Montana State University Campuses
POST RETIREMENT CONTRACT/EMPLOYMENT GUIDELINES
For Faculty, Administrator and Professional Employees

These guidelines apply to all Montana State University campuses.

There are occasions in which the campuses of Montana State University may benefit from employing retiring faculty, executive, administrative and professional contract employees (collectively referred to for purposes of these guidelines as "Retirees") on a post retirement, part-time basis following their formal retirement from an MSU campus. The university will offer post retirement contracts to Retirees when it serves the needs and interests of the university and is approved by the Office of Commissioner of Higher Education.

Post Retirement Contracts will be governed by the provisions and approvals outlined in these guidelines.

1) Post retirement employment may be offered to Retirees at the discretion of the university. This guidance implements BOR Policy 712.1 as it relates to regularly scheduled, part-time employment for Retirees. For information regarding the best method for employing Retirees on an hourly, sporadic basis, or for employing retired Classified employees, please contact Human Resources.

2) Requirements of the Retirement Systems. University employees participate in one of three retirement systems: TIAA-Cref, Teacher’s Retirement System (TRS), or the Public Employees Retirement System (PERS). Some Extension employees also participate in a federal retirement system.

   a. Each retirement system has a set of rules that pertain to reemployment of retirees from that system. The rules are summarized in Appendix A. Some retirement systems prohibit negotiating a post retirement contract before retirement and require a certain waiting periods before a retiree is eligible for reemployment. Therefore, the hiring authority should not discuss post retirement employment with an employee until approved to do so by Human Resources.

   b. All post retirement employment must be consistent with the post retirement employment rules and limitations of the applicable retirement program, including break in service requirements. It is the responsibility of the Retiree to ensure compliance with the retirement system rules and related reporting requirements, including those surrounding break in service.

3) Advance Approval/Arrangements and Justification. If there is university need for the services of a Retiree, the hiring authority must obtain authorization in advance to offer a Post Retirement Contract.

   a. The Post Retirement Employment Authorization Form and Worksheet ("Form") should be used to outline the justification for the hire and the proposed rate of compensation.

   b. Post Retirement Contracts must be approved in advance of the offer of reemployment by the MSU President and the Commissioner of Higher Education.
4) **MUS Retirement Requirement.** An employee must retire from the MUS System to be eligible for a Post Retirement Contract. Retirement from the MUS System requires the following:
   
   a. The employee must resign his or her position.
   b. For tenured faculty, tenure terminates when resignation becomes effective.
   c. The employee must be considered eligible for retirement under the terms and conditions of the employee’s applicable retirement system.

5) **Contract Requirements.** The following additional general guidelines apply to post retirement contracts:

   a. Post Retirement contracts are approved for a term of up to one-year only.
   b. Post Retirement Contracts may be renewed annually for a maximum duration of three (3) years. This maximum may be waived by the President if it is in the best interest of the university to continue the post retirement employment of the retiree.
   c. All provisions of the Post Retirement Contract, including actual salary, must be approved by the President and the Commissioner of Higher Education prior to offering a Post Retirement Contract to a Retiree.

6) **Base Salary and FTE.** The rate of pay and FTE assignment under a Post Retirement Contract must be commensurate with the agreed post retirement duties and responsibilities.

   a. However, in all cases, post retirement FTE may not exceed .45.
   b. Human Resources will assist hiring authorities in establishing a rate of pay and FTE commensurate with planned duties and responsibilities.

7) **Benefit Eligibility**

   a. Retirees employed on Post Retirement Contracts are NOT eligible for employer-paid insurance benefits. Questions regarding benefits and post retirement contract employment should be directed to the Human Resources Department.
   b. Employees employed on Post Retirement Contracts are covered by Workers Compensation Insurance and State Unemployment Insurance.

