ADMINISTRATIVE POLICY STATEMENT

Policy Title: Hiring Retirees to Work in Staff or Faculty Positions

APS Number: 5054
APS Functional Area: HUMAN RESOURCES

Brief Description: This policy will assist departments when hiring retirees to work in staff or faculty positions at CU.

Effective: August 1, 2017 - March 1, 2023 (Pending)

Approved by: President Bruce D. Benson, Todd Saliman (Pending)

Responsible University Officer: Vice President of Administration, Chief Human Resources Officer and Associate Vice President of Employee Services

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Policy Contact: Vice President of Administration, Chief Human Resources Officer and Associate Vice President of Employee Services

Supersedes: Hiring Retirees to Work in Staff Positions, January 1, 2014 - August 1, 2017

Last Reviewed/Updated: August 30, 2021 - March 1, 2023 (Pending)

Applies to: Departments that hire retirees to work in staff or faculty positions and retirees working in staff or faculty positions.

Reason for Policy: Allows CU to demonstrate employee and employer responsibility and provide clarity and consistency to departments when hiring CU retirees or non-CU retirees to work in staff or faculty positions.

I. POLICY STATEMENT

A. The hiring of CU retirees (employees who have officially retired from the university) includes both Colorado Public Employee Retirement Association (PERA) and Optional Retirement Plan (ORP) retirees, needs to be coordinated for retiree health/dental/life benefit purposes, and must be tracked appropriately:
   1. PERA Retiree: employees who have officially retired from PERA.
   2. ORP Retiree: employees who participated in the University of Colorado 401(a) Retirement Plan and have officially retired from the university.

B. The use of working CU retirees should not be a long-term replacement for regular, full-time positions. There is no limit on how many years a CU retiree can perform in temporary, part-time positions.

C. CU Retirees may be hired into temporary university staff or classified staff, temporary research faculty, or temporary faculty positions (see table in section I.I - Appointment Options for CU Retirees) and are limited to a 9-month, 12-month, or other defined project period. All appointments are to be reviewed by the applicable human resources department at the end of each period.
D. Non-PERA Retirees from other institutions or companies can be hired with no restrictions and are not subject to this policy.

E. PERA retirees from other PERA employers are restricted to the 110 day/720 hour per calendar year rule and are subject to this policy.

A. Appointments may be used to:

1. train, cross-train, transfer knowledge or act in a short-term mentoring role for a new incumbent;
2. fill a position that is defined as non-supervisory and part-time and does not supervise full-time employees;
   • While retirees are generally not appointed to supervisory positions for full-time staff, there may be situations where a retiree is asked to assume supervisory responsibilities for full-time employees for a limited period.
3. fill a position on a unique and non-recurring project;
4. provide specialized knowledge or fill a specialized role; or
5. fill an interim vacancy, or to fill a role deemed necessary by the Chancellor of a campus or the President of the System.

In addition, while retirees are generally not appointed to supervisory positions for full-time staff, there may be extraordinary situations where a retiree is asked to assume supervisory responsibilities for a limited period.

B. In addition to I.A., above, hiring any retiree (CU retiree or non-CU retiree) who is also a Colorado Public Employee Retirement Association (PERA) retiree as an employee or contract worker results in certain complexities based on C.R.S. 24-51-1101 results in certain complexities and constraints:

1. It is the employee/contract worker’s responsibility to confer with Employee Services and PERA to understand the implications of working as a PERA retiree (length of service, impact on PERA benefits, etc.) calculating time worked.
2. Calculating Daily and Hourly Rates
   a. See Reference Guide: Hiring Working PERA Retirees into Staff Positions; Reference Guide: Hiring Working PERA Retirees for information on calculating daily and hourly rates; time worked for PERA retirees working for the university’s staff positions.
3. Contributions
   a. The working PERA retiree is required to pays a working retiree contribution equal to the member contribution rate, which will be deducted from the working retiree’s pay as a pre-tax contribution.
   b. Contract worker’s PERA contributions are deducted from the member’s PERA monthly retirement benefit that is received from PERA, the standard PERA contribution, but it does not contribute toward the retiree’s PERA account. It is the contract worker’s obligation to notify PERA of their compensation.
   c. The department is required to pay employer contributions pays the standard PERA contribution, but it, too, does not contribute toward the retiree’s PERA account.
   d. The working retiree contribution does not accrue an additional benefit. The working retiree is not eligible for a refund of these contributions.
   e. Upon termination of such retiree’s employment, there shall be no benefit calculation reflecting additional service credit or any increase in the highest average salary of such person.

4. Days worked
   a. The working PERA retiree can work a maximum of 110 days or 720 hours per calendar year.
   b. If that retiree works more than 110 days or 720 hours, PERA will reduce the retiree’s monthly pension by a formula-set percentage. Independent contractors are not subject to the work limits; however, they are subject to contributions. Refer to PERA’s publication “Working After Retirement for a PERA Employer as an Independent Contractor or Through an Affiliated Party.”

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1 The contributions to PERA are paid into a general PERA fund.
b. Each campus and system administration can designate 10 PERA retirees to work for a maximum of 140 days or 916 hours per calendar year, through the campus’ defined approval process.
   - This process occurs in January each year and must renew each calendar year. A working retiree can be added to the 140-day list throughout the calendar year if their retirement date is after the submission deadline.

b-c. It is the employee's retiree's responsibility to track days worked under PERA rules.

NOTE: If you fail to submit any of the forms as required by PERA or provide PERA with false information, PERA may suspend your retirement and take legal action to recover unearned benefit payments and interest.

5. Departments cannot hire working PERA retirees through a temporary agency to circumvent the PERA restrictions—the PERA rules on working retirees apply to any employment, including employment as an independent contractor.

