

# The Impact of Returning to Work on Your Benefits



Retirement might not mean the end of work. If you think you may return to a job covered by a PEBA retirement system after retiring, there are some rules you need to understand before retiring. A member's receipt of service retirement benefits is not affected by employment outside of the retirement systems. Disability retirees are subject to different rules.

## **You must be retired for at least 30 days.**

To retire, you must completely terminate from all covered employment. To receive retirement benefits, you must also be retired for at least 30 consecutive days before you return to covered employment. If you return sooner, PEBA will suspend your monthly retirement benefit, and you will not be eligible to receive benefits again until you terminate from all covered employment.

This 30-day requirement relates to retirement benefits only, not health insurance coverage. Contact PEBA for information about how retirement will affect your insurance coverage.

## **Impacts on your monthly retirement benefit**

### **\$10,000 earnings limitation**


This rule, which can have a large impact on your income, does not limit the amount you can earn from covered employment. Instead, it limits your retirement benefit once your earnings from covered employment exceed the \$10,000 limit. There are exceptions to the earnings limitation:

- Members who retired before January 2, 2013, regardless of age at retirement.
- South Carolina Retirement System (SCRS) members who retired on or after January 2, 2013, but were age 62 or older on date of retirement.
- Police Officers Retirement System (PORS) members who retired on or after January 2, 2013, but were age 57 or older on date of retirement.
- Teachers who meet a critical needs exception. The S.C. Department of Education certifies a member is working in a critical needs area, either academic or geographic.
- Class One law enforcement officers who retired under PORS prior to January 1, 2018, and are employed as critical needs school resource officers.

You will receive your retirement benefit until you earn \$10,000 from employment in a covered position during a calendar year. Once you reach this amount, your monthly retirement benefit stops for the rest of the year. The limit resets the following calendar year. The limit remains in effect for as long as you have covered employment.

### **Returning to active membership**

In some cases, you may be eligible to cancel your retirement and return to active membership. You must work 48 continuous months, or the equivalent of four years. In this time, you must have annual earnings greater than 75 percent of the average



final compensation, or AFC, used to calculate your retirement benefit amount. If you return to active membership, you will have the option to repay benefits you received in retirement in order to establish additional credit. You can then retire later with a recalculated benefit.

### **Return-to-work retirees and retirement system contributions**

If you return to work, you must contribute a percentage of your pay into the system. The contribution rate will be the same as it is for active employees. However, you will no longer earn service credit or receive interest on your account.

### **Insurance coverage when you return to work**

You may be eligible for retiree group insurance when you retire. If you return to work in an insurance-eligible position with the State Health Plan, you must enroll in active employee insurance.

If you are on Medicare while working, the State Health Plan will be your primary payer; Medicare will be secondary. If your employer does not participate in the State Health Plan, then any coverage it offers will determine your options.

Learn more about coverage and premiums in the Retiree group insurance chapter of the [Insurance Benefits Guide](#) and the [Insurance Coverage for the Medicare-eligible Member](#) handbook.

### **Learn more**

- [www.peba.sc.gov](http://www.peba.sc.gov):
  - Retirement member handbooks.
  - Insurance forms.
  - *Insurance Benefits Guide*.
- PEBA's Customer Contact Center: 803.737.6800 or 888.260.9430.
- Medicare: [www.medicare.gov](http://www.medicare.gov) or 800.633.4227.