

## 2008 Early Retirement Factors (ERF)

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EHB 2391, passed in 2007, created the new early retirement factors (ERF) and associated return to work rules. Plan 2 and 3 members of PERS, TRS and SERS who are at least 55 years old and have 30 years of service credit can retire using the new 2008 ERF. However, the legislature included stricter Retiree Return to Work (RRTW) Rules for those who choose to retire under the new 2008 ERF.

Payroll and HR have been handling RRTW for years. Why is this different? Under the new law the rules have been expanded to include *contractors*. An area we have never been before.

So after much feedback and many months of discussion and meetings we finally sent out DRS Email 09-001, New Instructions for 2008 ERF and Retirees in early January.

The main test: For any contractor, independent contractor, or personal service contractor that you *directly compensate*, you will need to verify their retirement status.

Created basically two options:

1. Created a separate Contractor Status Form
  - o Employer completes and uses MRV to look up the status
    - § New message “Retired under the 2008 ERF. Stricter RTW rules apply”
    - § If you see the message, call Employer Support Services (ESS)
    - § If no message, file form for your records
  - o We understand this is a new process and you don’t work with the contracts however, you will need to set up a new process
2. As an alternative to completing the Contractor Status Form and verifying MRV
  - o You can create language elsewhere in your contracting process that asks contractors, independent contractors, and personal service contractors that you directly compensate to confirm in writing if they have retired under the 2008 ERF.
    - § If their response is NO, keep documentation and you will have met your obligation
    - § If YES, contact ESS

DRS has taken extra steps to educate the 2008 ERF Retirees

- Counseled each retiree at time of retirement
- Ensure that the retiree understands the return to work restrictions
- DRS will be contacting these retirees regularly to remind them of the restrictions

This does not preclude anyone from working for you. However, DRS will stop the pension for any 2008 ERF retiree who is directly compensated and works for a DRS-covered employer.