



TO: Board of Directors

FROM: Maurene Stanton, Executive Director of Human Resources

SUBJECT: First Reading Policy Personnel Policy 5001 Hiring of Retired School Employees

DATE: June 6, 2023

This is the first reading of Personnel Policy 5001 Hiring of Retired School Employees. The proposed changes align with recommendations made by the Washington State School Directors Association (WSSDA). WSSDA has identified this policy as “Essential.”

This policy will be presented to the Board for second reading on June 20, 2023.

If you have any questions regarding this policy, please contact me.

HIRING OF RETIRED SCHOOL EMPLOYEES

The district shall recruit, select and employ the best-qualified individuals as employees. The district may employ persons retired from the Teachers' Retirement System (TRS), the School Employees' Retirement System (SERS) or the Public Employees' Retirement System (PERS). A retired employee shall only be rehired pursuant to this district policy.

All retirees of TRS, SERS or PERS may work an annual threshold of eight hundred sixty-seven (867) hours per year while receiving retirement benefits. The annual threshold for TRS Plan 1 retirees is calculated per fiscal year. All other plans are calculated per calendar year. Qualified hours are determined by whether the retiree works in an eligible position as defined by the Department of Retirement Systems (DRS).

TRS Plan 1 Retirees

TRS Plan 1 retirees who reenter employment more than one calendar month after their accrual date may be employed in a non-administrative position for up to 867 hours in a school year without suspension of their pension benefits.

- Until July 1, 2025, TRS Plan 1 retirees who enter reemployment more than one calendar month after their accrual date may work in a school district in a non-administrative position for up to 1,040 hours in a school year and continue to receive their pension payments.

TRS Plan 2 & Plan 3 Retirees

TRS Plan 2 and Plan 3 retirees who reenter employment more than one calendar month after their accrual date may be employed in an eligible position as defined in RCW 41.32.010, 41.35.010, or 41.40.010 for up to 867 hours in a calendar year without suspension of their pension benefits.

- TRS Plan 2 and Plan 3 retirees who have retired under the alternate early retirement provisions of RCW 41.32.765(3)(b) or 41.32.875(3)(b) and who reenter employment more than one calendar month after their accrual date and after June 9, 2016, may be employed in a non-administrative capacity for up to 867 hours in a calendar year without suspension of their pension benefits.

- Until July 1, 2025, TRS Plan 2 and Plan 3 retirees who enter reemployment more than one calendar month after their accrual date may work in a school district in a non-administrative position for up to 1,040 hours in a calendar year and continue to receive their pension payments.

SERS Plan 2 & 3 Retirees

SERS Plan 2 and Plan 3 retirees who reenter employment more than one calendar month after their accrual date may be employed in an eligible position as defined in RCW 41.32.010, 41.35.010, or 41.40.010 for up to 867 hours in a calendar year without suspension of their pension benefits.

- SERS Plan 2 and Plan 3 retirees who have retired under the alternate early retirement provisions of RCW 41.35.420(3)(b) and who reenter employment more than one calendar month after their accrual date may be employed in a non-administrative capacity for up to 867 hours in a calendar year without suspension of their pension benefits.

- Until July 1, 2025, SERS Plan 2 and Plan 3 retirees who enter reemployment more than one calendar month after their accrual date, including those who have retired under the alternate early retirement provisions of RCW 41.35.420(3)(b) or 41.35.680(3)(b), may work in a school district in a non-administrative position for up to 1,040 hours in a calendar year and continue to receive their pension payments.

PERS Retirees

PERS retirees who reenter employment more than one calendar month after their accrual date may be employed in an eligible position as defined in RCW 41.32.010, 41.35.010, or 41.40.010 for up to 867 hours in a calendar year without suspension of their pension benefits.

Until July 1, 2025, PERS retirees who enter reemployment more than 100 days after their accrual date, including those who have retired under the alternate early retirement provisions of RCW 41.40.630(3)(b) or 41.40.820(3)(b), may work in a school district in a non-administrative position for up to 1,040 hours in a calendar year and continue to receive their pension payments.

District Responsibilities

The district shall abide by the following process when considering a retiree for employment:

- A. The board of directors shall approve a process for recruitment and selection of employees, including those vacancies for which a retiree applicant may be considered.
- B. Applicant(s) shall be evaluated and considered equally, selecting the candidate who best meets the needs of the district.
- C. There shall be no prearranged employment agreement or commitment to rehire an employee after retirement. Mere inquiries about post-retirement employment do not constitute an agreement.
- D. Employment shall be limited to a maximum of a one-year, non-continuing contract or appointment.
- E. Subject to any applicable bargaining agreements, vacancies filled by retirees shall be annually reviewed by the board to determine whether the retiree will be rehired for another year of employment.
- F. The district shall provide the retiree with the same terms and conditions of employment as other appointees or employees in comparable positions with the exception of sick-leave cash-out.
- G. The district shall report the number of hours worked by the retiree to DRS.

Retired Employee Responsibilities

The following conditions of employment shall apply to retirees that are re-employed:

- A. Retired applicants shall disclose to the district whether they are retired from a Washington state retirement plan.
- B. Employees must satisfy the DRS requirement for separation and retirement from service prior to accepting a retiree/rehire position with the district.
- C. Retirees are subject to the same collective bargaining membership as other one-year temporary employees.
- D. Retirees are responsible for tracking service hours during post-retirement employment among multiple employers.

Cross References:	Board Policy 5610 Board Policy 5612 Board Policy 5050	Substitute Employment Temporary Administrators Contracts
Legal References:	<u>RCW 28A.405.900</u> RCW 41.32 <u>RCW 41.32.570</u> <u>RCW 41.32.802</u> <u>28B.10.400</u> <u>Chapter 41.35 RCW</u> <u>RCW 41.35.060</u> RCW 41.40 <u>RCW 41.40.037</u>	<u>Certain certificated employees exempt from chapter provisions</u> Teachers' retirement <u>Post-retirement employment—Reduction or suspension of pension payments</u> <u>Reduction of retirement allowance upon reemployment or if covered by plan under RCW</u> <u>Reestablishment of membership</u> <u>Washington school employees' retirement system</u> <u>Reduction of retirement allowance upon reemployment or if covered by plan under RCW</u> Washington public employees' retirement system <u>Service by retirees—Break in employment requirement—reduction of retirement allowance upon reemployment—reestablishment of membership</u>
Management Resources:	Policy News, June 2007 Policy News, July 2016 Policy News, August 2011 <u>2022, June</u>	Revisions to Retire/Rehire Law