

What Every Retiree Needs to Know Before Returning to Work

If you're returning to work, these are things you need to know **before** you begin working:

1. Working after receiving an approved disability pension

If you've been approved for and are receiving a disability pension, these rules are for you. If not, you may skip to No. 2.

Because of the nature of a disability pension, you must gain approval from the Michigan Office of Retirement Services (ORS) before you return to work for any employer. Write a letter to ORS before you resume working. The letter should include:

- Name and contact information of your potential employer.
- Official job description from your potential employer.
- The number of hours you'll be working.

2. Work that won't affect your pension

There is no limit on your earnings — unless you're receiving an approved disability pension, as mentioned above — if you return to work in:

- A private sector job outside a Michigan public school reporting unit.
- A private or parochial school.
- A public school in another state.
- A university, whether in Michigan or in another state.
- A public college in Michigan that's not part of the Michigan Public School Employees' Retirement System.

You can earn as much as you can in these situations and still collect your full pension and insurance premium subsidy.

3. Bona fide termination for public school employment

A bona fide termination means there is a complete severing of the employee-employer relationship. You cannot work in a Michigan public school reporting unit during the month of your retirement effective date, even as a volunteer. You cannot have a promise of reemployment or a contract for future employment in place to work in a Michigan public school reporting unit before you terminate employment and begin collecting your pension.



**MICHIGAN OFFICE OF
RETIREMENT SERVICES**

<https://www.michigan.gov/orsschools/after-retirement/working-after-you-retire/what-every-retiree-needs-to-know-before-returning-to-work>

If you are collecting your pension and it's subsequently discovered that a bona fide termination did not exist, you will be required to repay pension payments you erroneously received. In addition, you will be disenrolled from insurance retroactive to your retirement effective date. Any medical costs you incurred during this time will be your responsibility.

4. Public school employment

You may be subject to a temporary forfeiture of your pension and insurance premium subsidy if you return to work either directly or indirectly at a Michigan public school reporting unit. If your insurance premium subsidy is temporarily forfeited, you would have to pay the entire insurance premium until you end your employment at the reporting unit.

Working directly for a Michigan public school reporting unit means you have been hired directly by the school. Working indirectly means you are working at a Michigan public school reporting unit but were hired through a third party or as an independent contractor.

5. Public school volunteering/coaching

You must have a bona fide termination and be retired at least nine consecutive months before returning to work at a Michigan public school reporting unit to have no effect on your pension and insurance premium subsidy. If, following a bona fide termination, you volunteer — including as a coach — before you have been retired nine consecutive months, you can continue to receive your pension and insurance premium subsidy while volunteering as long as you are not compensated now or in the future for that time you volunteered.

Read our FAQs to learn more about how [volunteering](#) or [coaching](#) may impact your pension and insurance premium subsidy.

6. Michigan public school reporting units

Michigan public school reporting units include:

- K-12 public school districts.
- Charter schools/public school academies. *
- Intermediate school districts.
- Some public libraries and museums.
- Tax-supported community colleges.
- Central Michigan, Eastern Michigan, Northern Michigan, Western Michigan, Ferris State, Lake Superior State, and Michigan Technological Universities.

*Charter/public school academies are considered reporting units even if they don't participate with the Michigan Public School Employees' Retirement System.



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The rules are slightly different depending on where you'll be returning to work. You may return to work at Michigan K-12 public schools, charter schools/public school academies, tax-supported community colleges, or select libraries and museums in any position, either directly or indirectly, with no earnings limit and no effect on your pension or insurance premium subsidy if you meet all of the following requirements:

- You have been retired at least nine consecutive months.
- You have a bona fide termination, including not working in a Michigan public school reporting unit during the month of your retirement effective date, even as a volunteer. You can't have a promise of reemployment or a contract for future employment in place to work for a Michigan public school reporting unit before you terminate employment and begin collecting your pension. A bona fide termination means there is a complete severing of the employer-employee relationship.

If you return to work at a public school reporting unit — whether directly for the school or indirectly through a third party or as an independent contractor — before you've been retired nine consecutive months, you will temporarily forfeit your pension and insurance premium subsidy. You will be responsible for paying the full insurance premiums for each and every month that you continue to be employed with the reporting unit.

For example, if you retire effective July 1, following a bona fide termination, you can return no sooner than April 1 of the following year with no impact to your pension or insurance premium subsidy.

Note: If you return to work before you've been retired nine consecutive months, the nine consecutive months counter will start over when you terminate your employment as a retiree. It will not resume from your retirement effective date. For example, if you have a retirement effective date of July 1, 2022, and you return to work at a reporting unit in September 2022, your pension and insurance premium subsidy will be temporarily forfeited until you terminate employment. If you terminate employment Oct. 1, 2022, you will have to be retired nine consecutive months from Oct. 1, 2022, in order to return to work at a reporting unit with no impact on your pension or insurance premium subsidy.

7. University employment

You may return to work at any university, including the seven universities that participate in the Michigan Public School Employees' Retirement System after retirement with no earnings limit and no effect on your pension or insurance premium subsidy. You will need to have a bona fide termination to return to work at any of the seven participating universities. Please see the [FAQs](#) under "Working for a university" for additional information and examples.



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