



**Personal.
Innovative.
Secure.**

Working After Retirement

Includes the following forms:

PERA Retiree Returning to Work for a PERA Employer
Report of Work During the Effective Month of Retirement
Post-Retirement Work Report
Disclosure of Compensation

**Colorado
Public
Employees'
Retirement
Association**

Revised July 2008

Contents

Working After Retirement	1
Summary of Working After Retirement Rules	1
Returning to Work for a PERA Employer	3
Working After Retirement Forms:	
<i>PERA Retiree Returning to Work for a PERA Employer</i>	7
<i>Report of Work During the Effective Month of Retirement</i>	9
<i>Post-Retirement Work Report</i>	11
<i>Disclosure of Compensation</i>	13

Working After Retirement

- After you retire, you may work for a private company that is not performing services for a PERA employer (or work for a public employer not affiliated with PERA) without limitations.
- If you return to work for a PERA-affiliated employer, you are subject to specific working after retirement rules. Your primary limitation is the 110-day/720-hour limit and it is important you understand this limitation. Review the Summary of Working After Retirement Rules chart below. For detailed information, see the Returning to Work for a PERA Employer section on page 3.
- If you are a disability retiree, you have different working after retirement rules. See the Disability Retirees section on page 5 for more information.
- If you are a cobeneficiary or survivor beneficiary, you are not subject to any employment or working after retirement limitations.

Summary of Working After Retirement Rules

If you are	Then
A PERA retiree working for a private company that is not performing services for a PERA employer (or working for a public employer not affiliated with PERA)	There are no limitations on the amount of time you may work and your PERA benefit will not be affected (except for disability retirees)
A PERA retiree providing a product and not a service to a PERA employer	You are not subject to the working after retirement limit of 110 days/720 hours and employer contributions are not due to PERA
A PERA retiree hired in an individual capacity as an employee by a PERA employer	You are subject to the working after retirement limit of 110 days/720 hours and employer contributions will be paid to PERA on your earnings
A PERA retiree individually working for a PERA-affiliated employer as an independent contractor, as defined by the IRS	You are not subject to the working after retirement limit of 110 days/720 hours, but employer contributions will be paid to PERA on your earnings
A PERA retiree hired by a PERA employer through a business you own or operate and you provide services to the PERA employer as an employee of the PERA employer	You are subject to the working after retirement limit of 110 days/720 hours and employer contributions are required
A PERA retiree hired by a PERA employer through a business you own or operate and you provide services to the PERA employer as an independent contractor as defined by the IRS	You are not subject to the working after retirement limit of 110 days/720 hours but employer contributions are required
A PERA retiree who owns or operates a company that is providing services to a PERA employer, but you are not performing services for the PERA employer	You are not subject to the working after retirement limit of 110 days/720 hours and employer contributions are not required to be paid to PERA
A PERA retiree who is working for a company owned or operated by an affiliated party (see the Working for an Affiliated Party section on page 4) who is hired by a PERA employer to perform services for the PERA employer as an independent contractor as defined by the IRS	You are not subject to the working after retirement limit of 110 days/720 hours but employer contributions will be paid to PERA on your earnings

Continued on page 2

If you are	Then
A PERA retiree who is working for a company owned or operated by an affiliated party (see the Working for an Affiliated Party section on page 4) who is hired by a PERA employer to perform services for the PERA employer as an employee	You are subject to the working after retirement limit of 110 days/720 hours and employer contributions will be paid to PERA on your earnings
A PERA retiree serving as a state legislator	The work limit does not apply and employer contributions are not due to PERA
A retired judge participating in the Senior Judge Program	The work limit does not apply and employer contributions are not due to PERA
A retired judge working outside the Senior Judge Program	The same rules apply as are applied to other retirees
A PERA retiree working in a position that has been temporarily vacated by an employee who has been called into active U.S. military duty	The work limit does not apply but employer contributions are due to PERA on your earnings
A PERA retiree who retired prior to June 3, 1994, and who is employed at a public college or university, and in a position covered by an Optional Retirement Plan	The work limit does not apply but employer contributions are due to PERA on your earnings
A PERA retiree and have been retired for less than one month and you work in any capacity for any PERA-affiliated employer during the effective month of retirement	<ul style="list-style-type: none"> • You may not work in any capacity (paid or volunteer) on the first business day of your effective month of retirement • PERA will reduce your benefit by 5 percent for each day or partial day you worked during your effective month of retirement • Any time you work during the effective month of retirement will count toward the 110-day limit • Employer contributions are due to PERA on your earnings
A PERA disability retiree under the disability program which went into effect January 1, 1999	Any work after retirement must be coordinated with the Disability Program Administrator and may prompt a re-evaluation of your disabling condition; if it is determined that you are medically able to earn 75 percent of your predisability earnings, your disability retirement benefit may end
A PERA retiree who is a volunteer for a PERA employer	The work limit does not apply; however, you may not volunteer or work in any capacity on the first business day of your effective month of retirement (see page 3)

