*University of Illinois System Policy:*

*Employment of Retirees from the University of Illinois and Any Other SURS-Covered Employer*

*DRAFT*

**Policy Information**

**Policy Owner:** System Human Resource Services

**Approved by:** University of Illinois Board of Trustees

**Date Approved:** 08/01/2013

**Effective Date:** 08/01/2013

**Date Amended (most recent):** 07/11/2024

**Targeted Review Date:** 01/2029

**Contact:** systemhrservices@uillinois.edu

**Purpose**

The University of Illinois System recognizes that occasional re-employment of individuals that have retired from the University of Illinois or any other State University Retirement System (SURS) employer, is valuable for the U of I System. Reemploying retirees from time to time can help the University achieve valuable objectives in serving students, conducting research, caring for patients, and managing exceptional circumstances and special needs. The U of I System has implemented this policy to provide hiring units and retirees with the information needed to determine if this employment arrangement is possible. State law, Public Act 97-0968 (Return to Work), imposes limits on re-hiring employees who have retired from the University and hiring someone who is receiving an annuity from SURS. This policy meets the requirements set forth in State law.

**Scope**

This policy applies to U of I System retirees and retirees from any other SURS-Participating Employer(s). This encompasses all positions in all employee groups and includes faculty, clinical/research professional, academic professional, status civil service, extra help, and all other temporary, part-time, or seasonal positions.

**Statement of Policy**

Retirement from the University of Illinois System is at the discretion of the employee. When an employee of the University retires, this action will, in most cases, conclude the person’s employment with the University. The University expects and requires effective succession planning and does not intend to use retirees as a substitute for developing well-qualified faculty and staff. The University will not re-hire retirees for the sole purpose of cost savings attributable to benefits which a retiree receives from the State Universities Retirement System (SURS). The University will not appoint retired senior administrators to positions from which they have retired or to similar positions without prior Board approval which would be based on exceptional circumstances and a clear and compelling benefit to the University. The University complies with applicable State statutes and rules governing the re-employment of retirees.

**Return to Work Limitations: SURS Annuitants Receiving a Monthly Payment from SURS**

**SURS Traditional or Portable Annuitants**

Under the SURS return-to-work restrictions [(40 ILCS 5/15-139)](https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=004000050K15-139), an annuitant may not return to work in any capacity, paid or unpaid, to the U of I System or to any other [SURS-covered employer](https://surs.org/employers/participating-employers/) until retired for at least 60 calendar days. The annuitant must have a clear separation from the U of I System or any other SURS-covered employment and no agreement, written or oral, to return to the U of I System or any other SURS-covered employer at the time of retirement. If the annuitant does not satisfy this requirement, their annuity will be canceled.

It is the annuitant’s responsibility to notify SURS upon returning to employment to the University of Illinois System or to any other SURS-covered employer.

The information in this section is sourced from the SURS website. See SURS Return to Work – Employee Restrictions for more information.: <https://surs.org/life-events/return-to-work-employee-restrictions/>

Any questions regarding Return to Work Limitations should be directed to SURS.

**Return To Work Limitations: Retirees who received a Lump Sum Payment from SURS or who retired via the Retirement Savings Program through SURS**

For employees opting to take a Portable Lump Sum Retirement payment or those retiring under the Retirement Savings Plan (RSP), there is no limitation from SURS on post-retirement earnings. Waiting periods from SURS to return to work differ based on the methods below.

**Portable Lump Sum Retirement**

If an employee retires and elects a Portable Lump Sum Retirement payment, SURS requires a 60-day waiting period from the date payment was issued before returning to work for the U of I System or any other SURS-covered employer. Additionally, re-employed retirees who have taken a Portable lump sum retirement payment will have the option to contribute to SURS, if the re-employment is to a SURS eligible position.

In all cases, an employee must be fully separated from the U of I System before any post-retirement employment may be considered and remains subject to the Approval and Reporting section.

**Retirement Savings Plan (RSP)**

If an employee meets vesting requirements and takes a distribution from the RSP, SURS does not require a waiting period to return to work. If re-employed, the employee will not have the option to contribute to SURS.

