



February 1, 2009

## New pension rules affect those working in retirement

The N.J. State Division of Pensions and Benefits has issued revised regulations for the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), primarily involving how much retirees who are working in TPAF- and PERS-eligible positions can earn.

Resulting from passage of Chapter 89, Public Laws of 2008, the changes also are incorporated in TPAF and PERS revised Fact Sheets #21 and #28, "Working in Retirement," both of which are attached. However, members should be cautioned that they should continue to contact the Division of Pension and Benefits in writing concerning the impact of employment in any long-term positions.

The main changes are:

1. Reenrollment in the TPAF is required if the member accepts a regular or part-time position requiring a certificate and the annual salary is \$7,500 or more.
2. Per diem and long-term substitutes do not have to enroll unless the long-term position is for a terminal leave. Again, any member contemplating employment as a long-term substitute should contact the Division of Pensions in writing for verification of the impact on his/her pension before beginning such a position.
3. Retirees can be hired as mentors as long as the compensation is less than \$7,500 per year. However, newly retired teachers must have a 30 day separation from their former district before being reemployed. If they were employed as 10 month employees, the 30 day separation does not include July and August. So, a teacher who retires effective July 1 could not begin mentoring until October 1<sup>st</sup>
4. Reenrollment in PERS is also required if the retiree makes more than \$15,000 in a PERS- covered position. If the member is working for multiple employers, the \$15,000 maximum is an aggregate amount for all PERS-eligible jobs.
5. Any member reenrolled will be placed in the Tier #3 level which requires age 62 retirement. This means their pension would be suspended, they would be reenrolled in the pension system, and then would receive a different pension based on benefits accrued in the new position.
6. Members may still work in a different N.J. state retirement system from the one from which they retired but may not enroll in that system or get a pension from that system.
7. A 30-day separation requirement still exists for all employees returning to work in the district from which they retired. The Division has adopted regulations that July and August not count for 10-month employees. This means that a 10-month teacher retiring on July 1 would not be able to return to a TPAF-covered position until Oct. 1. This does not affect substitute teaching.

Contact the NJEA Research pension staffer assigned to your region if you need further information.