, through July 1, 2012	Report status & earnings 7/1/09 to 6/30/10 20.07% 7/1/10 to 6/30/11 20.48%	None
Early Retirement	Before July 1, 2006	All dates	Report status & earnings	None
	July 1, 2006, through March 28, 2009	July 1, 2006, through June 30, 2009	Report status & earnings 7/1/08 to 6/30/09 15.95%	None
		On & after July 1, 2009	Report status & earnings 7/1/09 to 6/30/10 20.07% 7/1/10 to 6/30/11 20.48%	None
	On & after March 28, 2009	July 1, 2009, through July 1, 2012	Report status & earnings 7/1/09 to 6/30/10 20.07% 7/1/10 to 6/30/11 20.48%	None

Licensed Employee – Return to Work for *Third-Party Entity (TPE)* Employer

	Returned to Work Eligibility Date	When Compensation Paid	Reporting & Contribution Rates	Earnings Limit
Normal Retirement	Employer contracts with TPE before April 1, 2009	All dates	None	None
	Employer contracts with TPE on & after April 1, 2009	July 1, 2009, through July 1, 2012	Report status & earnings Employer pays : 7/1/09 to 6/30/10 20.07% 7/1/10 to 6/30/11 20.48%	None
Early Retirement	Employer contracts with TPE before April 1, 2009	All dates	None	None
	Same Employer contracts with TPE on & after April 1, 2009	July 1, 2009, through July 1, 2012	Report status & earnings	\$20,000
	Different Employer contracts with TPE on & after April 1, 2009	July 1, 2009, through July 1, 2012	Report status & earnings Employer pays: 7/1/09 to 6/30/10 20.07% 7/1/10 to 6/30/11 20.48%	None

Current “Working After Retirement” Employees

Later in June, KPERs will send you a list of employees you have already reported as working after retirement before the new legislation. Please confirm this list and note whether the employee is in a licensed or non-licensed position.

The new employer rate will start July 1 for current employees finishing out a 2008-09 school contract. If a school is paying over 12 months or paying a lump sum to an employee, the employer needs to change the contribution rate for compensation paid on or after July 1.

Example:

- Jane Schoolteacher's contract runs from August 2008 through July 31, 2009. The employer remits 15.95 percent for January through June, then remits 20.07 percent for the compensation paid to Jane in July.
- Jack Schoolteacher's contract runs from August 2008 through July 31, 2009. The employer decides to pay off the 12-month contract in a lump sum in May or June. The entire amount is then at the 15.95 percent rate.

Questions?

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