



# Return to Work Legislative Brief

## What is TMRS' current Return to Work (RTW) policy?

A retired TMRS Member who is reemployed by the same city within eight (8) years after retiring has their monthly benefit payment suspended until they re-retire, and all suspended benefit payments are forfeited.

## What change is being proposed?

The proposed amendment to the TMRS Act would allow a retired TMRS Member to be reemployed by the same city after a one-year break in service without having their benefit payment suspended.

## Why is a change proposed?

TMRS' current eight-year break in service policy is unfair to participating cities, unfair to retired TMRS Members and far more restrictive than the policies of the other three statewide retirement systems.

TMRS participating cities in geographically distanced areas (e.g., the Rio Grande Valley, Coastal Plains, West Texas and the Panhandle regions) can have difficulty recruiting qualified employees, and their retirees are oftentimes the perfect candidate for a difficult-to-fill position. However, a city's retired TMRS Members are reluctant to apply for a position because their monthly benefit payments will be suspended and forfeited unless they have had at least an eight-year break in service. And even in that case, the retiree's monthly benefit payments are still suspended.

TMRS retired Members in geographically distanced cities are at a significant disadvantage because retired Members in larger urban areas can return to work for another TMRS city without having their TMRS benefit payments suspended and forfeited.

TMRS' eight-year break-in-service requirement is years longer than the statutory requirements of the other three statewide retirement systems, which are one year or less.

## How many retirees would this affect?

As of October 30, 2020, approximately 200 retired TMRS Members have been reemployed by the same city after a one-year break in service and would have their benefit payments reinstated.

## What would this change cost?

Nothing. There is no financial impact to cities or the State from this amendment. A retiree's benefit is earned based on their account balance at the time they retire; returning to work and maintaining that benefit when they begin a new job is not "double dipping."