In all cases, the U of I System requires that an employee be fully separated from the University of Illinois System before any post-retirement employment may be considered and remains subject to the Approval and Reporting section.

**Approval and Reporting**

University of Illinois System retirees and other SURS annuitants in the following categories may be re-employed for the purposes described below without prior Board approval. However, all appointments must have prior approval by the appropriate university and/or central administrator(s):

 • Retired faculty re-employed to teach courses or advise students and perform other related services on a part-time occasional basis.

• Retired faculty or staff re-employed to conduct research on appointments funded by grants and contracts.

• Retired clinical faculty or other clinical professionals re-employed to provide patient care on a part-time or occasional basis.

• Retiree re-employed in an hourly academic/research/faculty/clinical capacity.

• Retiree re-employed as extra help on a temporary basis.

• Retiree re-employed into status civil service position.

• Retiree re-employed on a temporary basis other than above to perform staff functions when other options are not feasible.

The Board will be notified of these appointments in writing near the time of each regular Board meeting, and such appointments may have specified end dates.

University of Illinois System retirees or other SURS annuitants may be selected for University jobs at competitive salaries through open and competitive search processes. Such appointments, and any other employment of SURS annuitants beyond the circumstances defined in this policy, will remain subject to the Illinois Pension Code, including PA 097-0968, and will require prior approval by the Board of Trustees.

**Other Provisions**

When a SURS annuitant is employed in a position that earns more than 40 percent of his/her highest annual rate of earnings earned prior to retirement, [Illinois Pension Code (PA 097-0968)](https://www.ilga.gov/legislation/publicacts/97/097-0968.htm) requires the University to make an additional SURS contribution equal to the retiree's annual annuity. These limits are coordinated when a SURS annuitant works for more than one university or college and are waived when the position is funded by federal, trust, foundation, or corporate funds, or by a state grant that names a principal investigator.

All appointments require prior approval by the appropriate campus or central administrator; approval may be withheld if financial penalties will be incurred, including status Civil Service positions even though they are exempted from the provisions of the Act.

Each employing unit is responsible for all costs, additional SURS contributions, and penalties associated with exceeding the limit on earnings.

The employing unit will have sole responsibility for all costs and penalties incurred due to employment of a University of Illinois retiree or other SURS annuitant exceeding Illinois Pension Code (PA 097-0968) limits. In the event of multiple employing units, responsibility of the employer costs will be proportional to the reemployment activity. Employing units are expected to make every effort to avoid rehiring or continuing to employ SURS annuitants that will result in assessment of a penalty. Campus/central administration has the authority to decline request to hire a SURS annuitant if financial penalties will be incurred.

**Violations**

Failure to comply with the provisions of the Employment of UI Retirees and Other State Universities Retirement System Annuitants policy and/or any related university policies and procedures may result in discipline in accordance with university and U of I System policies, up to and including termination of employment or dismissal from the U of I System.

**Procedures and Processes**

To start the hiring process of a SURS annuitant:

1. The SURS annuitant completes the [Statement of Annuity Status](https://www.hr.uillinois.edu/userfiles/Servers/Server_4208/file/Policy/RetireeRehires/RetireeRehires_StatementOfAnnuityStatus.pdf?ver=07.22.2021) and submits it to the hiring unit.
2. Before an offer is made, the hiring unit completes the [Proposal for Re-Employment of a SURS Employer Retiree (Retiree Rehire Form](https://login.uillinois.edu/auth/SystemLogin/sm_login.fcc?TYPE=33554433&REALMOID=06-4229a114-5ef8-439c-8105-1a43873c0ef9&GUID=&SMAUTHREASON=0&METHOD=GET&SMAGENTNAME=-SM-ox750%2bGKKmGp5bKkC%2brdqpzhnG8%2fzdPjjthUKUTH9cfEP2qXvD9mcEtg9VIJe9qiBa00BNr6OGgeb3G)) and submits it to the designated Human Resources office. View the [Funds Type Descriptions](https://www.hr.uillinois.edu/UserFiles/Servers/Server_4208/File/Policy/FundTypeDescriptionsDocument.pdf)document for the list of fund exemption status.

