

St. Clair County Employees' Retirement System  
Board of Trustees Policy Guidelines

Policy #:

Subject: Re-employment of Retirees-Policy and Procedures

Purpose: The purpose of this policy is to provide procedures in accordance with the requirements of the IRC, the terms of Section 12a(28) of the County Pension Plan Act and the terms of Section 6.8 of the Retirement Ordinance to address the re-employment of retirees, and the suspension and reinstatement of retirement benefits to those applicable retirees who do not satisfy the requirements of the IRC and regulations, and/or who violate the 1,000 hour limitation. The revisions adopted September 12, 2017 will be effective as of November 1, 2017.

Adopted: September 25, 2007

Revised: November 20, 2012

Revised: September 12, 2017

Effective Date: November 1, 2017

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**St. Clair County Employees Retirement System  
Re-employment of Retirees – Policy and Procedures**

I. Re-employment of Retirees; Suspension of Benefits - No Exception Applies

- A. Upon the re-employment of a retiree from the Retirement System, all County Employers shall report the re-employment to the Retirement System including the effective date of re-employment, the re-employed retiree's position and the anticipated number of hours to be worked per month by the retiree. All County Employers must provide a copy of time sheets as entered in payroll to the Retirement System Administrator at the end of each pay period for any re-employed retiree.

Each re-employed retiree and the Supervisor or Department Head who has hired the re-employed retiree must sign a copy of the attached Acknowledgement which provides that the re-employed retiree understands the Policy and Procedure and agrees to abide by its provisions. The fully signed Acknowledgement must be returned to the Retirement System Administrator within 30 days of the re-employment. Failure to return a signed copy of the Acknowledgement does not negate the Policy or its provisions or the Retirement System's duties under the Policy.

- B. In the event that a retiree is re-employed by the County prior to being separated from service for a period of at least thirty (30) days, or does not otherwise satisfy the IRC safe-harbor normal retirement age/in-service distribution rules (i.e., attainment of age 50 for public safety retirees and age 55 for non public safety retirees prior to re-employment), pension benefits shall be immediately suspended upon the retiree's effective date of re-employment by the County.

- C. Notwithstanding the fact that the bona fide separation of employment and/or safe-harbor in-service distribution rules are satisfied, the retiree's benefits shall be suspended unless the retiree meets the requirements of either Section II or Section III below.
- D. Suspension of benefits pursuant to Subsection C, above, shall become effective the first day of the calendar month that follows the sixtieth day after re-employment.
- E. During such period of re-employment the retiree shall not be a member of the Retirement System and shall not accrue additional service credit, or any other form of pension benefit.
- F. Payment of pension benefits shall be resumed on the first day of the calendar month that follows the termination of employment without change in amount by reason of re-employment.

II. Re-employment of Retirees; No Suspension - Elected or Appointed Official

- A. Upon the election or appointment of a retiree from the Retirement System in satisfaction of the requirements of the IRC and related regulations, all County Employers shall report the election or appointment to the Retirement System, including the effective date of such election or appointment, the retiree's elected or appointed position with the County and the anticipated number of hours to be worked per month by the retiree.
- B. Notwithstanding satisfaction of the IRC bona fide separation and/or safe-harbor rules, the retiree's pension benefits shall be suspended unless the retiree meets one of the following requirements:
  - (1) A retiree who was not an elected or appointed county official at retirement, but is then elected or appointed as a county official for a term of office that begins after the retiree's retirement date; or
  - (2) A retiree who was an elected or appointed county official at retirement, but is then elected or appointed as a county official to a different office from which her or she retired for a term of office that begins after the retiree's retirement date; or
  - (3) A retiree who was an elected or appointed county official at retirement, but is then elected or appointed as a county official to the same office from which her or she retired for a term of office that begins 2 years or more after the retiree's retirement date.
- C. The Board shall be responsible for determining whether a re-employed retiree is an elected or appointed official and shall determine the status of any re-employed retiree in any case of doubt.

