



# KPPA

Kentucky Public Pensions Authority

# REEMPLOYMENT AFTER RETIREMENT



Members participating  
before  
September 1, 2008



Members participating  
September 1, 2008  
through  
December 31, 2013



Members participating  
January 1, 2014  
and after

## REEMPLOYMENT AFTER RETIREMENT

**Prior to retirement:** Kentucky law prohibits a member from having a prearranged agreement prior to his or her effective retirement date to reemploy after retirement in any position with any employer participating in the systems operated by Kentucky Public Pensions Authority (KPPA), which include the County Employees Retirement System (CERS), Kentucky Employees Retirement System (KERS), and State Police Retirement System (SPRS). The member must certify on the Form 6000, "Notification of Retirement" that the member has ceased employment with all participating employers and that no prearranged agreement exists.

**Final Determination:** In addition to the foregoing form, KPPA may request additional information from a member and/or a member's employer related to a post-retirement reemployment request. By law, KPPA will issue a final determination regarding the member's certification of the absence of a prearranged agreement and/or reemployment status only upon receipt of the required form(s) and any additional information requested by KPPA, but no later than thirty (30) days from receipt of the required form(s) and information. The final determination letter will be mailed directly to the member at the last known address on file with KPPA or can be securely emailed to the member upon request.

### TWELVE (12) MONTH RULE

#### **Within twelve (12) months of retirement:**

If a retired member is considering employment<sup>1</sup> or volunteer opportunities with a participating employer within twelve (12) months of his or her effective retirement date, both the member and participating employer must notify KPPA by submitting the appropriate forms.



#### **After twelve (12) months of retirement:**

Neither a retired member nor a participating employer are required to notify, seek a final determination, or submit forms to KPPA related to any employment<sup>1</sup> or volunteering accepted twelve (12) months after the member's effective retirement date.

<sup>1</sup>Employment includes any of the following: 1. Reemploying directly with a participating employer; 2. Working as an independent contractor with a participating employer;

1 3. Working for a person or company that contracts with a participating employer; or  
4. Working for a participating employer through a staffing company or leasing employer.

## REEMPLOYMENT WITH A PARTICIPATING EMPLOYER

**Required Forms:** If within twelve (12) months of a member's effective retirement date, he or she considers employment with a participating employer, the member is required to report this arrangement to KPPA by submitting a Form 6754, "Member Reemployment Certification." The participating employer must also certify there is no prearranged agreement by submitting a Form 6751, "Employer Certification Regarding Reemployment." **Failure to submit the required forms may result in the member's retirement benefits being voided and the member may be required to repay all retirement allowances, dependent child payments, and health plan premiums issued by KPPA.**

**Break in Service:** In almost all reemployment situations, the retired member is also required to observe a three (3) calendar month break in service from his or her effective retirement date before returning to work for a participating employer.

The only exception is when a member retires from a hazardous position and returns to employment with a participating employer in a regular, full-time hazardous position. In this specific situation, the member must only observe a one (1) calendar month break before returning to employment in that regular, full-time hazardous position.

**If the member fails to observe the proper break in service, the member's retirement benefits will be voided and the member will be required to repay all retirement allowances, dependent child payments, and health plan premiums issued by KPPA.**

**Please note:** When determining the months for the required break in service, it is important to understand that not all positions appearing hazardous are, in fact, certified "hazardous duty" by the Boards that govern KPPA. It is also important to be aware that a "regular" and "full-time" position does not simply mean working a 37.5 to 40 hour week. **If there is any doubt, please contact KPPA.**

## SERVICE WITH OTHER PLANS

If a member is retiring with multiple state-administered retirement plans, each plan may have different reemployment laws. Members should contact each state-administered retirement plan regarding employment after retirement.

**Scenarios:** The following are examples of reemployment after retirement and the required break in service:

**Scenario #1:** A member retiring from a hazardous duty position returns to work part-time or temporarily for a participating employer performing hazardous job duties. The member must observe a three (3) calendar month break in service.

**Scenario #2:** A member retiring from a nonhazardous position returns to work for a participating employer in a regular full-time hazardous position. The member must observe a three (3) calendar month break in service.

**Scenario #3:** A member retires from a hazardous or nonhazardous position and returns to work in a regular full-time nonhazardous position for a participating employer. The member must observe a three (3) calendar month break in service.

**Scenario #4:** A member retires from a certified hazardous position and reemploys after retirement with a participating employer in a regular, full-time certified hazardous position. The member must observe a one (1) calendar month break in service.

## INDEPENDENT CONTRACTOR / LEASED EMPLOYEE

**Required Forms:** If within twelve (12) months of a member's effective retirement date, he or she accepts work with a participating employer as an independent contractor or leased employee, the member is required to report this arrangement to KPPA by submitting a Form 6754, "Member Reemployment Certification." The participating employer shall also submit the information required or requested by KPPA including submission of a Form 6752 "Employer Certification of Independent Contractor / Leased Employee."

Within three (3) calendar months following the member's effective retirement date, if KPPA determines that the arrangement does not qualify as an independent contractor or leased employee relationship, the member's retirement benefits will be voided, and the member will be required to repay all retirement benefits because the member does not have the appropriate break in service.

After three (3) calendar months but within twelve (12) months following the member's effective retirement date, if KPPA determines the arrangement does not qualify as an independent contractor or leased employee relationship and that a prearranged agreement existed between the member and the employer for the member

to return to work with the employer, the member's retirement benefits will be voided, and the member will be required to repay all retirement benefits.

After twelve (12) months following the member's effective retirement date, the member may continue to receive his or her retirement benefit during the period of the contract, and the member will not be required to notify KPPA or submit any documentation.

