Review return to work rules before hiring IMRF retirees

All IMRF employers are required to comply with IMRF return to work rules. Often, the financial and legal consequences for those who do not comply are severe. To avoid penalties, always review the return to work rules and check with IMRF before your employer hires an IMRF retiree.

Return to work rules
Return to work rules can be complex and may vary based on each individual retiree’s situation. Generally, the rules require re-enrollment in IMRF and pension suspension when a retiree returns to work for any IMRF employer in a position that meets the hourly standard (600 or 1,000 hours) for IMRF coverage.

Remember, if an employee will hold multiple positions, the hours of all of the employee’s positions must be combined to determine if he or she should be enrolled in IMRF. Even if someone is initially hired in a non-qualifying position and the person works more than 599 or 999 hours—beyond the hourly standard (600 or 1,000 hours)—they are required to enroll in IMRF.

To prevent violations, employers must call IMRF before hiring an IMRF retiree using the exclusive, employer-only phone number: 1-800-728-7971.

Consequences of violations
Violations of return to work rules hurt members, employers, and IMRF—often with undesirable consequences. Some consequences include:

• Financial: Employers must submit wage adjustments for those months when the retiree should have been enrolled in IMRF. The employer can be held liable for up to half of the pension payments that the member has to pay back if they violate the rules; employers must then pay both the missing employer and member contributions for those months. It is the employer’s responsibility to then recover the member’s contributions.

• Legal: Some negligent employers who did not follow return to work rules have been sued.

• Lost Efficiency: When a return to work violation is uncovered, employers must go back and file adjusted wage reports month-by-month, for every month that should have been reported. Often the violation covers a span of several years; the time required to correct these errors can be significant.

• Damaged Credibility: Causes of return to work violations can range from a lack of understanding about the laws governing IMRF to intentional attempts to overlook the rules. In all cases, return to work errors can damage the reputation of your employer, IMRF, and public pensions in general.

To learn more...
It is very important to fill out the “Should this employee be enrolled in IMRF?” checklist for all new employees. For more information on return to work rules, refer to the “Hiring IMRF Retirees-Cautions” page of IMRF’s website and Section 3.60A of the Manual for Authorized Agents.