- D. During such period of re-employment the retiree shall not be a member of the Retirement System and shall not accrue additional service credit, or any other form of pension benefit.

III. Re-employment of Retirees; No Suspension - 1,000 Hour Limit

- A. Upon the re-employment of a retiree from the Retirement System in accordance with the requirements of the IRC and related regulations, all County Employers shall report the re-employment to the Retirement System including the effective date of re-employment, the re-employed retiree's position and the anticipated number of hours to be worked per month by the retiree.

All County Employers must provide a copy of time sheets as entered in payroll to the Retirement System Administrator at the end of each pay period for any re-employed retiree.

Each re-employed retiree and the Supervisor or Department Head who has hired the re-employed retiree must sign a copy of the attached Acknowledgement which provides that the re-employed retiree understands the Policy and Procedure and agrees to abide by its provisions. The fully signed Acknowledgement must be returned to the Retirement System Administrator within 30 days of the re-employment. Failure to return a signed copy of the Acknowledgement does not negate the Policy or its provisions or the Retirement System's duties under the Policy.

- B. Pension benefits shall not be suspended if the retiree is employed for not more than 1,000 hours in any 12-month period. The 12-month period applies to **any** 12-month period and is not limited to a calendar year or fiscal year. The 12-month period to be used shall be the 12 months immediately prior to the current month. For example, if the current month is April of 2018, the 12-month period applicable would be the period from April 1, 2017 to March 31, 2018. The 12-month period will not be considered a 365-day period, calendar year, or any other timeframe.
- C. Each month, each County Employer shall report to the Retirement System Administrator the actual hours worked of all re-employed retirees so that the Board may monitor the amount of time worked in the previous twelve month period. Hours worked shall include any paid holiday, vacation, and sick time consistent with any applicable collective bargaining agreement. Hours worked shall be credited in the month in which they were worked. The total hours worked each month shall be credited to that month.
- D. If a retiree exceeds the 1,000 hour limitation in any 12-month period, the Retirement System will notify the retiree that his or her pension benefits shall be suspended and shall be retroactively effective as of the first day of the calendar month that the retiree's re-employment by the County exceeded 1,000 hours worked, upon Board approval at its next regular meeting.
- E. The suspension of pension benefits shall remain in effect for no less than one month, and shall continue for so long as the re-employed retiree remains in violation of the 1,000 hour limitation.
- F. Any retirement benefits paid in error shall be recouped by the Retirement System upon

recommencement of benefits by the retiree in accordance with the Retirement Ordinance.

- G. The retiree's retirement benefit shall be reinstated on the first day of the calendar month that follows either termination of employment or return to compliance with the 1,000 hour limitation, whichever occurs first.
- H. Although the Retirement System shall monitor the hours worked by all re-employed retirees by notification from the employer, it is each retiree's individual burden to ensure that he or she does not violate the 1,000 hour limitation, and to monitor his or her own hours worked.
- I. The Board shall be responsible for determining whether a re-employed retiree has violated the 1,000 hour limit and shall determine the status of any re-employed retiree in any case of doubt.
- J. During such period of re-employment the retiree shall not be a member of the Retirement System and shall not accrue additional service credit, or any other form of pension benefit.

A copy of this Policy and Procedure shall be forwarded to all County Employer groups, all collective bargaining units, all retirees, and any other relevant parties.

**St. Clair County Employees Retirement System  
Re-employment of Retirees – Policy and Procedures**

**Acknowledgement of Policy and Procedure**

I acknowledge that as a re-employed retiree from the St. Clair County Employees Retirement System that I am subject to the Retirement System’s Re-employment of Retirees Policy and Procedure. I further acknowledge that I am subject to the provisions of the County Pension Plan Act (MCL 46.12a) and the St. Clair County Employees Retirement System Ordinance. Finally, I acknowledge that if I exceed the 1,000 hour limitation in a 12-month period as more fully described in the Policy and Procedure that my monthly pension benefit will be suspended until I am no longer in violation of the 1,000 hour limitation.

Re-employed Retiree	Date

Department Head/Supervisor	Date