

FREQUENTLY ASKED QUESTIONS
RETURN TO WORK (CORP MEMBERS)
(REVISED DECEMBER 2011)

I plan on retiring soon and I know I want to return to work with my same employer in a different position. Can I do this?

Yes, you can return to the same employer from which you retired if you terminate employment and are hired back into a non-CORP designated position. In order to be eligible and apply for retirement benefits, you must terminate employment. If you "transfer" to a non-CORP designated position within the same employer, you will not be eligible to apply for and/or receive pension benefits until you have terminated from the new position.

I am retired and want to return to a CORP employer into a designated CORP position. Is there a wait period?

Yes, you may become employed by a CORP employer in a CORP designated position and continue to receive your pension benefits if your employment occurs at least 12 months after your retirement. Your retirement is effective the first day of the month following your date of retirement.

In addition, your employer will be required to make an Alternate Contribution Rate (ACR) contribution on your behalf to CORP while you are working in a CORP designated position.

Why is there a 12-month rule before a retiree can return to work?

CORP is considered a tax-qualified plan under Section 401(a) of the Internal Revenue Code. In order to maintain its tax qualified status, benefits must be provided in accordance to CORP pension statutes as well as within the provisions of the IRS Code. The IRS requires a bona fide separation from service to occur for a member to be eligible to receive a pension. In order to comply with IRS requirements, enabling legislation requires members to serve a 12-month period before seeking reemployment in order to maintain pension payments.

When does the 12-month rule for return to work begin?

The statutes state that a member cannot be reemployed by an employer before 12 months after a member's date of retirement. Retirement is defined as being effective the 1st of the month following the date of retirement which is typically a member's last day of employment or authorized leave of absence.

What happens if I accept employment with a CORP employer in a designated position before I have been retired for 12 months?

Your pension shall be suspended until you terminate employment. Your pension benefits shall not be changed, you will not contribute to CORP, and you will not accrue credited service.

In addition, your employer will be required to make an Alternate Contribution Rate (ACR) contribution on your behalf to CORP while you are working in a CORP designated position. This is regardless of whether or not you have been retired for 12 months.