

Working After You Retire

If you retire under the regular age and service provision (not under a disability), you do not need to report any wages or earnings unless your employer is a member of the Michigan Public School Employees Retirement System.

If you return to work and earn wages from a *participating Michigan public school*, you may be subject to *employment restrictions* or *earnings limitations* as explained below.

Participating Michigan public schools include:

- K-12 public school districts;
- Intermediate school districts;
- District libraries;
- Publicly chartered schools;
- Tax supported community colleges; and
- Central, Eastern, Northern, and Western Michigan Universities, Ferris State and Lake Superior State Universities, and Michigan Technological University.

Employment restrictions.

You may not work within the month of your retirement effective date (even as a volunteer) for a participating public school. (*Note* : If you anticipate working for the state of Michigan in the month of your retirement effective date, additional restrictions could apply if you transferred state of Michigan service that was used in your pension calculation. [Contact ORS](#) for details before completing your retirement application.)

If your pension is based on a disability, [contact ORS](#) before you accept employment because special restrictions apply.

Earnings limitations.

RETIREMENT EFFECTIVE DATE BEFORE JULY 1, 2010.

If your retirement effective date is before July 1, 2010, and you return to work directly for a Michigan public school, you may earn the greater of the statutory limits listed below without affecting your pension.

- One-third of your final average compensation. For this purpose, the salary average is increased by 5 percent (compounded) for each calendar year you are retired. In the first year of retirement the earnings limitation is prorated.
- The earnings limit for someone your age whereby full benefits are payable under the federal *Social Security Act*, as amended. There is no limit on earnings beginning the month you attain social security *full retirement age (FRA)*.

For every dollar you earn over the annual statutory limit, you must return one pension dollar to the retirement system.

If you return to work for a participating public school, it is your responsibility to inform your employer of your retiree status. Reemployment does not change your retiree status, so neither you nor your employer will make contributions to the retirement system. However, after three years full-time employment (five years if you're a Basic Plan retiree), you may request to pay those contributions and repay all pension payments received during the reemployment period and have your pension recalculated.

Your eligibility for the group health insurances is not affected by your

If you retired **before** July 1, 2010, postretirement earnings don't affect your pension if you work for ...

... a participating school

- As a teacher or administrator in a teaching or research capacity at CMU, EMU, FSU, LSSU, MTU, NMU, WMU.
- In any school under an approved (by the Department of Education) *emergency situation*.
- In a position designated (by the Department of Education) as a *critical shortage position* (if you have been retired for at least 12 months).

... a nonparticipating school

- Some public school academies.
- GVSU, MSU, OU, SVSU, U-M, WSU.
- Private and parochial schools.
- Schools outside of Michigan.

... other than a school

- Any other employer, whether inside or outside

earnings. However, if your pension is suspended because your earnings exceed the limitation, your insurance coverage will also be suspended. You can request a continuation of insurance; you will be responsible for 100 percent of the monthly premium.

of Michigan.

- The state of Michigan (except in your retirement effective date month).

Exceptions to the earnings limitation.

For those who retired before July 1, 2010, there are no limitations on postretirement earnings from:

- Employment of a former teacher or administrator in a teaching or research capacity by a university that is considered a reporting unit. These include Central Michigan University, Eastern Michigan University, Ferris State University, Lake Superior State University, Michigan Technological University, Northern Michigan University, and Western Michigan University.
- Public school employees who have been retired for at least 12 months may be exempt from the earnings limitation if they are working in an approved *critical shortage position*. Exemptions are based on the critical shortage list published each fiscal year and expire at the end of that year. Employees can be exempt from earnings limitations for a **maximum of 6 years** or until July 1, 2011, whichever comes first. The list is published by Michigan's Department of Education (MDE) and is updated annually. To see the list, navigate to Teacher Shortage Memo at [MDE's website](#).
- Public school employees who have retired may be exempt from the earnings limitation if they are working for a school with an emergency situation approved by the Department of Education Superintendent of Public Instruction. This exemption from the earnings limitation exists for **6 years** or until July 1, 2011, whichever comes first.

RETIREMENT EFFECTIVE DATE IS JULY 1, 2010, OR LATER.

If you retire July 1, 2010, or later, and return to work directly for a participating Michigan public school (including any charter school), you may earn up to one-third of your final average compensation in a calendar year. In the first year of retirement, the earnings limitation is prorated. If you exceed the earnings limitation, you will forfeit your pension and retiree health care subsidy until the employment ceases.

If you retired July 1, 2010, or later, postretirement earnings don't affect your pension if you work for ...

... a nonparticipating school

- GVSU, MSU, OU, SVSU, U-M, WSU.
- Private and parochial schools.
- Schools outside of Michigan.

If you perform any [core services](#) for a participating Michigan public school (including any charter school), and are employed by an entity other than the Michigan public school, or as an independent contractor, you will immediately forfeit your pension and retiree health care subsidy until the employment ceases.

... other than a school

- Any other employer, whether inside or outside of Michigan.
- The state of Michigan (except in your retirement effective date month).

If your retiree health care subsidy is forfeited, you can request a continuation of insurance; however you will be responsible for 100 percent of the monthly premium.

If you return to work for a Michigan public school or charter school directly or as an employee of an entity other than a Michigan public school, or as an independent contractor, it is your responsibility to inform the school of your retiree status.

Reemployment does not change your retiree status, so neither you nor your employer will make contributions to the retirement system.