For KPERS School Employers

Working After Retirement

What Employers Should Know

The same laws that allow KPERS retirees to work at a KPERS employer also include unique rules, restrictions, rates, limits and exemptions you should know.

- **Waiting-period rules apply.** It's 180 days for retirees under age 62 and 60 days for retirees age 62 and older.
- **No prearrangements** to return to work before retirement or during the waiting period after retirement (penalties apply).
- **No earnings limits** for employees who are working after retirement in KPERS-covered or non-covered positions.
- **Employees do not make contributions**.
- **Employers contribute** the regular/statutory rate on earnings up to $40,000 and 30% on earnings above $40,000 for employees in KPERS-covered positions.
- **KP&F retirees** returning to work in a KPERS position may become active KPERS members. Enroll them as a new member in **KPERS (Plan 1)**. They are under the rules for no prearrangement and have a 30-day waiting period.
- Do not enroll **exempt positions**.

  Exempt positions include:

  - Substitute teachers without contracts. ***Prearrangement and waiting-period rules still apply.***
  - Referees, extracurricular judges or ticket-takers without contracts. ***Prearrangement and waiting-period rules DO NOT apply if they are working ONLY in these positions.*** If the retiree holds additional positions within the school district, regular rules apply.

Quick Guide

	Enroll & Contribute	Enroll & Don't Contribute
Position Types	Covered Positions[1]	Non-Covered Positions[2]
Earnings Limit	None	None
Employer Rate	First $40,000: Statutory Rate Over $40,000: 30%[3]	No Contributions
Waiting Period[4]	Retire before age 62: **180 Days** Retire age 62 or after: **60 days**	

1. Not seasonal or temporary and requires at least 1,000 hours (630 for schools) of work per year.
2. Seasonal or temporary and requires less than 1,000 hours (630 for schools) of work per year.
3. Rate change to 30% starts with the first pay period after employee reaches $40,000.
4. Arrangements to return to KPERS employer not allowed anytime before KPERS retirement or during waiting period.

Enroll or Don't Enroll

Third-party and independent contractors

	Question	Answer	Action
Q1	Is retiree returning to position similar to one held before retirement?	No	Go to Q2
		Yes	Enroll
Q2	Are position's activities normally performed exclusively by employees?	No	Go to Q3
		Yes	Enroll
Q3	If third-party, will contractor's services be used for a limited time?	Yes	Don't Enroll
		No	Enroll
Q4	If independent contractor, does position meet IRS criteria for an independent contractor?	No	Enroll
		Yes	Don't Enroll

Frequently Asked Questions

Q: Do KPERS retirees have an earnings limit?

A: No, KPERS retirees do not have an earnings limit if they go back to a KPERS employer. They will not make contributions or earn more service.

Q: Do employers make contributions on KPERS retirees?

A: It depends. If a retiree goes back to work in a *KPERS-covered position*, employers will make contributions to help fund the Retirement System. If the retiree returns to work in a *non-covered position*, like a seasonal or temporary position, the employer will not make contributions.

Q: Can employees make prearrangements?

A: No. They cannot make prearrangements to go back to work before retirement or during their waiting periods. That means they cannot communicate with an employer in any way about an intent to return to work (e.g., interviews, applications, verbal and written communications about future employment). This is very important to helping KPERS keep its qualified status with the IRS. *This does not apply to those working only as a referree/official/judge for a high school interscholastic or extracurricular event (athletics/speech/music/debate/etc.).*

Q: What happens if an employee is found to have a prearrangement or violated the waiting period?

A: The penalty is suspended benefits starting the month they return to work and ending six months after they stop working. *This does not apply to those working only as a referree/official/judge for a high school interscholastic or extracurricular event (athletics/speech/music/debate/etc.).*

Q: Should I enroll an employee who is working in a non-covered position, such as seasonal or temporary work/ work that requires less than 1,000 hours per year?

A: Yes, but employers won't make contributions on those employees. They are still subject to the waiting period and prearrangement law.

Q: If an employee retired from teaching in July but wanted to return as a football official in August, does the waiting period apply?

A: No, as long as they are only working in that position. If the employee is also working in other positions, the waiting period will apply.

Q: Should I enroll an employee who recently retired from teaching and is returning as an athletics official in August?

A: No, as long as they are only working in that position. If the employee is also working in other positions, enroll them in Plan 6 (Working After Retirement).

Q: If an employee is only returning as a high school athletics official or judge for interscholastic events (speech, debate, theatre judge) does the waiting period apply?

A: No, as long as they are only working in that position. If the employee is also working in other positions, the waiting period will apply.

Q: If an employee is only returning as a high school athletics official or judge for interscholastic events (speech, debate, theatre judge) does the prearrangement rule apply?

A: No, as long as they are only working in that position. If they employee is also working in other positions, the retiree cannot have a prearrangement to return as an athletics official or interscholastic event judge. If they are working in other positions, regular working after retirement rules apply.

Q: Does the waiting period apply if an employee retirees from a school district but goes to work in a non-covered position at a college or university?

A: Yes, the waiting period applies. An employee must give up all part-time or non-contributing work at all KPERS employers in order for there to be a true waiting period.