

## Retirees Returning to Work: Facts and FAQ

Many retirees contemplate returning to work on a part-time basis. Policies surrounding VERIP (the County's early retirement plan) and VRS (the Virginia Retirement System) retirement differ considerably. Therefore, it is important that you are aware of how a return to employment may or may not affect your retirement benefits. If you are considering returning to employment with Albemarle County, please read the following guidelines for returning to work as a retiree.

### VRS Retirement

A retiree may work in any job without affecting service retirement benefits provided the position is not covered under VRS, the Judicial Retirement System (JRS), the State Police Officers' Retirement System (SPORS), the Virginia Law Officers' Retirement System (VaLORS), or an Optional Retirement Plan (ORP). If a retiree returns to work in a position covered under any of the retirement plans listed above, retirement benefits or distributions must stop. Upon resumption of retirement, monthly benefits are recalculated based on the additional service and the new salary (only if the salary was higher than it was in the past); this provision does not apply to ORPs. The same payout option must be selected, and all cost-of-living adjustments (COLAs) earned during the first retirement are lost.

A retiree returning to work in a part-time position with the same employer must complete a bona fide break in service of **at least 30 days** before receiving a service retirement benefit. The 30 days must be during a time when the member would normally have been working if he or she had not retired. **The summer months, when a teacher would normally be off, are not considered to be a break in service.** A retiree returning to work in a part-time position with a *different* employer covered under VRS, JRS, SPORS, VaLORS or an ORP is *not* required to complete a bona fide break in service. For retirees returning to the same employer on a part-time basis, the work performed must not have the same duties or hours that were worked prior to retirement. Additionally, there can be no pre-arranged employment commitment between the employer and the retiring member.

Retirees employed in a *covered* position must complete a Request for Termination of Monthly Benefits (VRS-7). This can be obtained through VRS's website at [www.varetire.org](http://www.varetire.org) or by contacting the County's Human Resources Department at (434) 296-5827. This form must be certified by Human Resources before submission to VRS.

### VERIP Retirement

Retirees who return on a part-time basis may continue receiving benefits under the program **only** if that employment is temporary in nature (e.g. substitute teaching). VERIP retirees who return to *regular* part-time positions (whether benefits-eligible or not) will have their VERIP benefits cease for the duration of that employment. The employee may reactivate their VERIP benefits upon re-retirement if they 1) are under the age of 65 **and** 2) have not used up their VERIP entitlement. As with VRS retirement, retirees who are receiving benefits under the VERIP program who return to work for the County full-time would not be eligible to continue receiving those benefits.

## **Frequently Asked Questions (FAQ)**

***I want to retire at the end of this school year, but only if I can work part-time next school year. Can I be certain that I will be able to get part-time employment with the County in September?***

No. According to IRS guidelines surrounding qualified retirement plans, there can be no pre-arranged employment commitment between a retiree and his or her employer.

***If I decide I want to return to work for the County part-time, how does that affect my retirement benefits?***

Your VRS benefits are not affected by working part-time; however, if you return to work in a *regular* part-time position with the County and you are receiving VERIP benefits, your VERIP benefits would cease while you are working. This interruption of VERIP benefits would not apply to temporary positions like substitute teaching. (Please refer to the guidelines on the previous page in regard to the required break in service.)

***What if I want to substitute teach?***

Substitute teaching is not considered regular employment; however, you must still meet the 30-day break in service and no prearranged agreement requirements in order to be able to return in a substitute/temporary capacity and continue to receive VRS benefits. One way in which substitute/temporary employment differs from regular employment when it comes to retirement benefits is that while you wouldn't be able to continue receiving VERIP benefits if you returned in a regular part-time position, you *would* be able to do so if you return in a substitute/temporary position.

***Can I return to work in the same school/department I worked in before I retired?***

Yes. There is no restriction on returning to work at the same location.

***Can I work in the same job, but in a part-time capacity?***

Yes. However, your job duties must be different in some way from the duties you had pre-retirement. That is not to say you cannot teach the same subject or still have the same job title, but your new duties would either need to be different or you could not perform all the duties you had before you retired. With most positions, duties will differ simply through the nature of going from full-time to part-time. In other words, it would not be possible to do exactly the same job in a part-time capacity that you had done as a full-time employee.

***I understand that there needs to be a break in service of at least 30 calendar days before I can return to work for the County part-time. What if I retire at the end of a school year and return to work part-time at the beginning of the next school year?***

The summer break does not count toward the 30-day break-in-service requirement. The 30-day break must occur over a period when the employee would normally have been working. Therefore, you should not accept employment with the County prior to October 1 of the school year following your retirement date if you wish to continue receiving your VRS monthly benefit.

***If I return part-time, do I keep my sick leave?***

No. Once you resign from your position, any accumulated sick leave you may have had will no longer be available to you. The County does not currently pay out sick leave upon an employee's separation from service. If you return to a regular part-time benefits-eligible position, you would begin accruing leave based on the number of hours worked per day, in the same manner as a new employee. Keep in mind that if you return part-time, you will only be eligible for leave and benefits if you work at least 50% of a full-time schedule for that position.

***If I return part-time working at least 50% time, is it true that my portion of the health insurance premiums will cost more than they did when I was full-time?***

Yes. Part-time employee premiums are higher than those of full-time employees, with the exception of certain transportation positions that receive full Board contributions. The Board will pay up to your part-time percentage of their portion of the premium; you will then be responsible for the remainder of the Board contribution plus the full-time employee portion. (For example: if the Board contribution for a full-time employee is \$488.33 per month, the full-time employee portion is \$37 and you work 50% time, the Board will only pay \$244.17 toward your insurance coverage. You would then need to pay the other \$244.17 **plus** the \$37 employee portion.)

***I know a teacher who retired and came back to teach part-time. She is working a 90% position. How many hours can I work before it is considered full-time?***

As long as you work less than the normal full-time schedule for your position, you will be considered part-time. 90% time is considered part-time; however, it is important to keep in mind the IRS guideline about your new duties being different from those of your pre-retirement position if you intend on returning to a part-time schedule that is only a touch shorter than a full-time schedule.

***I know a teacher who retired a couple of years ago and returned in a part-time position the following school year. However, she spoke with her principal before she retired to ensure she would have a part-time position when she returned in the fall. Why can't I do the same?***

Previously, we were not provided the IRS guidelines to follow in this regard and made the best good-faith effort to comply with what little guidance we were given. However, now that the guidelines are clear to us, we must comply with them. Therefore, the County cannot commit to a part-time position for you next school year if you retire in June.