

CORP Local Board for the Judiciary

Retiree Return to Work FAQ

This document intends to assist the Superior Courts' Human Resource Departments and CORP members with frequently asked questions associated with the employment of Corrections Officer Retirement Plan (CORP) retirees. However, this document does not supersede Arizona law or PSPRS Rules, policies, or procedures.

The CORP Local Board for the Judiciary (Local Board) is to be notified of all CORP retirees hired by a Superior Court into any position, whether CORP designated or non-CORP designated (generally a position covered by the Arizona State Retirement System).

Pursuant to Arizona law, a CORP retiree is required to wait six months before being rehired into a CORP designated position to continue to receive their pension. For the topics discussed here, the Arizona State Judiciary is considered the employer for all Superior Court staff, including CORP members such as juvenile detention officers and probation and surveillance officers who are paid by a county Superior Court.

The administrative and statutory requirements of a Superior Court that has or wishes to employ the services of a CORP retiree are specified in the guidance below.

Questions and Scenarios

- 1. What documentation does the Local Board need when a CORP retiree is hired by a Superior Court?**
 - *A [Notice of Retiree Return to Work Form](#) is to be completed by the Superior Court hiring the CORP retiree and submitted to the Local Board for review and placement on the Local Board's next meeting agenda. To identify retirees, Superior Courts should have all hires complete a [Retiree Screening Form](#).*

- 2. Must the Local Board review a Notice of Retiree Return to Work before an employment offer may be issued?**
 - *No, the Local Board requires prompt notification of all CORP retirees returning to work but need not review or decide on a Notice of Retiree Return to Work prior to the issuance of an employment offer or commencement of employment. Note, however, that if the retiree does not meet the requirements for returning to work, the retiree may be subject to a pension suspension if the retiree has already started working.*

- 3. Will the Local Board decide if a retiree can be hired or should be terminated?**
 - *No, the Local Board does not make determinations or recommendations concerning the employment of retirees.*

- 4. What determinations does the Local Board make when evaluating a Notice of Retiree Return to Work?**

- *Has the retiree fulfilled the six-month waiting period if they are returning to work in a CORP designated position pursuant to A.R.S. § 38-884?*
 - *If a retiree commences employment in a CORP designated position without fulfilling the six-month waiting period, the Local Board will notify the Public Safety Personnel Retirement System (PSPRS) and the retiree's pension will be suspended.*
- *Has the retiree returned to work in a non-CORP designated position with a clear break in service?*
 - *If a retiree returns to work in a non-CORP designated position, the Local Board will evaluate if a break in service has occurred. A retiree cannot have an implicit or explicit pre-arranged employment agreement, whether written or verbal, to return to work in any capacity with any Superior Court. At minimum, the Local Board defines a break in service as one pay period or two weeks.*
- *Is the hiring Superior Court responsible for paying an alternate contribution rate (ACR) pursuant to A.R.S. § 38-891.01?*
 - *If a retiree properly commences employment in a CORP designated position, the hiring Superior Court must pay an ACR on the retiree's behalf.*
 - *If a retiree properly commences employment in a non-CORP designated position, the hiring Superior Court will not be responsible for paying the ACR.*

5. May a retired member return to work in a part-time position that, if it were full-time, would be classified as CORP designated, without fulfilling a six-month waiting period?

- *Yes, a retiree, who has experienced a break in service, may return to work in a temporary or on-call capacity without fulfilling a six-month waiting period, so long as the on-call position has been deemed a non-CORP designated position due to the part-time nature of the position.*

6. If a retiree's pension is suspended, may the retiree remain employed, and must pension payments be repaid?

- *Yes, if the retiree's pension is suspended, the retired member may continue to remain employed; however, any already-issued pension payments are subject to repayment to PSPRS. Additionally, the retiree does not make contributions to PSPRS or accrue any additional service credits while working. Pension payments will resume following termination of employment at the pre-suspension amount.*

7. An active member wishes to retire and return to work immediately for the Superior Court from which they are retiring in a non-CORP designated position. Are there concerns with immediately facilitating the return to work?

- *Yes, the Internal Revenue Service and PSPRS caution that situations in which an employer pre-arranges employment of a retiree at the time of retirement would not qualify as a bona fide retirement and could lead to serious consequences for all CORP members.*
 - *To avoid the assumption of a pre-arranged employment agreement and to allow time for the retiring member to terminate in the Superior Court's payroll and HR systems, the member should first terminate employment for at least one pay period or two weeks before accepting employment in a non-CORP designated position. (See FAQ #4)*

8. May a retired member immediately commence employment in a non-CORP-designated position with a Superior Court other than the Court from which they retired?

- *No, for retirement purposes, the Arizona State Judiciary is considered the employer; thus, a bona fide break in service is still required. A retired member may commence employment in a non-CORP-designated position as long as a clear break in service exists. (See FAQ #1, #4, #6, and #7.)*

Relevant Statutes, Information, & Rulings

[A.R.S. § 38-884.](#) *Membership of retirement plan; termination; credited service; redemption; reemployment*

[A.R.S. § 38-891.01.](#) *Retired member; return to work; employer contributions*

[CORP Working After Retirement](#)

[Hiring Retirees](#)

[IRS Ruling 56-214 & IRS Informational Letter 2000-0245](#)

For questions, please contact the Local Board at CORP@courts.az.gov.