



## Participating Local District (PLD): Reporting Retiree Returned to Work (RRTW) Employees

The rule that governs the PLD Consolidated Retirement Plan has a special payment provision that applies to employees who retire from any PLD in the Consolidated Plan and are rehired by any PLD in the Consolidated Plan. Employers are required to remit a contribution toward the unfunded actuarial liability (UAL) of the plan that is equal to the greater of the UAL rate or 5% of earnable compensation for each retiree who is employed as a Retiree Return to Work (RRTW). The rate currently is 5% of the employee's gross earnable compensation.

This contribution can be paid solely by the employee, the employer or any combination of the two. If the employer withholds any or all of the 5% from their employee's paycheck, it is deducted on an after-tax basis, rather than before-tax like regular pension contributions (i.e. the 5% is deducted after any other taxes that the employee's wages are subject to, including Social Security, have been applied). If the deduction is not collected from the employee's wages, the responsibility to pay the 5% will fall back on the employer.

These RRTW employees must be reported on your monthly payroll with a Rate Category/Rate Schedule Number (RSN) of 96. If the employee is paying some or all of the UAL contribution, it should not be reported as employee contributions on your payroll report. The UAL contribution, even if paid by the employee, is not considered a refundable contribution should the employee terminate and seek a refund.

Any future change to the RRTW UAL rate will be communicated at the same time other PLD contribution rates are updated.

Please continue to submit a Membership Application through ESS for each new RRTW employee. If you have any questions or concerns, please contact Employer Services at (207) 512-3200 or via email at [employer@mainepers.org](mailto:employer@mainepers.org).