



KEAN

NJCU  
NEW JERSEY CITY UNIVERSITY

## Office of Human Resources

### Notice Regarding Post Retirement Employment Restrictions

Future Retiree:

The Office of Human Resources would like to remind you that there are regulations governing bona fide retirement and post-retirement employment restrictions for individuals covered by any New Jersey State-administered Retirement System (such as the Alternate Benefit Program and the Public Employee Retirement System) and subsequent re-employment.

#### **Break in Service**

After your retirement date, there must be a complete termination of the employee-employer relationship for **a minimum of one year from your date of retirement.**

The following does NOT constitute a complete termination of the employee's relationship with the employer:

- Employment or re-employment in a part-time position;
- Employment or re-employment in a position that is covered by a different retirement system;
- A change in title;
- Employment or re-employment as a contract employee, a leased employee, or an independent contractor; or
- Termination of employment with a pre-arranged agreement for re-employment\*.

#### ***\*Important Note***

The IRS does not consider a pre-arranged return to public employment to be a bona fide severance of employment, no matter how long the break in service. As a result, you are prohibited from making arrangements in advance of your retirement to return to work at the University once your break in service of one year is completed. If you made an arrangement prior to your retirement to return to employment in any capacity, at any future time, your employment relationship will not be completely severed, and your retirement will be considered non-bona fide or invalid.

**For example, full time faculty may not make arrangements prior to retirement to return to work as adjuncts after they retire. This is not allowed even with a significant break in service of one year or more.**

Please note that the Division of Pension and Benefits require State employers, such as Kean University, to notify them in a timely manner if you return to work post-retirement and to certify whether you pre-arranged to return prior to your retirement date. If you are found to not have a bona-fide break in service as a result, you may jeopardize your retirement status and benefits. **If this is the case, you may be required to repay all retirement benefits received. You may be required to re-enroll in the same or different retirement system as of the date of re-employment.**

For further details regarding post-retirement employment restrictions, please see the appropriate document for your retirement plan:

- Fact Sheet # 38 - ABP
  - <http://www.state.nj.us/treasury/pensions/documents/factsheets/fact38.pdf>
- Fact Sheet # 86 - PERS/PFRS Employment After Retirement Restrictions
  - <http://www.state.nj.us/treasury/pensions/documents/factsheets/fact86.pdf>