

SYSTEM REGULATION

31.07.01 Retirement and Employment After Retirement

February 5, 1997

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Supplements System Policy 31.07

1. GENERAL

The following regulations apply to the types of retirement and employment after retirement described in System Policy 31.07.

2. MANDATORY RETIREMENT AGE

Restrictions concerning the age at which employees may be required to retire, which are specified in System Policy 31.07, do not apply to individuals who are employed by System components for special assignments in other countries. Authority to grant exceptions for work beyond a mandatory retirement age is hereby delegated to the System component Chief Executive Officers (CEOs).

3. DISABILITY RETIREMENT

In addition to the application form and medical examination results, detailed information about a disability may be required by Teacher Retirement System (TRS) or the System before a disability retirement is approved.

4. EMPLOYMENT AFTER RETIREMENT

The following rules apply to those returning to work after regular retirement or those approved for Early Retirement with Modified Service (ER/MS).

4.1 Approvals

An individual may be employed after retirement where the best interests of the System will be served. Recommendations for such employment will be forwarded through normal administrative channels to the CEO of the System component, or designee, for review and approval.

4.2 TRS Retirees

4.2.1 TRS retirees, in order to maintain retiree status, may not be re-employed until the second calendar month following the month of retirement. (For example, if the retirement date is January 31, the earliest re-employment date would be March 1.)

- 4.2.2 A TRS retiree may be employed by a System component for up to a 50% effort on a monthly basis for the fiscal year or between a 51% and 100% effort for a period of no more than six months during a fiscal year and continue to receive monthly benefit payments. The full-time employment option may not be in the same fiscal year in which the employee retires, must be properly elected and documented, and must be after the official date of retirement and at least one calendar month after the effective retirement date. The employee must designate the full-time employment period (up to six months) by the end of the first month of such employment.
- 4.2.3 TRS retirees will forfeit their annuities for those months during which they exceed the preceding percent effort and appointment period restrictions. However, individuals who retired before January 1, 2001, may return to work without restriction on the percent effort or duration of employment without forfeiting their TRS benefits.
- 4.2.4 The above rules are subject to change by TRS. TRS rules should be examined prior to employment to determine eligibility for continuation of retirement benefits.

4.3 Salary

The salaries of employees approved for service after retirement will be adjusted to reflect the value of positions held and work performed in the positions they occupy after retirement.

- 4.3.1 The base salary rate paid immediately prior to retirement will not necessarily be continued into the service after retirement. The initial after-retirement rate will not normally exceed that which was paid for service during the previous fiscal year except for situations in which a retiree accepts an overseas assignment requiring special salary consideration for hardship and cost of living. The initial rate should be established with mutual consent before the post-retirement position begins.
- 4.3.2 Employees approved for service after retirement will be subject to mandated (across-the-board) salary adjustments during their post-retirement employment and may receive merit increases in recognition of exceptional job performance after completion of six months' service at their regular rate of pay.

4.4 Benefits

- 4.4.1 Re-employed retirees are not eligible to participate in TRS or ORP, and no further state or individual contributions will be made to TRS or ORP (See System Regulation 31.02.09 Optional Retirement Program for exception). Persons re-employed may participate as retirees in any System group insurance plan(s) for which other retirees are eligible. Prior to retirement, all

retirees should visit the appropriate human resources office to complete the paperwork necessary to continue group insurance coverages.

- 4.4.2 All retirements constitute a break in service; therefore, all accounts for accumulated vacation credit must be settled at the date of termination. All sick leave credit accumulated at that date is forfeited unless the employee is re-employed by the same System component after a 30-calendar-day break in service but within 12 months of retirement or by any other System component or state agency within 12 months of retirement. Sick leave may be donated to the sick leave pool (see System Regulation 31.06.01).
- 4.4.3 Re-employed retirees are eligible for vacation and sick leave under the same general rules concerning percent effort and period of appointment that apply to other employees, as described in System Regulations 31.03.01 and 31.03.02.

