

Board Meeting
July 25, 2013

AMEND POLICY ON EMPLOYMENT OF UNIVERSITY OF ILLINOIS RETIREES
AND EMPLOYMENT OF OTHER STATE UNIVERSITIES RETIREMENT SYSTEM
ANNUITANTS

Action: Amend Policy on Employment of University of Illinois Retirees and
Employment of Other State Universities Retirement System Annuitants

Funding: No New Funding Required

At the July 14, 2005, meeting of the Board of Trustees, the Board rescinded its policy enacted June 11, 1993, titled “Reemployment Agreements,” that had delegated to the President authority to enter into agreements for temporary re-employment of University of Illinois retirees. In July 2006, a new policy on “Re-Hiring University of Illinois Retirees” was adopted. In August 2012, revisions to the Illinois Pension Code including PA 097-0968, were enacted to impose limitations for the re-employment of annuitants, beginning August 1, 2013, on employers covered by the State Universities Retirement System (SURS). The new limits establish thresholds on the duration of time a SURS annuitant may work and the amount of compensation a SURS annuitant may receive without penalty to a SURS employer. The limits apply to all SURS annuitants, regardless of pre-retirement and post-retirement position classifications (e.g., faculty, administrative, civil service, and temporary/hourly) and are aggregated between all SURS employers. Once the thresholds outlined in PA 097-0968 are met, the SURS annuitant

becomes an “affected annuitant,” meaning that significant financial penalties are incurred when a SURS employer rehires or continues to employ a SURS annuitant after becoming “affected.” To comply with the new restrictions, revisions to the current policy are set forth in the attached document. The revised policy provides new criteria for employment of SURS annuitants at the University of Illinois, including the new employment, continued employment, or re-employment in a civil service position. The policy requires prior Board of Trustees approval in certain circumstances, and periodic reporting to the Board for other situations of SURS annuitant re-employment.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The policy as stated is effective immediately upon approval by the Board. This policy is not intended to contravene obligations in written legal agreements fully executed between individuals and the University of Illinois executed prior to the effective date of this policy, although such agreements are not exempt from criteria set forth in the Illinois Pension Code (PA 097-0968).

The President of the University recommends approval.