

Working After Retirement

More Details About Changes

A few weeks ago, we gave you a heads-up about the legislative working-after-retirement changes. Here are more details.

Changes Taking Effect July 1, 2017

Licensed Positions

All retirees in a licensed position will be covered by the exemption for licensed school professionals. Even those not previously eligible for the exemption because of retirement date or early retirement.

- No earnings limit
- Employer pays 24.38% July 1-Dec 31

Non-Licensed Positions and Non-Covered Positions

Rules for both of these groups stay the same until January 1. No changes for now.

Substitute Teacher Clarification

New legislation defines a working-after-retirement substitute as a retiree working as a substitute teacher **without a contract**. This does not affect active membership definitions.

Without contract

- No earnings limit
- **Do not** enroll, report wages or pay contributions
- Enter end date if they are enrolled now

With contract

- Licensed position: follow **new** licensed position rules (above).
- **Do** enroll, report wages and pay contributions

Independent and Third-Party Contractors

Generally, retirees working as independent contractors or through a third party (like temp staffing agency) have all the basic working-after-retirement rules.

But... they are exempt if all three of the following criteria are true. They will still have the "no pre-arrangement" and waiting-period rules.

3rd party

1. Not returning to a position similar to one held before retirement
2. Position activities are not normally performed exclusively by employees
3. Services are on a limited-term* basis

**statute does not define "limited-term"*

Independent contractor

1. Not returning to a position similar to one held before retirement
2. Position activities are not normally performed exclusively by employees
3. Position meets the [IRS criteria for an independent contractor](#)

Everything Else Stays the Same 7/1/17 – 12/31/17

- Still no prearrangements to return to work
- Still have a 60-day waiting period
- Retirees do not contribute

Other exemptions unchanged: non-licensed positions, hardship, special ed, and hard-to-fill positions

Rates for Licensed Positions (7/1/17 – 12/31-17)

Category	EWP Code	Earnings Limit	Rate 7/1 to 12/31/17	
Licensed position and <i>same</i> employer Retired before 5/1/15 <i>Now includes retirees who took "early" retirement</i>	AWL	None	24.38% (ARC+8)	No change
Licensed position and <i>same or different</i> employer Retired on or after 5/1/15	AG AWL	\$25,000 None	24.38% (ARC+8)	NEW
Licensed position and <i>different</i> employer Returned to work 7/1/06 and after with retirement date before 5/1/15	AS	None	24.38% (ARC+8)	No change
Special Ed	ASE	None	30%	No change
Hard-to-Fill	AHF	None	30%	No change
Hardship	AD	None	30%	No change

Changes Taking Effect

January 1, 2018

Highlights

- No more earnings limit
- No more exemptions
- Only two employer contribution rates
 - First \$25,000 (regular statutory rate)
 - After first \$25,000 (30%)
- No more contributions on non-covered positions

More to Come

We are updating materials and kpers.org to help with January 1 changes. We'll let you know when everything is ready.

Questions?

- Email employers@kpers.org
- Toll-free 1-888-275-5737
- In Topeka 296-6166

