

WRS RETIREE RETURNING TO WORK

**To be Completed by all WRS Retirees Returning to Work for a Participating Employer
and forwarded to WRS within 10 days of Reemployment**

Member's Name: _____ RAIN ID: _____

Original Retirement Date: _____ From (Employer Name): _____

All retired members of the Wyoming Retirement System (WRS) must meet the Retirement Eligibility Requirements shown on page 2 of this form prior to returning to work for a participating employer in the Plan, in any capacity. Those requirements include having had a break in service of at least 30 days from the member's original retirement date prior to returning to work.

I understand that if I have not met the Retirement Eligibility Requirements, including having had a break in service of at least 30 days prior to returning to work for a participating employer, my retirement application will be suspended and/or my monthly benefit will be discontinued and I shall be reinstated as an active member in the Plan.

X _____
Signature of Retired Member Date

Rehired Retiree Election:

If you have had a break in service of at least 30 days from your original retirement date prior to returning to work for a participating employer of the Plan to fill, in any capacity, a vacant full-time position of a regular contributing employee, please review your options as a rehired retiree on page 3 of this form and make an election below.

I have read and understand my options as a Rehired Retiree and hereby make an election to:

- DISCONTINUE my retirement allowance and be reinstated as a contributing member of WRS.
- CONTINUE receiving my retirement allowance and not be reinstated as a contributing member of WRS.

I understand if either my employer or I do not follow the rehired retiree provision, my retirement benefit shall immediately be discontinued and I will be reinstated as a contributing member of WRS.

X _____
Signature of Rehired Retiree Date

To be Completed by Employer:

Employer Name: _____ Member's Job Title: _____

Reemployment Date: _____ Length of time employment expected to last: _____ Salary: \$ _____ month/hour

Pursuant to Wyo. Stat. § 9-3-415(h), the Employer shall pay the rehired retiree payment in any event where the Employer hires a retired member to fulfill, in any capacity, the duties of a vacant full-time position of a regular contributing employee, including as a contract employee or an employee of a third party contractor. Pursuant to Chapter 12 of the Wyoming Retirement Board rules and Wyo. Stat. § 9-3-417(b), for purposes of rehired retirees, full-time employment includes any position for which the retiree **works 86 or more hours per month.**

Based on the above:

- The Employer is required to pay the rehired retiree payment
- The Employer is not required to pay the rehired retiree payment

PLEASE MARK RETIREMENT PLAN AND EMPLOYEE STATUS:

- | | |
|-----------------------------------------------------------|------------------------------------------------------|
| <input type="checkbox"/> Public Employees Retirement Plan | <input type="checkbox"/> State AWEC |
| <input type="checkbox"/> Law Enforcement Plan | <input type="checkbox"/> Substitute Employee |
| <input type="checkbox"/> P.O.S.T. Certified | <input type="checkbox"/> Contract Employee |
| <input type="checkbox"/> Guard Firefighter Plan | <input type="checkbox"/> 3rd Party Contract Employee |
| | <input type="checkbox"/> Temporary Employee |

