

# Working During the Effective Month of Retirement



If you return to work for a Colorado PERA employer during your effective month of retirement, please note the conditions that apply to you.

## Reduction of Benefit

Colorado state law specifies that employment for any PERA employer during the effective month of retirement will result in a reduction to your monthly retirement benefit. (This does not apply to judges participating in the Senior Judge Program.)

If you work during the effective month of retirement, PERA must reduce your benefit 5% for each day or partial day you worked during that month. This penalty applies immediately, regardless of whether or not you exceed other working after retirement limits, and the time will count toward the working after retirement limits described in the *Working After Retirement* booklet.

### Reduction Calculation Example

If your effective date of retirement is July 1 and you work four days in July, one month's benefit must be reduced by 20% (5% x 4).

## Termination of Employment

There must be a termination of employment for you to be eligible to retire; any return to work in the effective month of retirement may cause PERA to question whether the employment relationship was truly terminated. If you work for any PERA employer during the effective month of retirement, your employer may be asked for documentation about your employment status.

## Working on the First Business Day

You may not work for any PERA employer on the first business day of the month in which your retirement is effective. If you work the first business day of the month, you have not terminated employment, and your retirement will be canceled or delayed until a valid termination of employment occurs.

### Working on the First Business Day Example

If you are a teacher and your last day in the classroom is May 31, 2024, your effective date of retirement is June 1, 2024. You volunteer for the school district on June 3, 2024, which is the first working day of your effective month of retirement. Because you returned to work on the first working day of your effective month of retirement, even in a volunteer capacity, your retirement will be canceled.

## Reporting Work

You must immediately report to PERA at the end of your first month of retirement any work you performed during that month for any PERA employer. Information and the *Effective Month of Retirement Work Report* form are provided in the *Working After Retirement* booklet. The booklet is included in the new retiree information packet or you may download it from PERA's website at [copera.org](http://copera.org).