

# WORKING IN RETIREMENT



If you are considering returning to work after retirement, it is important to know how it may affect your pension.



## WHAT WILL HAPPEN TO MY PENSION IF I RETURN TO WORK AFTER RETIREMENT?

If you are receiving a normal or deferred retirement pension and are subsequently reemployed in a covered position by the City or HMEPS, your retirement or disability pension ceases the day preceding the date you are reemployed. Payment of your normal pension is suspended during the period of reemployment, and will not recommence until the month following the month in which you subsequently terminate service.

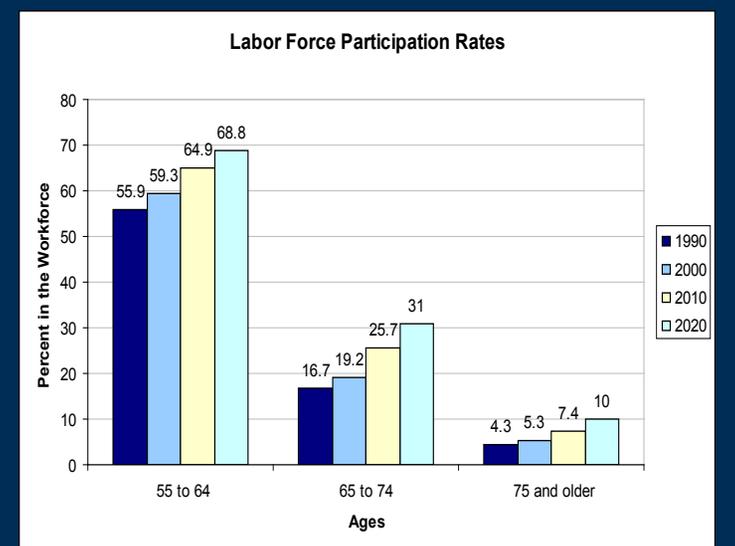
If you are reemployed in a covered position, you are placed into the pension group you were in at retirement. You will accrue credited service during your period of reemployment, subject to the maximum benefit limit (currently 90% of your average monthly salary for all service).

If you receive any retirement or disability pen-

sion during the period of reemployment, beginning with the month in which you are reemployed, you are required to return all of the pension payments you receive to HMEPS within thirty (30) calendar days of receipt or such amount shall be subject to claims of HMEPS and/or the Board will offset the disallowed pension not returned, plus interest on the disallowed pension, at the rate of 8.5 percent a year, not compounded, from the date you received the disallowed pension to the date of the offset on the disallowed pension. The offset may be against the payment of any future pension or benefit payment(s), and/or against any DROP balance. If you are a deferred participant, these same provisions also shall apply to any deferred pension that would otherwise become payable to you during your period of reemployment with the City or HMEPS.

The Bureau of Labor Statistics (BLS) says that more and more Americans over the age of 55 are trying to stay in the workforce longer. This chart shows the BLS expects that by 2020 nearly 69% of people ages 55-64 will still be working. This is up from only 55.9% in 1990. This trend continues in the other age groups where we see that 31% of people ages 65-74 will continue working in 2020, and 10% of people age 75 and older.

Source: [www.bls.gov/emp/ep\\_table\\_303.htm](http://www.bls.gov/emp/ep_table_303.htm)



## YOU MUST CONTACT HMEPS IMMEDIATELY UPON REEMPLOYMENT



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### REEMPLOYMENT BY THE CITY OF HOUSTON OR HMEPS

It is your responsibility to contact HMEPS immediately upon your reemployment in a covered position. "Reemployment in a covered position" means you are eligible to be a member of HMEPS.

### EMPLOYMENT BY ANOTHER EMPLOYER

If you retire with a normal (or deferred) retirement benefit, your benefit is not affected if you work for an employer other than the City of Houston or HMEPS.

### CALCULATION OF BENEFIT UPON SUBSEQUENT RETIREMENT

Your retirement pension that was suspended will recommence the month following the month in which you terminate your subsequent service.

The portion of your pension attributable to your period of credited service accrued after your reemployment will be calculated on the basis of the schedule of benefits for retiring members that is in effect at the time of your subsequent retirement.

### MAJOR REASONS PEOPLE RETURN TO WORK AFTER RETIREMENT

Need the money	61%
Desire to stay mentally active	54%
Need the health benefits	52%
Desire to stay physically active	49%
Desire to remain productive or useful	47%
Source: AARP "Attitudes of Individuals 50 and Older Toward Phased Retirement" March study	

### WILL MY PENSION AFFECT MY SOCIAL SECURITY BENEFIT?

No. Your pension will not have an impact on your Social Security benefit. However, working at another job while also taking social security benefits might lead to a reduction in your Social Security benefit.

For questions related to Social Security, please contact them directly.

This overview of Working in Retirement can be very helpful, but it is not a complete statement of what you need to know. If you have questions that are not addressed in the HMEPS Benefits Handbook or on our website, please contact HMEPS directly.

*Nothing contained herein may be construed to convey any right or privilege not otherwise provided by the pension law. In the event of any conflict, the pension law takes precedence.*

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A BETTER FUTURE



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