

REHIRE OF FORMER EMPLOYEES AND/OR RETIREES

This policy applies to employees, retirees and entities that participate in the Brazos County TCDRS retirement pool. The term "Brazos County" shall mean all employers under Brazos County's TCDRS retirement pool. Likewise, employees and retirees shall mean "all" employees and retirees that participate in the Brazos County TCDRS retirement pool.

Former employees and retirees shall be eligible to apply for open positions with Brazos County as long as the following provisions are met: 1) The former employee or retiree has been separated from Brazos County for at least three (3) calendar months, 2) No prior arrangement or agreement was made between Brazos County and the former employee or retiree for re-employment, and 3) strict adherence to exit procedures were followed at the time of the employee's separation.

There must be a bona fide separation of employment and have separated employment from Brazos County for a minimum of three (3) calendar months. A bona fide separation means there is no prior agreement or understanding between Brazos County and the former employee or retiree that they would be rehired after separation. According to Rule 107.4 adopted by the TCDRS Board of Trustees, restrictions apply to elected officials, people employed for the same or different position in the same or different department, employee status changes, and independent contractors.

Newly elected officials who have recently retired from Brazos County cannot draw their retirement because they have an arrangement to return to work for Brazos County. Employees also cannot retire with an agreement to go work in a different department or different position. Changing employee status does not matter when determining if someone is still working for Brazos County. Also, an employee cannot retire from Brazos County with an arrangement to begin work as an independent contractor either.

Rehired former employees and retirees who did not have a bona fide separation of employment may owe an additional excise tax and be required to repay all of the funds withdrawn or monthly retirement payments. Abusing the provisions in such a manner would violate a qualification requirement for plans under Section 401(a) of the Internal Revenue Code, potentially resulting in significant tax consequences for the employer, its participating members and retired employees.

Any former employee or retiree who meets all other TCDRS requirements, who is rehired consistent with this policy, must establish a new membership with TCDRS and will be considered to be a new employee for all Brazos County purposes, including but not limited to vacation accrual, longevity date, benefits elections, etc.



**BRAZOS COUNTY
BRYAN, TEXAS**

DEPARTMENT:

NUMBER:

DATE OF COURT MEETING: 3/30/2021

ITEM: Approval of Rehire of Former Employees and/or Retirees Policy.

TO: Commissioners Court

DATE: 03/23/2021

FISCAL IMPACT: False


BUDGETED: False

DOLLAR AMOUNT: \$0.00

ATTACHMENTS:

<u>File Name</u>	<u>Description</u>	<u>Type</u>
Retirement_Pool_Rehire_Policy.pdf	Rehire Policy	Backup Material

APPROVED



3-30-21

Duane Peters
County Judge
Date