

subsequently reemployed by the City or HMEPS, your pension will be computed as follows:

1. The portion of your pension attributable to your period of credited service accrued prior to reemployment will be calculated on the basis of the schedule of benefits for retiring members that was in effect at the time of your previous termination of employment.
2. 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.

This overview of returning to work after 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.

HMEPS Contact Information

Address:

Houston Municipal Employees
Pension System
1111 Bagby Street, Suite 2450
Houston, Texas 77002-2555

Phone Numbers:

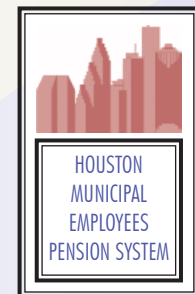
Phone: 713-595-0100
Toll Free: 800-858-1450
Fax: 713-650-1961

Website:

www.hmeps.org

Considering Returning to Work After Retirement?

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



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 or HMEPS.

Reemployment by the City of Houston or HMEPS

If you retire with a normal (or deferred) retirement benefit and you are subsequently reemployed in a covered position by the City or

HMEPS, your retirement pension ceases the day preceding the date you are reemployed. 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.

If you are reemployed in a covered position, 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).

What Will Happen To My Pension If I Am Reemployed?

You must contact HMEPS immediately upon your reemployment!

If you are receiving a retirement or disability pension and are subsequently reemployed by the City or HMEPS, your retirement or disability pension ceases the day preceding the date you are reemployed. Payment of your 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 receive any retirement or disability pension 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.

Calculation of Benefit Upon Subsequent Retirement

Effective January 1, 2005, if you are a deferred participant or retiree and you are

