

There are limits on the amount of money a disability retiree may earn before benefits are reduced or eliminated. If you exceed your earnings limitation you will be required to reimburse MainePERS and if you exceed your Substantial Gainful Activity (SGA) amount, your benefits will be terminated. **Substantial Gainful Activity** is an amount that is at least 80% of your Average Final Compensation adjusted by COLA (If your plan has the provision for COLA). The limit depends on the type of employment.

Earnings from Employment that *is not* Part of MainePERS

For earnings with an employer that that does not participate in MainePERS, you may earn the **greater** of:

1. \$20,000 adjusted by cost of living (COLA), or
2. The difference between your disability benefit for that year and your Average Final Compensation adjusted by COLA.

Average Final Compensation is the average of your three highest years of pay before starting to receive a disability benefit.

Earnings from Employment that *is* Part of MainePERS

For earnings with an employer that participates in MainePERS, the total of your disability benefit and total earnable compensation cannot exceed your Adjusted Final Compensation, adjusted by COLA.

Adjusted Final Compensation is your rate of compensation immediately before starting to receive a disability retirement benefit.

All earnings for a calendar year in which you receive any disability retirement benefits are subject to the earnings limitations. Even if you receive a disability benefit for only a portion of the year, the law requires MainePERS to review all your earnings for the entire year, for example:

- Disability retirees who change over to service retirement during the year
- New recipients granted benefits at any time during the year
- Recipients that voluntarily terminate their disability benefit to return to work at any time during the year

If you have earnings from both types of employment, the System calculates earnings limitations based on the position from which you earn more; all earnings would apply to that limitation.

Recipients who receive disability benefits for a partial year will have a pro-rated earnings limitation based on the number of months they received disability benefits. Actual earnings will be used for months while receiving disability benefits based on a pro-rated earnings limitation.