6. If the working PERA retiree chooses to rescind suspension and work at CU in a regular job position, the rescission-suspension must occur for both PERA and CU retirement (if the PERA retiree also retired from CU).

C-H. In addition to I.A., above, hiring CU Optional Retirement Plan (ORP) retirees may result in certain complexities and constraints. It is the retiree's responsibility to understand these constraints:

1. An effect on distribution of 401(a) funds. Working after retirement may affect:
   - distributions from CU retirement funds. It is the retiree's responsibility to confer with Employee Services and TIAA.
   - distributions from other non-CU retirement plans; and


2. ORP Retirees subject to an Early Retirement Incentive Agreement may be subject to additional constraints and should check their Agreement prior to working after retirement.

A-I. There are four staff appointment options for CU retirees. The specific requirements for each kind of appointment are based on university policies and state personnel rules.

If a CU retiree is hired into an erroneous job code, Employee Services will work with the appropriate campus HR office to correct the appointment.

<table>
<thead>
<tr>
<th>Job Code</th>
<th>Title</th>
<th>Definition</th>
<th>Job Category</th>
<th>Utilization</th>
<th>Defined by State Personnel System</th>
<th>Position Type</th>
<th>Rate of Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>2583</td>
<td>Working PERA Retiree - Staff</td>
<td>Professional</td>
<td>University Staff</td>
<td>Required for all CU Retirees with PERA retirement and Optimal for all PERA Retirees from a different PERA employer</td>
<td>Yes</td>
<td>Temporary</td>
<td>Daily rate or Hourly Rate</td>
</tr>
<tr>
<td>2585</td>
<td>Working ORP Retiree - Staff</td>
<td>Professional</td>
<td>University Staff</td>
<td>Required for all CU Retirees with CU ORP retirement</td>
<td>Yes</td>
<td>Temporary</td>
<td>Daily rate or Hourly Rate</td>
</tr>
<tr>
<td>New Code</td>
<td>Working PERA Retiree - Research</td>
<td>Research Faculty</td>
<td></td>
<td>Required for all CU Retirees with PERA retirement and Optimal for all PERA Retirees from a different PERA employer</td>
<td>Temporary</td>
<td>Hourly Rate</td>
<td></td>
</tr>
<tr>
<td>New Code</td>
<td>Working ORP Retiree - Research</td>
<td>Research Faculty</td>
<td></td>
<td>Required for all CU Retirees with CU ORP retirement</td>
<td>Temporary</td>
<td>Hourly Rate</td>
<td></td>
</tr>
</tbody>
</table>
appointment options for retirees from other non-pera institutions or companies.
1. specific requirements are based on university policies and state personnel rules, dependent on job code.
2. there are no restrictions as to which job code retirees from other non-pera institutions or companies can be hired.
3. retirees from different pera employers (see section f) have limitations on how much they may work in a calendar year.

D. K. Benefits eligibility for working and HR processes for CU Retirees PERA or ORP retirees working in temporary staff, temporary research, or temporary faculty positions. These retirees:

1. if a CU Retiree is enrolled in retiree CU medical, dental or life plans, retiree benefits will continue if they meet the affordable care act (ACA) requirements.
2. CU Retirees are eligible to contribute to the voluntary retirement plans (403(b), 457, or 401(k)).
3. CU Retirees may have working titles that are reflective of the duties being performed (job code reflects formal title of Working PERA Retiree or Temporary Aide).
4. CU Retirees are not eligible to accrue vacation leave.
5. CU Retirees are eligible for sick leave provided to temporary employees.
6. CU Retirees are not eligible for annual merit increases.
7. Pay adjustments are allowed upon review of appointment and should be evaluated by human resources to ensure alignment under the equal pay for equal work act (EPEWA).
8. Performance plans and evaluations are not required, but recommended.
9. CU Retirees are not eligible for tuition benefit.
10. CU Retirees are not allowed to volunteer time performing same duties as employment.

E. Benefits eligibility for PERA retirees working in regular classified positions. These retirees:

1. are eligible for State of Colorado employee benefits.
2. may be eligible for retiree benefits (contact CU benefits for information).
3. are eligible to earn vacation and sick leave.
4. are eligible for merit increases, and performance plans and evaluations are required, and
5. are eligible for tuition benefit (50% or greater FTE).

F. All retirees working in temporary university staff or temporary classified staff positions will be paid for the time worked during the prior pay period.

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2. Regular classified staff titles were grandfathered in on January 1, 2014 and are no longer used to hire working CU retirees.
3. Regular classified staff titles were grandfathered in on January 1, 2014, and are no longer used to hire working retirees.
1. Monthly example— the time worked in January is paid at the end of February.
2. Biweekly example— the time worked in a two-week period is paid two weeks later.

G. All retirees working in temporary university staff or classified staff positions are required to track time in MyLeave or an alternate timesheet used by the department, and the department must process the biweekly payroll through time collection via upload of hours from MyLeave or manual entry of work hours submitted on an alternate time sheet.

H. Each campus will document procedures to address the justification process and/or the review period.

II. RELATED POLICIES, PROCEDURES, FORMS, GUIDELINES, AND OTHER RESOURCES

B. Working After Retirement published by PERA.
B.C. Working After Retirement for a PERA Employer as an Independent Contractor or Through an Affiliated Party published by PERA.
C-D. C.R.S. 24-51-1101.

III. HISTORY

- Adopted: January 1, 2014.
- Revised: August 1, 2017; August 30, 2021, non-substantive changes were made to this APS. [Pending].
- Last Reviewed: August 30, 2021; March 1, 2023 [Pending].

IV. KEY WORDS

PERA retiree, retiree, hiring, hire, ORP retiree, staff, faculty, working retiree.