

**Members must terminate employment for a certain amount of time to qualify for retirement benefits. This publication explains the amount of time required and what it means to terminate so that you can satisfy all requirements for terminating qualified employment and receiving your annuity payments.**

## Termination Requirements

You must terminate covered employment to be eligible for retirement. To be terminated from employment for retirement purposes, you must not return to employment in a position covered under the system within one hundred eighty (180) days of your effective date of retirement.

If your service is credited at the rate of two (2) or more years of credited service for each year of actual service (ex: elected officials), you must not return to employment in a position covered under the system within one (1) year of your effective date of retirement. Additionally, you must comply with state law requirements for vacating your office.

The termination requirement does not apply if the new position is covered by another retirement system or is an elected position that has never been covered by APERS.

## Terminate Covered Employment

“Terminate covered employment” means that the employee/employer relationship has ended and no longer exists in any form, now or in the future, between you and your employer.

Any pre-arranged agreement that you will return to work for any participating employer in any capacity, full-time or part-time (including as a leased employee), before meeting the termination requirements is not ending the employee/employer relationship and does not qualify as terminating covered employment.

## Definition of “Terminate”

To eliminate any uncertainty or misunderstanding of what it means to terminate, the law explicitly defines both what terminate means and what it does not mean.

“Terminate” means:

- Your employment has ended,
- You completely severed the employer-employee relationship, and
- You have ceased performing any services for the employer, except for the non-compensated functions related to the transfer of the duties or the position itself.

If you are an elected public official, “terminate” means:

- You have resigned, been removed, or otherwise no longer hold the elected position,
- You completely severed from the elected position, and
- You have ceased performing any services in the elected position, except for non-compensated functions related to the transfer of duties or the position itself.

“Terminate” does not mean:

- Taking a leave of absence,
- Performing job duties or services without compensation (ex: volunteering), or
- Receiving or accruing additional employment-related compensation, reimbursements, benefits, or other work-related payments.

## Failure to Terminate

If you fail to terminate covered employment, it does not cancel your retirement election. However, you forfeit your benefits until you meet the termination requirements. You can begin receiving annuity payments when you satisfy all requirements for terminating employment.

## Provisions for Elected Public Officials

The termination requirement is suspended if it would prevent you from holding or taking an office as an elected public official.

## Public Office While a DROP Participant

If you participate in the Deferred Retirement Option Plan (DROP) and it would prevent you from taking or holding office as an elected public official, you are not required to separate from service at the end of the ten (10) years. You will not forfeit your DROP balance if you meet the termination requirements after leaving elected office.

## Public Office in a Different Form of Government

If you are an elected public official, you may retire and begin receiving retirement benefits if your current service is in one form of government and are elected to public office in a different form of government (ex: county government to municipal government). You must submit a retirement application and notify the system at least thirty (30) days before the first day of the month in which that service will begin.

## Termination Examples

Below are examples to help you understand how to avoid a failure to meet the termination requirements.

### Example 1

Scenario: Employee X terminated employment as an elected official on December 31, 2022, and her retirement benefit became effective on February 1, 2023, because she missed the January 1 application deadline. She returned to work on January 1, 2024.

Determination: Employee X terminated employment for at least one year. However, she did not terminate employment for retirement purposes because she did not terminate employment for at least one year from the effective date of her retirement which was February 1, 2023.

### Example 2

Scenario: Employee Y terminated employment on June 30, 2023, and her retirement benefit became effective on July 1, 2023. At her retirement party on her last day

of work, employee Y's supervisor agreed to re-hire her after her 180 days expired. As they had discussed, on January 1, 2024, employee X returned to her old job.

Determination: Employee Y terminated employment for at least 180 days. However, she did not terminate employment for retirement purposes because she and her supervisor had a pre-arranged agreement for her to return to work.

### Example 3

Scenario: Employee Z terminated employment on June 30, 2023, and his retirement benefit became effective on July 1, 2023. His replacement abruptly quit after only two months and left the employer during its busiest time of the year. Employee Z agreed to help with some of his old job duties, on a volunteer basis, for a couple of months until they could find a suitable replacement.

Determination: Employee Z had not terminated for 180 days yet, but he was not being paid for his services or receiving benefits. He was a volunteer. Employee Z did not terminate employment for retirement purposes because terminate does not mean performing job duties or services without compensation.

In all these examples, the retirees forfeit their retirement benefits and would be required to repay the benefits they had received since their effective date of retirement.

## Additional Information on Termination

If you have questions about terminating employment properly or need assistance to determine if your specific situation complies with the requirements, visit our website at [www.apers.org](http://www.apers.org) to send us a written inquiry by email on the Contact Page or by a secure message in the Member Self-Service (MSS) portal. It's better to verify the requirements before you face the financial consequences of failing to comply.