WRS Office Use Only

Entered: _____

Verified: _____

X _____
Authorized Employer Signature Phone Number Date

Returning to Work After Retirement

<p>General Rule</p>	<p>The IRS requires that persons drawing a benefit from a tax-sheltered retirement plan like WRS actually be retired from working within the plan. The general rule is that a person cannot simultaneously be employed by an entity participating in a WRS plan and apply for or draw a retirement benefit related to employment in that same plan. If a retiree returns to work within the plan, the retirement benefit stops, contributions resume and the benefit is recalculated when the person truly retires. The IRS allows WRS to have narrow exceptions to the general rule, but it is helpful to understand why there is complexity in this area: WRS has to operate within IRS guidance to maintain the tax qualified status of the plan.</p>
<p>Rehired Retire Provision</p>	<p>The provisions describing when a retiree can return to work for a participating employer can be found in Wyoming Statute 9-3-415(g) through (j) and Chapter 12 of the Wyoming Retirement Board's rules. A rehired retiree is a WRS retired member who returns to work for an employer <i>within the same plan</i> from which the retiree originally retired, filling a vacant full-time position. The rehired retiree provision is not a "plan" and was not designed so a member could supplement his salary with his retirement benefit. The objective is to provide a tool for the employer who is otherwise unable to find a suitable candidate to fill a vacant full-time position.</p>
<p>Plans with Rehired Retiree Provision</p>	<p>A retiree of the Public Employee, Law Enforcement, or Guard Firefighter Plans who has met all of the requirements for retirement eligibility AND has had a bona fide break in service of not less than 30 days can return to work for a participating employer within the same plan and elect to either continue receiving retirement benefits and not contribute to the system or discontinue retirement benefits and begin making contributions to the system again.</p> <p>A retiree from a plan that does not have the rehired retiree provision can still return to work for an employer in that plan, but doesn't have a choice as to whether or not his benefit will be stopped. Without the rehired retiree provision, the default is the retiree is required to stop his benefit and start contributing again. The retiree's benefit will be affected when he retires a second time. <i>(See Retiree Elects to Stop Receiving Benefits section)</i></p> <p><i>Note: A retiree who goes to work for an employer in a different plan is considered a new employee and would be treated the same as any other new employee in that position working for that employer.</i></p>
<p>Retirement Eligibility Requirements</p>	<p>Retired" or "retirement" means the member has terminated his working career for a salary and has met all of the requirements for eligibility to receive a retirement benefit.</p> <p>Eligibility requirements are:</p> <ul style="list-style-type: none"> • The member must terminate employment with all employers. This means the member must sever all employment and be totally off the books for the employer. • The member must file his retirement application with WRS. • The member must have <i>not less than a 30-day break</i> in service and cannot have a pre-existing arrangement, whether formal or informal, with the same or a different employer to return to work. If the retiree is "volunteering" to get through the 30-day break in service period and then intends to return to work, this is considered a pre-existing agreement. The 30 days begin with the member's retirement date as shown on his retirement application. • The employer must provide WRS with the applicable termination notice and submit the member's final contributions.
<p>Vacant Full-time Position</p>	<p>For rehired retirees, a vacant full-time position is defined as a position for which a full month of service credit is earned. In the Public Employee, Law Enforcement, and Guard Firefighter Plans, that is 86 hours a month (or 20 hours per week). This definition is not based on the EMPLOYER'S definition of full or part-time employment.</p>
<p>Retiree Returning to Work in ANY Capacity</p>	<p>Basically it comes down to the POSITION the retiree is filling. It doesn't matter if the rehired retiree is called a consultant or a contract employee. If the retiree will be responsible for the same duties as that of a regular contributing employee, the rehired retiree payment will be required.</p> <p>This includes:</p> <ul style="list-style-type: none"> • The retiree filling a vacant full-time position that would typically pay into WRS • The retiree is responsible for the same duties as a regular full-time position employee • The position was a full-time position before the member retired • The employer doesn't fill the vacant full-time position because the rehired retiree is now responsible for those duties • The position has been changed to a job-share being filled by two or more employees/retirees <p>WRS expects contributions on specific positions, so if the employer eliminates or changes the "type" of position to accommodate a retiree returning to work, it creates an unfunded liability for the system. The purpose of the law is to protect the actuarial soundness of the system by preventing</p>

	an employer from filling a vacant full-time position with someone other than an employee for whom it would normally owe contributions.
Elected Officials	<p>For a retiree <u>running for office</u>, even if running unopposed, there's no guarantee that the member will be elected. Someone running for election is dependent on the voters, not the employer. If the retiree is elected to the office, subsequently terminates employment and applies for a retirement benefit, we will process the retirement (if all the eligibility requirements are met), however, when the retiree assumes office, the retiree's benefit may be stopped if it's determined there was a pre-existing agreement prior to applying for retirement.</p> <p>For a member who already holds an elected office:</p> <ul style="list-style-type: none"> • Reelection to the same office or another covered office without a bona fide break in service is considered continuous service. • If a <u>current</u> elected officer who is elected to another term for that same office or another covered office decides to resign or retire prior to commencement of that term for which elected, the break in service between the term date and the reemployment date is not considered a bona fide break in service for the purpose of the rehired retiree rule.
RETIREE ELECTION	There are specific requirements a potential rehired retiree needs to be aware of prior to making an election whether or not to stop his benefit.
Retiree Elects to Stop Receiving Benefits	<p>If the retiree stops his benefit and starts contributing again, it does not always result in a higher monthly benefit when the member retires a second time. The two employment histories will be combined when calculating the member's second retirement, but even though the months of service and possibly the highest average salary will increase, there are two factors that may negatively affect the new benefit when the member retires a second time:</p> <ul style="list-style-type: none"> • The new benefit will be reduced by the actuarial equivalent of the money paid out during the first retirement, and • Any COLAs that accumulated during the first retirement will be eliminated <p>For the highest average salary to change, the member must work, at a minimum, the number of continuous months associated with the appropriate tier or plan. Otherwise the highest average salary will remain the same as from the member's first retirement.</p> <p>The option and designated survivor (if a joint option was selected) from the member's first retirement will be carried forward to the second retirement.</p> <p>When the member retires a second time, if the new benefit is lower than the original retirement benefit, WRS will reactivate the original retirement benefit.</p> <ul style="list-style-type: none"> • The benefit will be effective from the member's second retirement date • No retroactive payment will be given for the period of reemployment • The member is not entitled to a refund of any contributions and interest made during the period of reemployment.
Retiree Elects to Continue Receiving Retirement Benefit	<p>If the member continues their benefit, no additional service credit will accrue during the period of the member's second employment. The employer is required to pay the rehired retiree payment to WRS for any rehired retiree hired in a vacant full-time position.</p> <p>If the rehired retiree hasn't complied with all components of the rehired retiree statute, his benefit will be stopped and he will be required to start contributing to the system again.</p>
Rehired Retiree Payment	An employer that hires a retiree into a vacant full-time position within the same plan from which the retiree originally retired is required to pay the rehired retiree payment. The rehired retiree payment is equivalent to the normal employee and employer contributions for employees of that plan.
Rehired Retiree Election Form	<u>All WRS retired members who are rehired by an employer within the same plan from which they originally retired must complete the attached WRS-9 Rehired Retiree Election Form within 10 days of reemployment.</u>