Returning to Work for a PERA Employer

If you return to work for a PERA-affiliated employer, employment includes any time for which you render paid service. You may volunteer for a PERA-affiliated employer as many hours as you desire.

Upon your return to work, complete the *PERA Retiree Returning to Work for a PERA Employer* form included in this booklet and give the form to your employer. Your employer will use this form to decide if employer and member contributions are required on your pay.

110-Day/720-Hour Work Limit

After your initial month of retirement, you may perform services in exchange for compensation for up to 110 days or 720 hours per calendar year without affecting your benefit. A day is defined as more than four hours of work in a day. If you work four hours or less during a day, the limit is 720 hours per calendar year. If your work exceeds 110 days or 720 hours, PERA must reduce your benefit in a future month by 5 percent for each day in excess of the limit.

You are subject to the 110-day/720-hour work limit if you cannot be considered an independent contractor as defined by the Internal Revenue Service Ruling 87-41, 1987-1 C.B. 296 regarding independent contractors.

If you have both daily and hourly employment, PERA must convert your hourly work days and compare it to the 110-day limit. Work that is four hours or less per day is converted to days by dividing the number of hours by 6.5454.

Example:

Janet worked for six hours per day for 60 days in 2007. Since she worked over four hours per day, each day is counted as one day of work.

Janet also worked three hours per day for 30 days in 2007. Since she worked less than four hours per day, she has accumulated 90 hours (3×30 days). Using the formula, Janet's hours are converted to days in the following calculation:

$$90 \div 6.5454 = 14 \text{ days}$$

Janet's total number of days worked in 2007 calculates to 74 days ($60 + 14$). Janet has not exceeded the 110-day work limit.

Exceeding the 110-Day/720-Hour Work Limit

If you work more than 110 days or 720 hours in a calendar year, one month's benefit will be reduced by 5 percent for each additional day worked. A reduction of more than 100 percent of your benefit will be carried forward to reduce future months' benefits. If you exceed the working after retirement limit, complete the *Post-Retirement Work Report* included in this booklet and send it to PERA no later than March 31 of the year following the calendar year in which you exceed the limit. You may also report your excess hours or days on a monthly basis so that the penalties are applied during the year in which you exceed the limit, instead of being applied in the following calendar year.

Example:

Michael receives a \$1,000 monthly PERA benefit and works for 115 days in a calendar year. His reduction will be 25 percent for one month (equal to 5 percent each day over the limit). His reduction totals \$250 and his next month's benefit will be \$750.

Working During the Effective Month of Retirement

Colorado state law specifies that employment for any PERA-affiliated employer during the effective month of retirement will result in a reduction in your retirement benefit. This does not apply to judges returning to work under the Senior Judge Program.

If you work for any PERA-affiliated employer during the effective month of retirement and you have been retired for less than one month, your employer may be asked for documentation about your employment status. There must be a termination of employment for you to be eligible to retire; any return to work may cause PERA to question whether the employment relationship was truly terminated. To assure that a termination of employment occurred, the earliest day you may return to work for any PERA-affiliated employer is the second business day of the month in which your retirement is effective. If you work the first business day (paid or volunteer), your retirement will be delayed to the following month.

If you do work during the effective month of retirement, PERA must reduce your benefit 5 percent for each day or partial day that you work during that month and the time will count toward the 110-day working after retirement limit. This penalty applies immediately, regardless of whether or not you exceed other working after retirement limits and you must report any work (at the end of your first month of retirement) on the *Report of Work During the Effective Month of Retirement* form included in this booklet.

