Hiring a Retiree

Hiring a retiree requires careful consideration when entering the individual's appointment information into HRMS. To prevent the retiree's benefits from being adversely affected and to maintain retirement status with the IRS, the appointment must be set up correctly in HRMS.

A retiree is a former employee who has terminated employment due to retirement, and is not currently an active employee. There can not be any planning or discussion on the part of the employee and employer regarding possible re-hire after retirement while still in active employment prior to retirement.

To be considered for future employment at the University, a reasonable period of time, or break in service, must have elapsed since the retiree's termination date.

This break-in-service can vary depending on the cause of termination:

- Regular Retirement: The break-in-service must include at least one pay period that contains ZERO compensation (i.e., cannot be a vacation payout). (MSRS and PERA have additional break-in-service requirements, should the individual expect to start receiving benefits. Employees should verify additional requirements with their respective retirement systems.)

- Retirement After a Layoff/Non-Renewal: The break-in-service must be as long as the number of weeks they are being paid out. The individual cannot return to a paid position prior to the expiration of his or her payout.

**RETIRED**

A retiree appointment is a post-retirement appointment for use in hiring a former employee who has retired and separated from the University. These appointments are part-time, less than 20 hours per week (either as a single appointment or combined multiple appointments), and are not eligible for benefits.

Retirement appointments are required for any of the following retired individuals returning to University employment:

1. Those who have retired after accepting the Phased Retirement Program
2. Those who have retired after accepting the Terminal Agreement Program, including the Federal Terminal Agreement Program
3. Those who have retired after accepting the Retirement Incentive Options (RIO) offered Spring 2008 (retired no later than June 6, 2009) and Spring 2011 (retired no later than January 12, 2012)
4. Those who have started receiving retirement annuity payments from the Minnesota State Retirement System (MSRS) or Public Employees Retirement Association (PERA)

Retirees not in one of the above categories may also hold appointments, if appropriate, for work efforts of 20 hours or greater per week. These types of appointment do not follow the retiree appointment process.
Hiring a Retiree (cont.)

HIRING RETIREES GENERAL GUIDELINES

- If Retirement/Retirement: Hires MUST be on a separate record.
- Departments MUST NEVER build on top of the Retirement/Retirement row. NOTE: Building on top of a Retirement/Retirement row will have a serious detrimental impact on benefit processing.

IF HIRING LESS THAN 20 HOURS PER WEEK

Retirees working less than 20 hours per week (either as single or combined multiple appointments) must follow these guidelines:

- In all cases use the Action/Reason of “Hire/Retirement Appointment.”
- These appointments are not benefits eligible.
- “Hire/Retirement Appointment” can be used multiple times on Terminated records.

REQUIRED BREAK-IN-SERVICE

All subsequent hires of a retiree require a break-in-service in order for the system and IRS to recognize the retirement.