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## THE RETIREMENT SYSTEMS OF ALABAMA

David G. Bronner, CEO  
 Donald L. Yancey, Deputy Director

### MEMORANDUM

**To:** RSA Member Agencies

**FROM:** Donald L. Yancey   
 Deputy Director

**DATE:** December 2014

**RE:** Post Retirement Employment Law

Attached are instructions for implementation of Code of Alabama Sections 16-25-26 and 36-27-8.2(c) as amended April 2014. The changes are reflected in the instruction sheet and the attendant forms required for use by both agencies and retirees. All retirees and employing agencies must submit new forms **RETIREE NOTICE POSTRETIREMENT EMPLOYMENT (PRE RN) AND EMPLOYING AGENCY ANNUAL CERTIFICATION (PRE EAAC)** no later than January 31, 2015, regardless of date of last/previous submission.

One of the significant changes is the requirement that the retiree, in addition to the employing agency, notify RSA of any post retirement employment with a participating ERS or TRS agency. Additionally, the new law specifically states that independent contractors be required to comply with restrictions to avoid suspension of retirement benefits. It is strongly suggested that any contractor relationship be discussed with staff at TRS or ERS to ensure compliance with the law.

Some relationships are exempt from restrictions while others are not. It is incumbent upon the retiree and agency to determine the true definition of that relationship after discussion with a TRS or ERS representative to avoid suspension of retirement benefits.

Also attached is the form to be used by the agency when a retiree first enters on duty with the agency, **EMPLOYING AGENCY INITIAL NOTICE (PRE EAIN)**, and the form to be used for the annual certification required by the agency, **EMPLOYING AGENCY ANNUAL CERTIFICATION (PRE EAAC)**. As stated in the instructions, this annual certification form will be required in **January 2015** and again in **December 2015**. However, in subsequent years, this annual certification will only be required in **December of each calendar year**. In an effort to fully implement the new process, we are asking for a certification in January 2015 to use as a basis for the future annual requirement. Forms are also located in the *Employers* section of our website at [www.rsa-al.gov](http://www.rsa-al.gov).

**Memorandum – Post Retirement Employment Law**

**Page 2**

**December 2014**

As stated above, the retiree will also be required to notify the RSA of their employment by completing the RETIREE NOTICE POSTRETIREMENT EMPLOYMENT (PRE RN). To best ensure that retirees complete and submit this notice, we are including it as part of your Postretirement Employment package. Please provide this form to retirees you are currently employing, and maintain the form on file as new retirees come on board. Please coordinate the submission of your EMPLOYING AGENCY INITIAL NOTICE for new hires with the RETIREE NOTICE POSTRETIREMENT EMPLOYMENT (PRE RN) form.

If you have any questions about the implementation of the new procedures, completion of the new forms, or any part of the Postretirement Employment Program, please call the Retirement Systems of Alabama at 877.517.0020.

**Attachments:**    Postretirement Information for ERS and TRS agencies  
                         Retiree Notice of Postretirement Employment (PRE RN)  
                         Employing Agency Initial Notice (PRE EAIN)  
                         Employing Agency Annual Certification (PRE EAAC)

## **Postretirement Information for ERS and TRS Agencies**

The passage of Act 2014-297 requires that all ERS and TRS retirees **and** ERS and TRS agencies notify the RSA of any postretirement employment with an agency participating in either the ERS or TRS. Retirees have been provided information relative to their responsibilities with the new RETIREE NOTICE OF POSTRETIREMENT EMPLOYMENT (PRE RN) for their completion.

In order to facilitate this process, agency notice and certification forms have been developed: EMPLOYING AGENCY INITIAL NOTICE (PRE EAIN) and EMPLOYING AGENCY ANNUAL CERTIFICATION (PRE EAAC). Completion of these forms will ensure the necessary information to be in compliance with this law.