Be sure to review the information about Effective Date of Retirement in the PERA Retirement Process booklet.

Employer Contributions on Retirees' Salaries

Your employer must pay employer contributions and the Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED) on your salary or payments made to you for services rendered. This applies to all PERA retirees working after retirement for a PERA employer as an employee, independent contractor, vendor, or consultant, or if you are hired by a PERA employer through a business you own or operate, or if you work for an affiliated party. By law, it is the employer's responsibility to pay these employer contributions and they may not be paid as a deduction from your salary or other pay. An employer may reduce the salaries for rehired retirees to compensate for the employer contribution, which is allowed under the law, but may not deduct contributions from the agreed upon pay. You are not required to pay member contributions.

Working for an Affiliated Party

An affiliated party includes:

- Any person who is the named beneficiary or cobeneficiary on the PERA account of the retiree.
- Any person who is a relative of the retiree by blood or adoption (includes parents, siblings, half-siblings, children, and grandchildren).
- Any person who is a relative of the retiree by marriage (includes spouse, spouse's parents, stepparents, stepchildren, stepsiblings, and spouse's siblings).

- Any person or entity with whom the retiree has an agreement to share or profit from the performance of services for a PERA employer by the retiree other than the retiree's regular salary or compensation.

If you perform services through an affiliated party for a PERA-affiliated employer, you must complete the *Disclosure of Compensation* form in this booklet to disclose the amount of salary earned for the services provided. The PERA employer is required to submit employer contributions on this salary. If you fail to report compensation to PERA and the PERA employer, you will be required to pay the employer contribution amount plus any interest.

Submitting Working After Retirement Forms

It is your responsibility to submit:

- A *PERA Retiree Returning to Work for a PERA Employer* form. Your employer uses this form to decide if employer and member contributions are required on your pay.
- A *Report of Work During the Effective Month of Retirement* form at the end of your first month of retirement **if** you work for a PERA employer during the effective month of retirement.
- A *Post-Retirement Work Report* form to PERA no later than March 31 of the year following the calendar year in which you exceed the limit. You may also report your excess hours or days on a monthly basis so that the penalties are applied during the year in which you exceed the limit, instead of being applied in the following calendar year.
- A *Disclosure of Compensation* form **if** you are performing services through an affiliated party for a PERA-affiliated employer. You must disclose the amount of salary earned for the services provided. If you fail to report compensation to PERA and the PERA employer, you will be required to pay the employer contribution amount plus any interest.

If you fail to submit any of the above forms as required or provide PERA with false information, PERA may suspend your benefit and take legal action to recover unearned benefit payments. You should keep a record of your work hours/days because PERA may request information about your employment.

Making Contributions to Your PERA 401(k)

You can make tax-deferred contributions to PERA's 401(k) Plan from your post-retirement pay. Retirees age 50 or over may make additional contributions. Contributions and earnings are tax-deferred, which means you won't pay taxes on this income until you withdraw it from the Plan. For more information, see the Colorado PERA 401(k) information on the PERA Web site at www.copera.org. You can view, print, or request a copy of *Colorado PERA's 401(k) Plan* booklet be sent to you through the Web site or you may request a copy of the booklet be sent to you by calling PERA at 1-800-759-PERA (7372) and selecting the 401(k) option.

Suspending Retirement

If you wish, you may suspend your monthly benefit and return to membership in a position subject to PERA membership. To suspend retirement, you must notify PERA in writing prior to the date of your re-employment. Benefit suspensions are effective the first of the month following receipt of written notification. During this time you and your employer will make employer and member contributions to PERA, and you could earn additional service credit.

After you stop working, if you earned less than one year of service credit, your PERA contributions, interest, and a matching amount will be refunded and your retirement benefit will be resumed effective the first of the month following your last month that contributions are remitted.

If you earn one year or more of service credit following a suspension of benefits, when you re-retire, PERA will recalculate your benefit to reflect your additional service credit and any change in your Highest Average Salary (HAS). If your new retirement date is January 1, 2009, or later, your benefit will be calculated under revised PERA rules on HAS, which could lower your retirement benefit instead of increasing it. Also, when you re-retire, you may select a new benefit option and cobeneficiary or keep your original selections.

