

# Early Retirement Factors (Retire-Rehire)

## Issue

Should the SCPP revise the post-retirement (retire-rehire) rules to allow members who retire under the 2008 Early Retirement Factors (ERFs) to return to work before age 65?

## Background

- ❖ Members who retire early have their monthly benefits reduced to offset the cost of receiving benefits longer.
- ❖ Members with 30 years of service qualify for subsidized, or smaller, reductions to benefits called ERFs .
- ❖ Stakeholders have stated:
  - There is shortage of substitute teachers.
  - This shortage could be at least partly related to the retire-rehire restriction for the 2008 ERFs.
- ❖ Members who retire under the 2008 ERFs:
  - Receive a smaller reduction to monthly benefits.
  - Cannot return to work before age 65 without a suspension of benefits.
- ❖ Members who retire under the other ERFs:
  - Receive a larger reduction to monthly benefits.
  - Do not share the retire-rehire restriction.

## Question

Does the SCPP want to take action on the issue? This could include further study or coordination with other entities.

## Fiscal Impact

The fiscal impact will be determined if a specific proposal is before the SCPP.