Post-Retirement Employment

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Responsible Office:

- **Policy Administrator** Deputy Executive Vice Chancellor, Chief Human Resources Officer
- Human Resources

Policy Statement

The hiring or rehiring by the University of Massachusetts Chan Medical School of individuals retired from state or municipal service within the Commonwealth of Massachusetts and receiving a state pension is subject to limits on earnings and hours worked. Massachusetts General Laws (Chapter 32), State Retirement Board regulations and the Pension Reform Act (Chapter 176 of the Acts of 2011), govern these limits. Retirees must be approved for hire in compliance with these laws and this policy.

Reason for Policy

The purpose of this policy is to communicate the conditions and procedures required to hire a retiree currently receiving a state pension. This policy seeks to ensure post-retirement contingent workers remain compliant with Massachusetts General Laws and the Pension Reform Act, enabling them to receive their pension benefits while employed.

Entities Affected by this Policy

Any individual who is collecting a Massachusetts State Employees' Retirement System (MSERS) pension and seeks to be employed by UMass Chan.

Scope

Post-retirement employment policies are applicable to all previous UMass Chan employees receiving pension benefits from the Massachusetts State Employees' Retirement System (MSERS).

The Provost (for faculty hires/renewals) or the Executive Vice Chancellor of Administration and Finance (for staff hires/renewals), must approve the hire of a retiree receiving pension payments.

The Deputy Executive Vice Chancellor, People Strategy or Designee must determine that the following Post-Retirement Employment Policy conditions have been met by the prospective post-retiree:

I. A retiree must possess the skills needed by the hiring department that fill a critical UMass Chan business-related need.

II. An individual receiving state pension payments <u>may **not** be hired as a contract worker.</u> They must be hired as non-benefited contingent workers and cannot exceed 960 hours annually or a specific dollar amount.

III. The department head has approved the hire and agrees to pay the special fringe assessment rate on the post-retirement earnings.

IV. UMass Chan post-retirement hire must be receiving pension benefits from the MA State Employees' Retirement System and must be off the UMass Chan payroll for at least <u>one (1) full pay period</u> before being rehired.

V. The rate of pay for a post-retiree must be approved by HR Compensation. A post-retiree returning to the same or similar job should not be paid more than the hourly wage paid by UMass Chan at the time of retirement. If the post-retiree returns to the same position with reduced responsibilities or a different position, the rate of pay should be appropriate for the duties and responsibilities. HR Compensation determines the appropriate salary level taking into consideration external market and internal equity / MEPA considerations.

VI. Approval of post-retirement employment may not exceed twelve (12) months from the post-retirement employment start date. After twelve months of employment, all post-retirees must be re-approved in writing by following Section IV under **Procedures**.

VII. The post-retiree is responsible for tracking their own post-retirement hours of work and compensation limits, as well as maintaining their compliance with all state laws.

<u>Human Resources does not track the post-retiree hours of work and/or compensation levels.</u>

VIII. There must be at least one full biweekly pay period between the date of retirement and the date of post-retirement employment.

Responsibilities

Post-Retirement Employee	Adheres to post-retirement earnings and hours limits in compliance with state laws. Responsible for tracking their own post-retirement work/ compensation limits.
Department Head/Manager	Hires retirees only when there is a critical business need. Must be approved in writing prior to hire, for up to a 12-month period, and must agree to pay a special fringe assessment. Approves request to hire / renew employment of a retiree receiving a state or municipal pension.
HR Compensation	Reviews the eligibility of a retiree receiving a state pension for satisfaction of policy conditions. Determines and notifies the hiring manager of the post-retiree hourly

	wage and limits on hours to be worked. Communicates post-retirement employee limits and compliance to the manager and post-retiree.
Finance	Administers special fringe assessment.
Provost, School of Medicine Executive Vice Chancellor, Administration & Finance	Approves request to hire / renew employment of a faculty or staff retiree receiving a state or municipal pension.
Deputy Executive Vice Chancellor, People Strategy	Approves the satisfaction of all Post-Retirement Employment Policy conditions by the post-retiree.

Procedures

1. The hiring department will create a requisition in iCIMS with the appropriate job code.

(Please Note that the Post-Retirement Request Form has been incorporated into the electronic iCIMS process and is no longer required.)

The requisition process includes:

a. All relevant position information is added to the iCIMS requisition (title, FTE, supervisor, location, retiree name, employee ID, hourly wage, etc.). The hiring department should also include the retiree's C.V. in the attachments section of the requisition. The hourly wage should not exceed the hourly wage paid at the time of retirement and must be approved by HR Compensation.

b. Requisition justification – a short explanation for the reason to fill the position with a specific post-retirement contingent worker. Include the expected length of employment requested. (Note that re-approval for all post-retirees is an annual requirement. A request for re-approval will be sent to the manager.)

c. Funding information – all applicable funding information must be added into the requisition. These funding sources will be approved by Finance and will be what is entered into PeopleSoft when the position is filled. Finance will administer a special fringe assessment rate for all post-retirement employees.

d. Approvals –The hiring department will route the requisition down the appropriate approval path in iCIMS following the templates provided in the approval page in iCIMS.

<u>If the post-retirement employment is approved</u>:

1. Once approved, HR Talent Acquisition will attach the retiree to the requisition in iCIMS, using the CV provided by the hiring department, and will send the retiree an official post-retirement offer letter. The retiree will sign the letter and send it back to HR Talent Acquisition.

2. After receiving the signed offer letter, HR Intake will conduct any appropriate background checks and process the required paperwork per the HR Quick Reference Guide for Rules and Clearances. Please allow for at least two (2) weeks for the administration of the background check/onboarding processes.

3. After receiving the signed offer letter, HR Intake will conduct any appropriate background checks and reach out to the post retiree to initiate the processing of the required paperwork per the HR Quick Reference Guide for Rules and Clearances. The Post retiree is responsible for the timely completion of required online documentation as listed within the guide. Please allow for at least two (2) weeks for the administration of the background check/onboarding processes.

4. HR will send the hiring manager the Acknowledgement of Post-Retirement Employment Limits which will indicate the approved hourly wage and detail the state laws regarding the maximum hours that can be worked and the maximum earnings allowed by the post-retiree hire. This form must be signed by the manager and retiree and returned to HR Compensation within two (2) days of the employee's start date. The post-retiree must track their own post-retirement hours and earnings each calendar year to ensure compliance with state pension law.

Upon reaching the maximum limit, they must stop working for the state, or risk suspension of future State Retirement Board pension payments. Should limits be exceeded, all payments over the limits must be paid back to UMass Chan in that calendar year.

NOTE:

- Post-retirement employees are <u>not eligible</u> for benefits, merit increases or additional compensation. They will be paid an hourly wage and will be considered to be contingent workers.
- Retirees from the state retirement system are exempt from OBRA. Retirees from a municipal retirement system are required to contribute to OBRA.