5. EARLY RETIREMENT WITH MODIFIED SERVICE (ER/MS)

5.1 Eligibility

- 5.1.1 Full-time regular employees of the System may request participation in ER/MS at age 55 or any time thereafter:
 - (1) if they have credit for five or more years with TRS, or five or more years of participation in ORP, or five or more years of participation with a combination of TRS and ORP; and
 - (2) if, under current policy, they would otherwise be eligible for continued employment.
- 5.1.2 A participant's eligibility to receive benefits from TRS or an ORP contract and his/her eligibility for membership in TRS or ORP will be governed by the laws and rules governing such eligibility and not by this regulation.

5.2. Job Assignments and Salary Considerations

- 5.2.1 Members of the faculty and their counterparts in research or extension agencies who are approved for ER/MS will ordinarily continue performing typical classroom, laboratory, or extension functions.
- 5.2.2 Persons in Board-appointed positions and those in professional and administrative positions who have responsibility for the direction or supervision of full-time staff will be reassigned, under ordinary circumstances, to ER/MS positions that do not involve direction or supervision of full-time employees.
- 5.2.3 As a general rule, faculty participating in ER/MS will not be given summer teaching assignments nor will they participate in summer research or

extension assignments unless such assignments have been regularly included in their pre-retirement budgeted positions.

5.2.4 Persons retiring from classified positions to participate in ER/MS will ordinarily continue in the same or lesser job classifications.

5.2.5 Any changes in percentage of time worked by ER/MS participants will be determined with the mutual consent of the parties concerned.

5.3. Applications

5.3.1 Persons wishing to participate in ER/MS must submit a written request to their department or administrative unit head using Part I of the Application for Participation in Early Retirement with Modified Service (HR 201), available from each components' human resources office. Application for ER/MS should be made not later than 90 days before the date on which ER/MS is requested to begin. The System component CEO may, with approval by the Chancellor, require an earlier application date.

5.3.2 The department or administrative unit head will review the request with the employee, complete Part II of the application, and recommend approval or disapproval through normal administrative channels to the System component CEO. Any additional information or special agreements pertinent to the conditions of employment must be noted and acknowledged on the form.

5.3.3 In recommending approval, the department or administrative unit head must demonstrate and certify that the contemplated employment after retirement is in the best interests of the System component, and that the department or unit may expect, with reasonable certainty, to continue to benefit from the reduced services of the applicant throughout the ER/MS commitment period.

5.3.4 An employee applying for ER/MS employment after retirement should receive, before the date of termination in anticipation of retirement, written approval of an ER/MS agreement.

5.4 Terms and Duration of Employment

5.4.1 ER/MS will normally start at the beginning of the fiscal year following the retirement date. ER/MS beginning on any other date is subject to slightly different rules and should be pursued with special care and advice from the appropriate human resources office.

5.4.2 ER/MS is for a specific period having a designated beginning date and a designated ending date, at which time the individual's employment will be terminated unless a new ER/MS application has been approved for continued

employment. At the CEO's discretion, annual review and reapproval may be required.

5.4.3 An extension of the ER/MS agreement may be approved, subject to the same rules and approval procedures as the original agreement.

5.4.4 All provisions of this regulation and any agreements executed thereunder are subject to applicable state and federal laws and regulations.

5.5. Administrative Approval

All applications for participation in ER/MS must have the administrative approval of the CEO, or designee, of the System component. If post-retirement employment is to be in more than one System component, each CEO, or designee, must approve the application.

6. DISMISSAL PROCEDURES

All faculty and staff employees working after retirement are subject to the discipline and dismissal procedures in System Regulation 32.02.02 and may be dismissed under these procedures before their terms of employment have expired. Tenure status ceases at retirement.

CONTACT FOR INTERPRETATION: The System Human Resources Office

HISTORY: Last version: November 7, 2001

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