Disability Retirees

Disability retirements under the disability program which went into effect January 1, 1999, have different earnings and return to work limits. See the Summary of Working After Retirement Rules chart on page 2.

However, if you are a disability retiree whose effective date of retirement was between July 1, 1988, and December 31, 1998, you are subject to an earned income limitation in addition to the 110-day/720-hour work limit that may reduce your PERA benefit.

The earned income limit applies to income earned from both PERA-covered employment and non-PERA-covered employment. An additional reduction in your benefit will occur if your earned income, when added to the amount of your initial monthly benefit multiplied by 12, exceeds your HAS calculated at the time of your retirement multiplied by 12. Your disability benefit will be reduced by \$1 for every \$3 earned over this limit.

Disability retirees affected by this provision are sent a *Disability Offset Worksheet* to complete and return to PERA during the first quarter of each year. The earnings limit will no longer apply once you meet the service retirement requirements in effect when your benefit started.

PERA Retiree Returning to Work for a PERA Employer

Colorado Public Employees' Retirement Association
PO Box 5800 • Denver, Colorado 80217-5800
303-832-9550 • 1-800-759-7372 • Fax: 303-863-3727 • www.copera.org



Complete this form if you are a PERA retiree returning to work for a PERA employer. If you return to work for more than one employer, complete this form for each employer. After completing this form, please send a copy to PERA and submit the original to your employer, who will determine if PERA contributions are required on your behalf. This form is intended only to determine whether employer and member contributions are due to PERA.

Section 1: To be Completed by Retiree

Name _____
Last Name First Name MI

Address _____
Street, Route, or Box Number City State ZIP Code

SSN _____ Birthdate _____ Home Telephone () _____

Please check the paragraph below that applies to you:

- I am a PERA retiree and I currently receive a PERA monthly retirement benefit. I am returning to work for the PERA employer listed below and I am aware of the state law that restricts me from working more than 110-days/720-hours per calendar year. I understand it is my responsibility to keep track of my time worked so that I do not exceed this limit. If I work more than 110 days or 720 hours in a calendar year, I understand one month's benefit will be reduced by 5 percent for each additional day worked and a reduction of more than 100 percent of my benefit will be carried forward to reduce a future month's benefit. I also understand I am exempt from having PERA member contributions deducted from my pay and I do not need to complete a PERA *Member Information Form*. If I need more information about PERA and the working after retirement rules, I will contact PERA at 303-832-9550 or 1-800-759-7372.
- I am a PERA retiree currently receiving a PERA monthly retirement benefit and I am serving in a state elected official's position. I understand that the salary I earn shall not be subject to employer contributions and I am exempt from having PERA member contributions deducted from my pay.
- I have retired from a PERA employer but I am not currently receiving a PERA monthly retirement benefit. I am returning to work for the PERA employer listed below. I understand I must complete a PERA *Member Information Form* and that the salary I earn shall be subject to employer contributions and PERA member contributions will be deducted from my pay.
- I have retired from a PERA employer and I refunded my PERA account. I am returning to work for the PERA employer listed below. I understand I must complete a PERA *Member Information Form* and that the salary I earn shall be subject to employer contributions and PERA member contributions will be deducted from my pay.

Signature _____ Date _____

Section 2: To be Completed by Employer

Employer No. _____ Employer Name _____ Phone Number () _____

Name of Certifying Official _____

Job Title _____ Date Employment Began _____

Salary \$ _____ Hourly Monthly Contract Yes No Contract Period _____

Month/Year to Month/Year

Signature of Certifying Official _____

Report of Work During the Effective Month of Retirement



Colorado Public Employees' Retirement Association
PO Box 5800 • Denver, Colorado 80217-5800
303-832-9550 • 1-800-759-7372 • Fax: 303-863-3727 • www.copera.org

Complete this form if you worked for any PERA-affiliated employer during the month of your effective date of retirement and send this report to PERA. It must be sent within 10 days after the end of month in which your PERA retirement was effective.

