



▶ Return to Work Requirements

In general, a member who retires from a TCRS-covered employer cannot accept reemployment with a TCRS-covered employer while continuing to receive a monthly TCRS retirement benefit. Tennessee law provides for specific exceptions to this rule. The following Return to Work programs allow retirees to return to work with a TCRS-covered employer on a temporary basis, and receive a salary and a retirement benefit, subject to certain limitations outlined in the law, found in the Tennessee Code Annotated Title 8, Chapter 36, Part 8.

- 120-Day Temporary Employment
- Return to Work 70% of Retirement Benefit for Law Enforcement Officers and Emergency Medical Service Personnel
- Return to Work 70% of Retirement Benefit for Teachers, Bus Drivers and Substitute Teachers
- Limited Reemployment of Retired Teachers
- School Resource Officers (SRO) Return to Work

Before accepting a position with a TCRS-covered employer, retirees should contact RetireReadyTN at (800) 922-7772 to determine how their TCRS retirement benefits or return to work compensation may be impacted by returning to work.

General Requirements of Return to Work Programs

Each program allows retirees to return to work after retirement and receive either a reduced salary or reduced TCRS retirement benefit, with the exception of retirees returning to work with a TCRS-covered employer as a school resource officer.

It is the responsibility of both the retiree and employer to understand the requirements of each program, including but not limited to, employer reporting requirements, required waiting periods after retirement and before returning to work, earnings and hour limits, reduction amount in salary or benefit, and return to work period begin and end dates.

Bona Fide Separation of Service

TCRS is a qualified benefit plan that must adhere to Internal Revenue Service (IRS) requirements.

The IRS requires a bona fide separation of service for reemployment after retirement if the retiree desires to receive a salary and a retirement benefit.

A bona fide separation of service is one where:

- 1) a legitimate break in service has occurred
and
- 2) there is no prearrangement (written or oral) for future employment between the retired/retiring member and the employer.

An example of a prearrangement would include an explicit (written or spoken) conversation that occurred between the retiree and employer prior to the employee's last paid day of employment about returning to work for the same employer on a temporary basis after the employee's effective date of retirement where there is a clear understanding between the retiree and the employer about the continued employment.

If there is no bona fide separation of service, there may be repercussions for the retiree including, but not limited to, a determination that the retiree was never officially retired and benefits paid may need to be repaid. This applies to all return to work programs.

For the 120-Day Temporary Employment Return to Work program only, employers may waive this waiting period if certain criteria are met; however, the retiree still must have a bona fide separation of employment.

TCRS reviews the facts and circumstances of each Return to Work application to determine if a bona fide separation of service occurred; however, in no event can a retiree return to work on the same day as the retiree's date of retirement. Even if the waiting period is waived, retirees cannot return to work on the same day as the date of retirement.

Notification to TCRS

All retirees that desire reemployment under a return to work program must submit the appropriate form to TCRS. If a retiree desires to be reemployed by the same employer that the retiree worked for prior to retirement, the retiree and employer must attest that there was no prearrangement for reemployment and the form cannot be submitted prior to the retiree's date of retirement.

All return to work forms are available at RetireReadyTN.gov > Forms and Guides. Once received, TCRS will review the retiree's eligibility and send a letter to acknowledge eligibility status. Some return to work programs require annual notification to TCRS, as specified on the form.

A retiree cannot be reemployed under more than one return to work program. Additionally, while employed in a return to work capacity, a retiree cannot switch between reemployment provisions for such position within a 12-month period.

Required Forms and Employer Certification

All return to work programs were designed to assist employers seeking to fill high demand positions. Any employer seeking to hire a TCRS retiree under a return to work program must submit the appropriate form to TCRS.

Additionally, some return to work programs for law enforcement, EMS personnel, and SRO require the employer to certify in writing that the retiree has the requisite experience and training for the position to be filled and that no other qualified person is available to fill the position.

It is the shared responsibility of the retiree and the employer to complete the correct form and, if applicable, the certification.

TCRS Monthly Reporting and Service Credit

Retirees reemployed under an eligible return to work program must be reported on the employer's monthly report under the applicable contribution group. Some return to work programs require remittance of employer contributions and will generate an invoice when the retiree is reported to TCRS.

The retiree will not accrue additional TCRS salary or service credit while reemployed under return to work programs.

Reinstatement of TCRS Benefits

Retirees receiving a reduced benefit during their period of reemployment must notify TCRS of their separation from service to have their full benefit reinstated.

Teachers who are on the 70% program should not submit a termination form until they are fully separating employment. Summer months do not constitute a termination of employment.

Reemployment Limits

Some return to work programs limit the amount of time an employee can work, and some return to work programs are limited to yearly appointments that may be extended as long as the specific conditions for reemployment are met.

For example, for the 120-Day Temporary Employment Return to Work program, retirees may work up to 120 days, or the equivalent of 120 days, during a 12-month period. Generally, one day is equivalent to the number of hours the retiree worked on average each day pre-retirement.

If employed to teach in an institution of higher education, the retiree may teach 24 quarter hours or 18 semester hours in a 12-month period.

A retired K-12 teacher employed as a substitute teacher may work an additional 120 days in addition to the initial 120-day limit during a 12-month period, provided that the additional days would not cause the retiree's salary to exceed the salary rate set by the school system for substitute teachers filling similar vacant positions.

TCRS retirees returning to work as a law enforcement officer and emergency medical services employee can be appointed for a one (1) year term with the ability for additional one (1) year periods if certain conditions are met.

