MEMORANDUM

DATE: September 16, 2011 (REVISED 1/25/2012, and 7/23/2013)

TO: Dick Telfer, Ph.D. – Chancellor
Bev Kopper, Ph.D. - Provost
Judi Trampf – Director, Human Resources and Diversity

FROM: Aimee McCann – Director, Budget, Planning and Analysis

RE: Guidelines for Rehiring Annuitants - Unclassified

The University of Wisconsin System Administration and the Department of Employee Trust Funds have provided a set of policies to follow in the event that a campus should wish to hire an annuitant. Those rules can be found here:

For rehired annuitants who returned to work prior to July 2, 2013 - UW System Questions and Answers - http://www.wisconsin.edu/hr/benefits/lifevent/rehired.htm

If a rehired annuitant ended all WRS-covered employment before July 2, 2013, the rehired annuitant is grandfathered and not subject to the above rules and will continue to be subject to the following:

- Must have a minimum 30-calendar day break in service
- Has option about whether or not to go back under WRS
- Once rehired annuitant elects to go back under WRS, will lose grandfathered status and be subject to new rehired annuitant rules

For rehired annuitants who returned to work on or after July 2, 2013 - Recent Changes to your WRS Benefits due to 2013 Wisconsin Act 20 - http://etf.wi.gov/news/ht-act20faqs.htm

If a rehired annuitant ended all WRS-covered employment on or after July 2, 2013, the following applies:

- Must have a minimum 75-calendar day break in service
  - May not return to any WRS-covered employment during 75-day break in service
  - May not return to same employer in any position in which earnings are received during 75-day break in service
  - May not have a contract in place to return to employer before the break in service begins
  - A rehired annuitant may return to WRS-eligible employment on the latest of the following dates:
    - The day after the annuity effective date; or
The 76th day after termination of all WRS-covered employment; or
The 76th day after the date the Department of Employee Trust Funds (ETF) receives the retirement application

- Annuity will automatically be terminated if the rehired annuitant is expected to work at least one year and at least 2/3 of what ETF considers full-time employment.
  - Classified employees: 2/3 of full-time = 1200 hours per year = 58% FTE
  - Unclassified 12-month employee: 2/3 of full-time = 880 hours per year = 42% FTE
  - Unclassified 9-month employee: 2/3 of full-time = 880 hours per year = 56% FTE

- The law also includes a provision that if a rehired annuitant enters into a contract with a WRS-participating employer (e.g. through an employment agency, as an independent contractor…), and is expected to work at least one year and at least 2/3 of what ETF considers full-time employment, the annuity must be terminated and no annuity payment is payable until the rehired annuitant no longer provides services under the contract.

The University of Wisconsin - Whitewater has chosen to apply additional guidelines regarding the hiring of annuitants. These guidelines are listed below.

1. When feasible, employing units should post positions for which an annuitant may be considered (at a minimum on the UW-Whitewater website), annuitants may then apply along with any other potential applicants.

2. Annuitants will be hired at a base salary not higher than 80% of the salary at the time of retirement.
   a. Example: If a staff member leaves a position at $50,000, the maximum base rate upon re-hire would be $40,000.
   b. Any deviation from the 80% base salary rule must have explicit written approval from the Chancellor prior to the hiring of the individual to undertake the assignment.
   c. If the salary for a lecturer, after applying the 80% is lower than the minimum salary in the hiring department, the higher salary will be granted, also with the explicit written approval of the Chancellor.

3. The base rate would then be prorated based on the percentage of time the employee is being hired to work.
   a. Example: The same staff member above is hired at a base rate of $40,000 but would be working in a 60% capacity would then be contracted at a salary of $24,000.

4. Annuitants should not be hired back to perform the same work in the same capacity as they were when they retired:
   a. Annuitants should not be hired into positions where they have a supervisory role.
   b. If a faculty member retires and returns to the University, he/she will be hired as a Lecturer.
   c. The Offices of Budget, Planning and Analysis or Human Resources and Diversity can assist to determine the correct Hayes-Hill title for an annuitant in the event that the ‘80% rule’ sets the base salary below the minimum for a particular title.

5. Annuitants are not included in our continuing staff base; this means they do not generate pay plan dollars. As a result, annuitants are not eligible for pay plan increases.