

14.3 RETIREMENT

The same notice requirements for resignation apply in the case of retirement except that a longer period of advance notice, usually 30 days, is required to start retirement payments promptly. Once the Employee determines a retirement date, they should contact Human Resources to begin the process.

Retired employees shall be eligible to apply for open positions with Austin County as long as the following provisions are met:

- 1) The retiree has been retired for at least 3 calendar months
- 2) No prior arrangement or agreement was made between Austin County and the retiree for reemployment
- 3) Strict adherence to normal leaving employment procedures were followed at the time of the employee's retirement.

The retiree must have a bona fide separation of employment and have been retired for a minimum of 3 calendar months. A bona fide separation means there is no prior agreement or understanding between Austin County and the retiree that the retiree would be rehired after retirement. According to Rule 107.4 adopted by the TCDRS Board of Trustees, restrictions apply to elected officials, people employed for the same or different position in the same or different department, employee status changes, and independent contractors.

Newly elected officials who have recently retired from the county cannot draw their retirement because they have an arrangement to return to work for the County. Employees also cannot retire with an agreement to go work in a different department or different position. Changing employee status does not matter when determining if someone is still working for the county. Also, an employee cannot retire from the county with an arrangement to begin work as an independent contractor either.

Rehired retirees who did not have a bona fide separation of employment may owe a 10 percent excise tax and be required to repay all of their monthly retirement payments. Abusing the retirement provisions in such manner would violate a qualification requirement for retirement plans under 401(a) of the Internal Revenue Code, potentially resulting in significant tax consequences for the employer, its participating members and those retired employees.

Any retiree who meets all other TCDRS requirements, who is rehired consistent with this policy, must establish a new membership with TCDRS and will be considered to be a new member for the purposes of beneficiary determination and benefit selections.