Retirees returning to work as a school resource officer are limited to one (1) year period, with the option for an additional one (1) year period if certain conditions are met. The retiree cannot be reemployed for more than two total years under this program.

Employers and retirees should refer to the specific return to work program statute for the requirements, and employers and retirees are encouraged to contact TCRS if there are any questions.

FICA Withholdings

When a member retires and subsequently returns to work on an approved program, the Social Security portion of FICA must not be deducted from the retiree's temporary employment wages. However, Medicare must continue to be deducted (1.45%).

► Requirements Specific to Each Return to Work Program

	120 Day Temporary Employment	Limited Reemployment of Retired Teachers	SRO Return to Work	70% Benefit - Law Enforcement and EMS Personnel	70% Benefit - Teachers, Bus Drivers, and Substitute Teachers
Salary Limit	Yes—60% of salary plus 5% added annually (40% reduction)	85% of system salary for comparable training and experience	N/A	N/A	N/A
Benefit Limit	N/A	N/A	N/A	30% Reduction during period of reemployment	30% Reduction during period of reemployment
Employment Limit	120 days during 12-month period*	N/A	1 year per appointment 2 years total	N/A	N/A
Training & Certification Requirements	N/A	Valid Teaching License	P.O.S.T. Commission Certified	LEO – P.O.S.T. Commission Certified EMS – valid license issued by the emergency medical services board through the Department of Health	N/A
Waiting Period	60 days – may be waived under certain conditions*	1 year	60 days	60 days	60 days
Certification that No Other Qualified Candidates	N/A	N/A	Yes	N/A	N/A
Annual Completion of Form Required	Yes	No	Yes	Yes	No
Statutory Repeal Date	N/A	N/A	June 30, 2026	June 30, 2025	N/A

* Generally, one day is equivalent to the number of hours the retiree worked on average each day pre-retirement. The 60-day period may be waived provided the member renders no more than one-half of the hours he/she was normally scheduled to work prior to retirement for a like period and the head of the employing entity certifies in writing to the division of retirement that no other qualified persons are available to fill the position. Once retired for more than 60 days, the remaining time may be allocated at full-time or used over the one-year period.

► Statutory Repeal Dates

Some return to work programs include a sunset date (repeal date); however, any retiree who begins a one (1) year appointment prior to a program's sunset date may continue until that one (1) year period ends. Please refer to the chart above for the applicable repeal date.

Other Considerations for Returning to Work

Returning to Work Full-time with a TCRS-covered Employer

If a retired member returns to service with a TCRS-covered employer under any circumstance other than the return to work programs provided in law (meaning either a permanent full time or part time employee), the member's TCRS retirement benefit is suspended during reemployment.

The employee must be reported to TCRS as a participating employee and will accrue additional TCRS service credit. The individual's TCRS benefit will be recalculated if they accrue three or more years of creditable service. The new benefit amount will be based on the total number of years of TCRS service and the highest five (5) consecutive years of service. If the additional service is less than three (3) years, a new benefit is separately computed for the last period of active service and added to the original benefit.

If the retiree selected the Social Security Leveling Benefit Payment Option at retirement, the retiree must repay the supplement received under the leveling plan in order to have the benefit recalculated.

State of Tennessee Deferred Compensation Plan Participation

Retirees returning to work with a TCRS-covered employer as a permanent full time or part time employee are eligible to participate in the State of Tennessee 401(k) and 457(b) plans if adopted by the employer's governing body; however, retirees returning to work through temporary reemployment with a TCRS-covered employer are not eligible for employer contributions since they are not receiving TCRS service credit.

Returning to Work and TCRS Disability Retirement Benefits

Retirees receiving a TCRS disability retirement benefit are not eligible for TCRS Return to Work programs. If you are receiving disability retirement benefits, you are required to report any annual earnings from employment. To understand how working may affect your retirement benefits, contact TCRS for more information.

Returning to Work with a Private Employer or Public Employer not covered by TCRS

Retired TCRS members may be employed with a non-TCRS participating entity and continue to receive their TCRS retirement benefit without a reduction. Please note, a TCRS retiree cannot receive a retirement benefit and return to work as an independent contractor, or through employment with a separate entity, with a TCRS-covered employer doing the same job that the retiree had as an employee prior to retirement. TCRS strongly encourages all TCRS-covered employers to contact TCRS prior to entering into a contractual relationship with a retiree.

USE OF THIS DOCUMENT: This document is intended to provide information about returning to work in a reduced capacity while receiving a TCRS retirement benefit. This document is based on the laws governing the Tennessee Consolidated Retirement System as of the publication date of this document. It does not include all plan provisions, is for informational purposes only, and in no way constitutes a contract or binding agreement. It is not a legal document and is not intended to serve as a basis for legal interpretation. For general information about the Legacy Plan and Hybrid Plan, please consult the Legacy Plan Guide for State Employees; Legacy Plan Guide for Teachers; and Hybrid Retirement Plan for State Employees and Teachers Member Guide. For complete details on the plan provisions, please refer to Tennessee Code Annotated, Title 8, Chapters 25, 34-37. The information in this document is subject to legislative change and judicial interpretation. It does not supersede nor restrict applicable procedures or authority established under state or federal law. Additional materials on various topics mentioned in this guide are available at RetireReadyTN.gov. The state of Tennessee and its employees are not authorized to provide legal, financial or tax advice. For legal, financial, and tax advice concerning your situation, you should consult your personal legal, tax, or other advisers.