## VOLUNTEERING

**Who is a volunteer:** A volunteer is someone who freely and without pressure or coercion performs hours of service for an employer participating in one (1) of the systems operated by KPPA without receipt of compensation for services rendered, except for reimbursement of actual expenses, payment of a nominal fee to offset the costs of performing the voluntary services, or both. Nominal fees cannot exceed \$500 per month.

**Volunteer rules:** A member cannot be exempted from the break in service requirement as volunteer for a participating employer if he or she previously earned creditable compensation from that participating employer and would receive reimbursement of actual expenses or a nominal fee from that employer. A member who serves as a volunteer for a participating employer, particularly during the break in service period normally required after retirement, may not become an employee, leased employee, or independent contractor of that employer for a period of at least twelve (12) months following the retired member's most recent retirement date.

Volunteers are not required to have a break in service and do not have to wait three months from their effective retirement date to begin volunteering. However, if a member providing volunteer services with a participating employer violates any of the volunteer provisions in statute, then the member shall be deemed an employee of the employer as of the date he or she began providing volunteer services. **If this occurs, the member's retirement will be voided if a prearranged agreement existed or if there was not a proper break in service and the member will be required to repay all retirement allowances, dependent child payments, and health plan premiums issued by KPPA.**

**Required Forms:** If a member considers serving as a volunteer within twelve (12) months of his or her retirement date with an employer participating in the systems operated by KPPA, or an entity affiliated with a participating employer, the member is required to notify KPPA in writing by submitting a Form 6754, "Member Reemployment Certification." The participating employer shall also submit the information required or requested by KPPA including submission of a Form 6753, "Employer Certification of Volunteer." **Failure to submit the required forms may result in the member's retirement benefits being voided and the member may be required to repay all retirement allowances, dependent child payments, and health plan premiums issued by KPPA.**

**Example:** The following is an example of the application of the volunteer rules after retirement:

Member retires from Franklin County Board of Education as a teacher's aide but wants to volunteer at a different school after retirement to read books to children. The retiree can volunteer during retirement as long as he or she does NOT receive reimbursement of actual expenses or a nominal fee in excess of \$500 per month from Shelby County Board of Education for volunteering and does NOT become an employee of Shelby County Board of Education within twelve (12) months of his or her effective retirement date.

## ELECTED OFFICIALS

**Elected to the same office within twelve (12) months:** If an elected official participating in one of the systems operated by KPPA retires and is elected to the same office within twelve (12) months of his or her retirement date, the member's retirement will be voided, and the member will be required to repay all retirement benefits.

**Mayor or member of a city legislative body:** Different rules may apply for mayors and members of city legislative bodies seeking to continue serving in these roles following retirement. For more information, mayors and members of city legislative bodies should contact KPPA.

## OTHER INFORMATION

**Required Break in Service:** State law mandates that months be considered when confirming the required break in service from the time of retirement to the time of reemployment. Days are not considered when determining if the required break in service has been met.

**Member's Age:** The obligation to report employment or volunteer work for a participating employer within twelve (12) months of the member's effective retirement applies regardless of the age of the retired member. There is no reporting exemption based on age, however, while a member is receiving disability retirement, the member is required to report all employment until they reach normal retirement age.

**No Second Retirement Account:** Retired members whose initial reemployment with a participating employer occurs on or after September 1, 2008, will not submit employee contributions, earn service credit nor be eligible for a second retirement account.

**Reestablishing Retirement After Voiding:** If a retirement is voided for violation of retired-reemployed law in Kentucky Revised Statutes and Kentucky Administrative Regulation Title 105 Chapter 1:390, the member does not permanently lose those benefits. The member will be required to repay all benefits, including health insurance and dependent child benefit payments, during the time period of violation. However, the member will continue to accrue service credit and creditable compensation if employed with a participating employer in a regular full-time position. Upon subsequent termination and retirement, the member's retirement allowance benefits calculation will now include any additional service credit and creditable compensation earned during this period of continued employment.

**Health Insurance:** If a retired member with an initial participation date prior to September 1, 2008, has elected receipt of health insurance coverage offered through KPPA but later reemploys with a participating employer in a regular full-time position, the employer is required to reimburse KPPA for the single coverage health insurance contribution provided to the retiree. If a retired member with an initial participation date on or after September 1, 2008, reemploys with a participating employer in a regular full-time position, the retired member will not be eligible for health insurance coverage offered through KPPA during the period of reemployment.

**Medicare Secondary Payer:** Please be advised that under the Medicare Secondary Payer (MSP) Act, in certain circumstances, a Medicare eligible retiree's reemployment with a participating employer may affect the retiree's health insurance coverage. Members should call KPPA or visit our website at [kyret.ky.gov](http://kyret.ky.gov) for health insurance coverage options when MSP applies.



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**LEGAL NOTICE:** This publication is intended merely for informational purposes only and is not intended as a substitute for applicable federal or state law, nor will its interpretation prevail should a conflict arise between its contents and applicable federal or state law. Before making decisions about returning to employment after retirement, the member should consult with a qualified tax professional. Retired members considering employment within twelve (12) months of his or her effective retirement date must notify KPPA by submitting the necessary forms and wait for a response from KPPA before reemploying. Effective June 29, 2021, any person who knowingly makes a false record or statement to KPPA may be required to pay civil penalties, and legal costs and fees, in addition to repaying all benefits received.

REV **06/2022**



# KPPA

Kentucky Public Pensions Authority

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Monday - Friday

8:00 AM - 4:30 PM Eastern Time