



Minnesota
STATE COLLEGES
& UNIVERSITIES

Human Resources Guideline & Interpretation

Annuitant Employment Program

RET0005

Purpose: To clarify eligibility criteria, participation requirements and implementation processes for the Annuitant Employment Program.

Affects:

All system colleges, universities, and the office of the chancellor

Authoritative References: [M.S. 136F.48](#), [M.S. 354.445](#), [M.S.354A.31](#), and [M.S. 352.1155](#)

Required Forms: [See sample letter](#)

Responsibility for Implementation: It is the responsibility of the President* to implement this program consistent with these guidelines.

* In this guideline, President also means his/her designee, and the Chancellor or his/her designee for Office of the Chancellor employees.

Attachments: none

Introduction:

The statutory provisions referenced above allow the System, under certain conditions, to continue to employ faculty and unclassified staff who begin drawing a retirement annuity/benefit from one of the following:

- the Individual Retirement Account Plan,
- the Teachers Retirement Association,
- the Minnesota State Retirement System, general or unclassified plan,
- a first class city teacher plan.

This program is permissive, not mandatory. It is intended to provide managers with an additional tool for effective resource management. Colleges, universities, and the Office of the Chancellor should determine whether to participate after considering whether it is a benefit to the institution.

The President is authorized to determine whether to participate in the program, which employees may participate in the program, and to determine the amount and duration of work. Faculty and unclassified

staff participating in the program are members of the appropriate bargaining unit and cannot be required to waive rights under the collective bargaining agreement.

Interpretive Guidelines:

Eligibility Criteria:

Unclassified employees may be eligible for participation in this program if they meet all of the following:

1. were employed full-time in the System for a minimum of ten (10) years;
2. are retiring from the System;
3. have received approval from the President for participation in this annuitant employment program without a break in service at the same college/university/office of the chancellor; and
4. begin drawing a retirement benefit from the Individual Retirement Account Plan or the MSRS Unclassified Plan, or begin receiving an annuity from the Teachers Retirement Association, the Minnesota State Retirement System General Plan, or a first class city teacher plan.

Participation Requirements and Implementation Processes:

A. Eligible employees who qualify and are offered continued employment under the annuitant employment program may continue to be employed by a System college/university or the Office of the Chancellor under certain conditions. The employee must:

1. be employed at least one-third (1/3) but not more than two-thirds (2/3) time during an academic year (fiscal year for non-faculty);¹
2. be paid a salary which is a percentage of the person's base salary schedule placement in effect at the time of retirement that is equal to the percentage of time the person works compared to full-time work;
3. receive an employer contribution to health and dental benefits as if the employee were full-time.

B. Colleges and universities may utilize the program to meet their individual needs. The following *limitations and requirements* apply.

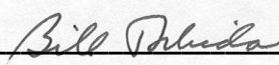
1. Individuals participating in this program may not:
 - a) return to full-time employment,
 - b) be a participant in any other phased retirement program available through collective bargaining agreements/salary plans or statutory authority, or
 - c) transfer between various phased retirement options.
2. The length of participation is at the President's discretion; however, participation should generally not exceed two (2) years.

¹ Note: All summer session and additional assignments for faculty count toward the 2/3 time limitation.

3. Individuals participating in this program will accrue sick, vacation and/or personal leave on a pro-rata basis commensurate with their actual assigned workload and collective bargaining agreement or salary plan provisions.
4. Any severance pay, vacation payout and/or early retirement incentive, when applicable, will be paid at the end of the individual's participation in this program based on the collective bargaining agreement or salary plan provisions in effect at that time. Early retirement incentives that adjust for age must be paid based on the participant's age at the end of his/her participation in this program. [e.g.; if an employee begins participation in this program at age 57, and participates until age 59, benefits must be those available to an employee at age 59.]
5. The President shall assign work under this program on the basis of programmatic and resource management considerations.
6. Individuals participating in this program are not eligible for sabbatical leaves.
7. Individuals participating in this program become part-time employees and thus subject to the collective bargaining agreement or salary plan benefits and limitations affecting part-time employees (except for health and dental insurance). **MSCF employees who are employed under the Annuitant Employment Program have the employment condition of temporary part time.**
8. Participants in this program *must be notified in writing* of all of these conditions including a statement that participants must retire at the end of the participation period and not return to full-time employment. The participant should sign a copy of the notification document acknowledging their understanding of the terms of their participation in the program. A *SAMPLE LETTER* for use in notifying participants is attached.
9. Compensation that exceeds \$46,000 during a calendar year will be subject to pension plan reduction provisions, if the participant is covered by a Defined Benefit program.

DOCUMENTATION: Campuses that continue to employ individuals using the Annuitant Employment Program outlined above should retain a copy of the employee's signed letter [see #8 above] in their personnel file.

Original approval: **June 10, 1999**
Revised: **December 13, 1999**
 October 19, 2001
 July 28, 2005
 February 12, 2007



Vice Chancellor, Human Resources

February 12, 2007

Date