

Negotiation for Return to Employment

With limited exceptions, your employment does not terminate (end) for TRS purposes if, at the time of retirement, you have a contract, agreement, or promise for future employment with a Texas public education institution. Because the law on employment after retirement significantly changed in 2011, retiring members now have stricter limitations on what type of employment they may arrange for before retirement. Arranging for future employment before you retire is permissible only when the following two conditions are met:

- you must be eligible to take normal-age retirement, and
- you arrange for half-time or less employment.

Note: Members retiring after January 1, 2011, may arrange in advance only for employment that will not result in loss of monthly benefits. Due to changes in the law, for a service retiree, the only exceptions to loss of monthly benefits now are:

- half-time employment,
- substitute service, and
- full-time employment after a break in service from all TRS-covered employers for 12 consecutive months after retirement.

Because substitute service cannot be arranged before retirement and because employers are not likely to arrange for full-time employment if the retiree will not begin until 12 months later, this leaves only employment for half-time or less that may be arranged in advance of retirement by a normal-age service retiree.

See pages 29-36 for normal-age retirement requirements. For more information, see the *Employment After Retirement* brochure, available on the TRS website or by calling TRS.

Members who do not meet these two criteria, but nevertheless enter into employment arrangements at the time of retirement, are not eligible for retirement because they have not effectively terminated employment. They are not eligible for any retirement benefits they may have received or for retiree health care coverage.

Members taking early-age retirement may not have a contract, agreement, or promise for any type of future employment with a TRS-covered employer at the time they retire. They must wait until after the required break in service to negotiate any contract for employment with a TRS-covered employer. After the required break in service (one full-calendar month), an early-age retiree may contract for any type of employment; however, the employment after retirement remains subject to the monthly forfeiture of benefit provisions. See pages 29-36 for early-age retirement requirements.

Members who enter into contracts, agreements, or promises to return to

TIER 1

If you meet the eligibility requirements to be grandfathered and your current TRS membership began prior to September 1, 2007, your membership status falls under TIER 1. This section describes the age and service requirements that a TIER 1 member must meet to be eligible for normal-age or early-age service retirement, as well as for the Partial Lump Sum Option (PLSO). This section also describes the standard annuity calculation for a TIER 1 member, using the final average salary that applies to TIER 1. Finally, it provides an overview of the early-age reductions to the standard annuity that may apply to a TIER 1 member, depending on age and years of service credit at retirement.

Normal-Age Retirement Eligibility

To be eligible for normal-age service retirement, you must meet one of the following conditions:

- you are age 65 with at least five years of service credit, or
- you meet the Rule of 80 (your age and years of service credit total at least 80) and you have at least five years of service credit.

Normal-Age Retirement Annuity

As a TIER 1 member, you will have your monthly annuity calculated using the average of your highest **three** annual salaries (based on creditable compensation) and according to the standard annuity benefit formula in effect when you retire.

Early-Age Retirement Eligibility

If you apply for early-age service retirement, your annuity will be calculated according to the standard annuity benefit formula in effect when you retire, but the annuity amount will be actuarially reduced for early age to reflect that you will receive retirement benefits earlier than if you waited to reach normal-age eligibility.

If you do not meet the normal-age requirements, then to be eligible for early-age service retirement, you must meet one of the following conditions:

- you are at least age 55 with five or more years of service credit, or
- you have 30 or more years of service credit.