Members participating on or after September 1, 2008 through December 31, 2013

Members participating before September 1, 2008

Members participating January 1, 2014 and after
Prior to retirement: Kentucky law prohibits a member from having a prearranged agreement, prior to his or her effective retirement date, to return to employment in any position with any agency participating in any of the systems administered by Kentucky Retirement Systems (KRS). KRS administers the Kentucky Employees Retirement System, County Employees Retirement System and State Police Retirement System. The member must certify on the Form 6000, “Notification of Retirement” that no prearranged agreement exists prior to retirement.

Final Determination: By law, KRS must issue a final determination regarding the member’s reemployment status no later than thirty (30) days from receipt of the required form(s) and any additional information requested. The final determination letter will be mailed directly to the member at the last known address on file with KRS.

TWELVE (12) MONTH RULE

Within twelve (12) months of retirement: If a retired member seeks employment or begins serving as a volunteer with a participating agency within twelve (12) months of his or her effective retirement date, both the member and participating agency must notify KRS by submitting the necessary forms.

After twelve (12) months of retirement: Neither a retired member nor a participating agency are required to notify, seek a final determination, or submit forms to KRS related to any employment, independent contractor, leased employee or volunteering, accepted twelve (12) months after the member’s effective retirement date.
**REEMPLOYMENT WITH A PARTICIPATING AGENCY**

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

**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 agency.

The only exception is when a member retires from a hazardous position and returns to employment with a participating agency 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 paid by KRS.**

**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 KRS. 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 KRS.**
**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, seasonal or temporarily for a participating agency performing hazardous job duties. The member must observe a three (3) calendar month break in service.

**Scenario #2:** A member retiring from a non-hazardous position returns to work for a participating agency 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 non-hazardous position and returns to work in a regular full-time non-hazardous position for a participating agency. 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 agency in a regular, full-time certified hazardous position. The member must observe a one (1) calendar month break in service.

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**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 agency as an independent contractor or leased employee, the member is required to report this arrangement to KRS by submitting a Form 6754, “Member Reemployment Certification.” The participating agency shall also submit the information required or requested by KRS 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 KRS determines 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 KRS 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 agency for the member to return to work with the agency, 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 KRS 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 agency participating in one (1) of the systems administered by KRS 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. If a member volunteers for more than one participating agency, all compensation will be added together to determine whether it exceeds the $500 per month limit.

Volunteer rules: By law, a member cannot volunteer for a participating agency if he or she previously earned creditable compensation from that agency and would receive reimbursement of actual expenses or a nominal fee from that agency. Members may not become an employee, leased employee, or independent contractor of the agency for which he or she is performing volunteer services for a period of at least twenty-four (24) 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 agency violates any of the volunteer provisions in statute, then the member shall be deemed an employee of the agency 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 paid by KRS.
**Required Forms:** If a member seeks to serve as a volunteer within twelve (12) months of his or her retirement date with an agency participating in KRS or an entity affiliated with a participating agency, the member is required to notify KRS in writing by submitting a Form 6754, “Member Reemployment Certification.” The participating agency shall also submit the information required or requested by KRS including submission of a Form 6753, “Employer Certification of Volunteer.” Failure to submit the required forms will result in the member’s retirement benefits being voided and the member will be required to repay all retirement allowances, dependent child payments, and health plan premiums paid by KRS.

**Scenarios:** The following are examples of the application of the volunteer rules after retirement:

**Scenario #1:** Member retires from Franklin County Board of Education as a teacher’s aide but wants to volunteer with the same agency 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 from Franklin County Board of Education for volunteering, and does NOT become an employee of Franklin County Board of Education within twenty-four (24) months of his or her effective retirement date.

**Scenario #2:** Member retires from Franklin County Fire Department as firefighter/paramedic but wants to volunteer after retirement in the same position with the same agency. If the member receives reimbursement of actual expenses or a nominal fee from Franklin County Fire Department, or both, the member cannot be considered a volunteer for the same employer after retirement.

**ELECTED OFFICIALS**

**Elected to the same office within twelve (12) months:** If an elected official participating in one of the systems administered by KRS 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:** A member of the Kentucky Employees Retirement Systems or the State Police Retirement System who has never participated in the County Employees Retirement System but holds a position as a mayor or member of a city legislative body does not have to resign from his or her position as mayor or member of the city legislative body in order to begin drawing retirement benefits from the Kentucky Employees Retirement System or the State Police Retirement System.
**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 agency 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.

**No Second Retirement Account:** Retired members whose initial reemployment with a participating agency occurs on or after September 1, 2008, will not submit 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 Statute 61.637 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 agency 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 through KRS but later reemploys with a participating agency in a regular full-time position, the agency is required to reimburse KRS 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 agency in a regular, full-time position, the retired member will not be eligible for health insurance coverage from KRS during the period of reemployment.
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.