Retiree Name _____
Last Name First Name MI

Address _____
Street, Route, or Box Number City State ZIP Code

SSN _____ Home Telephone (____) _____

List the PERA-affiliated employers and the dates you worked during the effective month of retirement:

Name of Employer _____

Dates Worked: _____

Name of Employer _____

Dates Worked: _____

Name of Employer _____

Dates Worked: _____

Signature _____ Date _____

Send to the PO Box listed above

Post-Retirement Work Report

Colorado Public Employees' Retirement Association
 PO Box 5800 • Denver, Colorado 80217-5800
 303-832-9550 • 1-800-759-7372 • Fax: 303-863-3727 • www.copera.org



Complete this form only if you have exceeded the calendar year 110-day/720-hour work limit. Only report the days/hours in excess of this limit. Submit this form to PERA no later than March 31 of the year following the calendar year in which you exceed the limit. You may also report your excess hours or days on a monthly basis so that the penalties are applied during the year in which you exceed the limit, instead of being applied in the following calendar year.

SSN

- -

Retiree's Name _____
Last First MI

Address _____
Street, Route, or Box Number City State ZIP Code

Birthdate _____ Daytime Phone (____) _____
Month/Day/Year

Date(s) Worked	PERA-Affiliated Employer	Number of Days Worked (more than 4 hrs./day)	Number of Hours Worked (4 hrs. or less; show # of hrs. worked each day)
Totals:			

Providing false information or failing to report work in excess of 110 days or 720 hours each year is a statutory violation subjecting you to collection action including offset of future benefits to recover any overpayments with interest plus any collection costs.

Signature _____ **Date** _____

Disclosure of Compensation

Colorado Public Employees' Retirement Association
 PO Box 5800 • Denver, Colorado 80217-5800
 303-832-9550 • 1-800-759-7372 • Fax: 303-863-3727 • www.copera.org



Complete this form if you are performing services for a PERA-affiliated employer as an independent contractor or through an affiliated party. **If your relationship with the owner of the company does not meet the definition of "affiliated party" on the reverse, you do not need to complete this form.** If your relationship does meet this definition, you must disclose the amount of salary earned for services provided on a monthly basis. If you need additional copies of this form, go to the PERA Web site or call PERA's Customer Service Center. After completing this form, make a photocopy and provide it to the PERA employer who will then complete Section 2 and send the form to PERA. Send your completed original form to PERA.

SSN

- -

Section 1: To be Completed by Retiree

Name of PERA-affiliated employer for which services were rendered _____

Company Name (not the PERA-affiliated employer) _____

Owner of Company _____

Please specify the nature of the relationship between you and the affiliated party (see definition on reverse): _____

Your Name _____
Last First MI

Address _____
Street, Route, or Box Number City State ZIP Code

Daytime Phone (____) _____

Signature _____ **Date** _____

Date(s) Worked	Type of Service Provided	Compensation Received by Retiree
		\$
		\$
		\$

Section 2: To be Completed by Employer

Complete the information below and send this form to PERA. You are required to submit employer contributions on this salary within 30 days of receiving this form.

Employer No. _____ Employer Name _____ Phone Number _____

Name of Certifying Official _____

Job Title _____ Date Received This Form (____) _____

Signature of Certifying Official _____

Working for an Affiliated Party

An affiliated party includes:

- Any person who is the named beneficiary or cobeneficiary on the PERA account of the retiree.
- Any person who is a relative of the retiree by blood or adoption (includes parents, siblings, half-siblings, children, and grandchildren).
- Any person who is a relative of the retiree by marriage (includes spouse, spouse's parents, stepparents, stepchildren, stepsiblings, and spouse's siblings).
- Any person or entity with whom the retiree has an agreement to share or profit from the performance of services for a PERA employer by the retiree other than the retiree's regular salary or compensation.

If you perform services through an affiliated party for a PERA-affiliated employer, you must complete the *Disclosure of Compensation* form on the reverse side to disclose the amount of salary earned for the services provided. If you fail to report compensation to PERA and the PERA employer, you will be required to pay the employer contribution amount plus any interest.

This booklet provides general information about working after retirement. Membership rights, benefits, and obligations are governed by Title 24, Article 51, Colorado Revised Statutes, and the Rules of the Colorado Public Employees' Retirement Association, which take precedence over any interpretations in this booklet.

Colorado Public Employees' Retirement Association
1300 Logan Street
Denver, Colorado 80203
www.copera.org

2/55 (REV 7-08) 5M

 Printed on recycled paper