- Provide the **full** Social Security Number (not just the last four digits).
- Provide the expected annual compensation based on the **calendar year** and not the fiscal year. The law is structured to meet annual calendar salary. When agencies show hourly, weekly, monthly pay, they must compute the actual calendar salary derived from numbers of hours/weeks the retiree worked.
- An alternative to this exact salary listing, if unknown at time of employment, is to state an amount not to exceed a salary range within which the employee will remain. This will determine if the retiree is within the annual earnings limit defined by law.
- A retiree employed with a TRS or ERS member agency may continue to receive full retirement benefits provided the retired member meets **both** of the following conditions:
  - The retiree must not be employed or under contract for permanent, full-time employment.
  - The retiree's salary cannot exceed the limitation on earnings. The limits are subject to change each year based upon the Consumer Price Index (CPI). **The limit for the 2015 calendar year is \$24,000.**
- If a retiree's earnings exceed the annual limitation on earnings, the retirement benefit will be suspended for the remainder of the calendar year.

### **Reporting requirements for employing agencies**

1. Employing agencies will be required to complete the EMPLOYING AGENCY INITIAL NOTICE form (PRE EAIN) **within 30 days** of any retiree engaging in employment with an RSA Agency.
2. Employing agencies will be required to complete the EMPLOYING AGENCY ANNUAL CERTIFICATION (PRE EAAC) of **ALL** retirees no later than **January 31, 2015**.
3. **There is NO monthly reporting requirement.**
4. Employing agencies will again be required to complete the EMPLOYING AGENCY ANNUAL CERTIFICATION (PRE EAAC) of **ALL** retirees no later than **December 31, 2015**. This twice annual certification will be required **only** in 2015. In order to fully implement the new law, the January 2015 certification is required to use as a basis for the future annual requirement. In subsequent years, the certification will be required only in **December**.
5. Any form which is not complete will be returned for clarification and/or correction. The POSTRETIREMENT CORRECTIONS (PRE CORR) form will explain the corrections needed.

RSA PRE EAIN  
12/14

**EMPLOYING AGENCY INITIAL NOTICE  
POSTRETIREMENT EMPLOYMENT**

Retirement Systems of Alabama  
P. O. Box 302150 • Montgomery, AL 36130-2150  
334.517.7000 or 877.517.0020  
[www.rsa-al.gov](http://www.rsa-al.gov)

Check One:

- ☐ ERS  
☐ TRS

Name of Employing Agency \_\_\_\_\_

Name of Retiree	Social Security Number	Part Time or Full Time	Temporary or Permanent	Total Annual Compensation * or NTE** amount (calendar year)	Contract Yes or No	Title/Duties	Hire Date

More space on reverse side of this form.

Signature of Payroll Official \_\_\_\_\_

Date Submitted \_\_\_\_\_

Print Name and Title \_\_\_\_\_

Phone Number \_\_\_\_\_

\* Agency must compute total annual compensation based on rate of pay and hours/days/weeks/months expected to work in calendar year.

\*\* NTE - Not to exceed: An amount not to exceed is sufficient, but should also be detailed in the contract.

[illegible]

RSA PRE EAC  
12/14

# EMPLOYING AGENCY ANNUAL CERTIFICATION

## POSTRETIREMENT EMPLOYMENT

Retirement Systems of Alabama

P. O. Box 302150 • Montgomery, AL 36130-2150

334.517.7000 or 877.517.0020

[www.rsa-al.gov](http://www.rsa-al.gov)

Check One:

☐ ERS

☐ TRS

Name of Employing Agency \_\_\_\_\_ Calendar Year \_\_\_\_\_

If your agency did not employ a retired member of either the ERS or TRS for the calendar year, please state 'None', sign, and return to the RSA.

Name of Retiree	Social Security Number	Part Time or Full Time	Temporary or Permanent	Total Annual Compensation * or NTE** amount (calendar year)	Contract Yes or No	Retiree's Title

See reverse side more space.

Signature of Payroll Official \_\_\_\_\_ Date Submitted \_\_\_\_\_

Print Name and Title \_\_\_\_\_ Phone Number \_\_\_\_\_

\* Agency must compute annual salary based on rate of pay and hours/days/weeks/months expected to work in calendar year.

\*\* NTE - Not to exceed: An amount not to exceed is sufficient, but should also be detailed in the contract.