8) **Procedures**

   **Step 1: Authorization Form/Worksheet initiated on local campus**

   a. Hiring Authority consults with department head and campus Human Resources to:

   1) Discuss specific staffing need and potential strategies.
   2) If preferred strategy is post retirement reemployment, discuss the identified individual and the profile of the planned role.
   3) Determine the appropriate compensation and FTE given the profile of the planned role.

   b. Hiring Authority subsequently completes Post Retirement Contract Authorization Form and Worksheet (“Form”) in consultation with campus Human Resources.
   c. Hiring Authority and department head submits the Form to the Dean/Vice President for approval. Each campus shall determine any additional signatures necessary for campus approval of post retirement contracts.
   d. Dean/Vice President consults with the appropriate campus Provost/Chancellor/Dean.
   e. Signed Form is returned to Campus Human Resources.
   f. Campus Human Resources originates Post Retirement Contract.
**Step 2: Form and Post Retirement Contract routed through Manager of Talent Acquisition, MSU Bozeman**

a. Campus Human Resources routes Form and proposed Post Retirement Contract to Manager of Talent Acquisition, MSU Bozeman, who will review the proposal for completeness, compliance with retirement plan requirements, rationale, compensation, duties and FTE.

b. Manager of Talent Acquisition submits Form and Post Retirement Contract to President for review and approval.

c. The President’s office submits (approved) Form and Post Retirement Contract to the Office of the Commissioner of Higher Education for consideration.

**Step 3 Notification will flow back through Manager of Talent Acquisition, MSU Bozeman**

a. Manager of Talent Acquisition, Bozeman will notify campus Human Resources of approval or denial. Approved, signed contract will be forwarded to the appropriate campus Human Resources.

b. Campus Human Resources will notify department.

c. Campus Human Resources will work with department to initiate appropriate payroll forms.

These post retirement guidelines may be updated from time to time as necessary to preserve this intent and maintain compliance with applicable state or federal law.
## Appendix A - Summary of Post-Retirement Contract Rules by Retirement Plan - 2014

<table>
<thead>
<tr>
<th>Rule</th>
<th>TRS Defined Benefit</th>
<th>PERS Defined Benefit</th>
<th>PERS Defined Contribution</th>
<th>TIAA-CREF Defined Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Retirement Age</td>
<td>Tier I Member[7/1/13]: Age 60 with 5 years of creditable service; or 25 years or more of creditable service Early Retirement: 5 years of creditable service and age 50</td>
<td>Hired Prior to 7/1/11 Age 60 with 5 years membership; or Age 65 in active service, or 30 years of membership Early Retirement Age 50 with 5 years of membership or 25 years of service Hired after 07/01/11 Age 65 with 5 years membership; or Age 70 in active service Early retirement Age 55 with 5 years of membership</td>
<td>Age 59 ½</td>
<td>Age 59 ½</td>
</tr>
<tr>
<td>Advance Approval</td>
<td>Optional/6 months advance preferred</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Optional/6 months advance preferred</td>
</tr>
<tr>
<td>Break in Service Requirement</td>
<td>150 day break required for employees retiring on or after Jan. 1, 2014 And received first retirement check</td>
<td>90 days</td>
<td>90 days</td>
<td>None</td>
</tr>
<tr>
<td>Rate of Pay or Hours Worked Maximums</td>
<td>Salary determined by duties not to exceed maximum 1/3 of AFC as determined by TRS. Under age 65: Maximum cap of 960 hours - calendar year Age 65 – 70 ½: either 960 hour limit or an earnings limit, whichever is higher. Over age 70 ½: no earnings limit</td>
<td>Under age 65: Maximum cap of 960 hours - calendar year Age 65 – 70 ½: either 960 hour limit or an earnings limit, whichever is higher. Over age 70 ½: no earnings limit</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Total Employer-Only Contributions to Retirement System (Not deposited into individual accounts)</td>
<td>9.85%</td>
<td>8.17%</td>
<td>8.17%</td>
<td>No working retiree contributions</td>
</tr>
</tbody>
</table>