[illegible]

## RETIREE NOTICE OF POSTRETIREMENT EMPLOYMENT

Retirement Systems of Alabama  
P. O. Box 302150 ♦ Montgomery, AL 36130-2150  
334.517.7000 or 877.517.0020  
www.rsa-al.gov

**Check One:**

- ☐ ERS  
☐ TRS

**See reverse side of form for Postretirement Employment Information.**

This form is to be completed by any **Retiree** who becomes employed by or performs a service for an agency participating in the ERS or TRS. If you are not currently employed by or performing a service for an agency participating in the ERS or TRS, you do not need to complete this form.

### PART I RETIREE INFORMATION

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Name of Retiree \_\_\_\_\_ Social Security Number \_\_\_\_\_  
Employing Agency \_\_\_\_\_ Phone Number \_\_\_\_\_

### PART II POSTRETIREMENT INFORMATION

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1. \$ \_\_\_\_\_ Expected annual compensation or Not to Exceed (NTE) amount from an ERS or TRS agency for the current calendar year.

The retiree must compute **annual** calendar salary based on rate of pay and hours/days/weeks/months expected to work in a **calendar** year. An amount not to exceed for the calendar year is sufficient, but should also be detailed in any contract between the retiree and the employing agency.

2. Will you be employed: (Check one for a. and one for b.)

a. Part time \_\_\_\_\_ **or** Full time \_\_\_\_\_

b. Permanent \_\_\_\_\_ **or** Temporary \_\_\_\_\_

3. Date employment begins: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Month Day Year

4. Do you have a Contract? Yes \_\_\_\_\_ No \_\_\_\_\_ If yes, please attach.

5. Brief description of duties:

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### PART III RETIREE SIGNATURE

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I certify that the above information is accurate and true.

Signature \_\_\_\_\_

Date \_\_\_\_\_



## Retiree Notice of Postretirement Employment Information

The passage of Act 2014-297 requires all retirees returning to work with or performing a service for an ERS or TRS participating agency **to submit the RETIREE NOTICE OF POSTRETIREMENT EMPLOYMENT (PRE RN) within 30 days of engaging in employment and annually thereafter.**

1. Please complete this form in an accurate and timely manner. Any RETIREE NOTICE OF POSTRETIREMENT EMPLOYMENT which is not complete will be returned for clarification and/or correction.
  - a. Provide your **full** Social Security Number (not just the last four digits).
  - b. Provide your expected annual compensation based on the **calendar year** and not the fiscal year. The law is structured to meet annual calendar salary. When agencies and/or retirees show hourly, weekly, monthly pay, they must compute the actual calendar salary derived from numbers of hours/weeks the retiree worked.
  - c. An alternative to this exact salary listing, if unknown at time of employment, is to state an amount not to exceed a salary range within which the employee will remain. This will determine if the retiree is within the annual earnings limit defined by law.
2. A retiree employed with a TRS or ERS member agency may continue to receive full retirement benefits provided the retired member meets **both** of the following conditions:
  - a. The retiree must not be employed or under contract for permanent, full-time employment.
  - b. The retiree's salary cannot exceed the limitation on earnings. The limits are subject to change each year based upon the Consumer Price Index. **The limit for the 2015 calendar year is \$24,000.**

If a retiree's earnings exceed the annual limitation on earnings, the retirement benefit will be suspended for the remainder of the calendar year.

3. If you are a retired employee who is not working or performing a service for an agency participating in ERS or TRS, you do not have to notify RSA of your employment status regardless of type of appointment or salary (i.e., federal government, private enterprise).
4. Retirees who are considering entering into a contract with a participating agency of the ERS or TRS, or are considering employment with an independent contractor who is contracting with a participating agency of the ERS or TRS, should provide a copy of that contract to the ERS or TRS to determine whether or not such contract and employment will impact negatively upon your retirement benefits and subsequently result in suspension of benefits.
5. To ensure that all information is provided in a uniform and consistent manner, all retirees are required to complete the RETIREE NOTICE OF POSTRETIREMENT EMPLOYMENT (PRE RN) and submit it to RSA within **30 days** of appointment to position.
6. The retiree should notify the ERS or TRS **immediately** when his or her employment status or compensation does not comply with the limitations above in 2. a. and b.
7. Completed forms and attachments must be **mailed** to the address on the front of the form.