**Forms, Tools and Additional Resources**

**Additional Resources**

[SURS Facts – Employment after Retirement Employee Restrictions](https://surs.org/facts-employment-after-retirement/)

[SURS Covered Employers](http://www.surs.com/participating-employers)

[SURS Return to Work - Employee Restrictions](https://surs.org/life-events/return-to-work-employee-restrictions/)

[Illinois Pension Code (40 ILCS 5/)](http://www.ilga.gov/legislation/ilcs/ilcs4.asp?DocName=004000050HArt.+15&ActID=638&ChapterID=9&SeqStart=167000000&SeqEnd=180700000)

[UIC: Retirees/SURS Annuitants Information Page](https://hr.uic.edu/hr-staff-managers/hiring/retirees-surs-annuitants/)

UIC: [Instructions for Re-Employment of a SURS Employer Retiree](https://uofi.box.com/s/ahizb7ta36jrbyzui7ezj1tdlsq52zpq)

UIC: [Rehired Retiree Progress Report (Progress toward Affected Status)](https://hrreportingportal.uillinois.edu/Reports/RehiredRetiree/RRProgress/)

[UIUC Retiree Rehire Form Instructions/Job Aid](https://humanresources.illinois.edu/retirees/re-employment.html)

[UIS Retiree Rehire Form Instructions/Job Aid](https://www.hr.uillinois.edu/userfiles/Servers/Server_4208/file/Policy/RetireeRehires/UIS%20Rehired%20Retiree%20Approval%20%20Instructions.pdf)

**Website Address for this Policy**

This policy and related procedures are published on the System Human Resource Services website at  <https://www.hr.uillinois.edu/cms/One.aspx?portalId=4292&pageId=5692>.

Policy Approved at the July 25, 2013, BOT Meeting

**Policy on Employment of University of Illinois Retirees and Employment of Other State Universities Retirement System Annuitants**

 Retirement from the University of Illinois is at the discretion of the

employee. When an employee of the University retires, this action will, in most cases,

conclude the person’s employment with the University.

 Nonetheless, occasional re-employment of University of Illinois retirees or

other SURS annuitants is a wise human resource practice for the University. Reemploying such retirees from time to time can help the University achieve quality and

valuable objectives in serving students, conducting research, caring for patients, and

managing exceptional circumstances and special needs. For example, a retiree may be

specially qualified to do important work or perform a specific job at a time when good

alternatives are unavailable or are more costly and of lower quality.

The University expects and requires effective succession planning and does

not intend to use University retirees or other SURS annuitant re-employment as a

substitute for developing well-qualified faculty and staff. The University will not re-hire

SURS annuitants for the sole purpose of cost savings attributable to benefits which a

retiree receives from the State Universities Retirement System (SURS). The University

will not appoint retired senior administrators to positions from which they have retired or

to similar positions without prior Board approval which would be based on exceptional

circumstances and a clear and compelling benefit to the University. The University

complies with applicable State statutes and rules governing the re-employment of SURS

annuitants.

 The requirements of this policy also apply to re-hiring of SURS annuitants

pursuant to statutes and rules established for the State Universities Civil Service System,

applicable to all Illinois public universities.

**Approval and Reporting of Employment of University of Illinois Retirees and**

**Employment of Other State Universities Retirement System Annuitants**

University of Illinois retirees and other SURS annuitants in the following

categories may be re-employed for the purposes described without prior Board approval.

For purposes of this policy, reporting is required only for University of Illinois retirees

and other SURS annuitants who are receiving monthly annuity payments. Reporting is

not required for SURS annuitants who are receiving their annuity through the SelfManaged Plan or a lump sum payment. However, all appointments must have prior

approval by the appropriate campus and/or central administrator(s):

 • Retired faculty re-employed to teach courses or advise students and perform

 other related services on a part-time occasional basis.

 • Retired faculty or staff re-employed to conduct research on appointments

 funded by grants and contracts.

 • Retired clinical faculty or other clinical professionals re-employed to provide

 patient care on a part-time or occasional basis.

 • Retiree re-employed in an hourly academic/research/faculty/clinical capacity.

 • Retiree re-employed as extra help on a temporary basis.

 • Retiree re-employed into status civil service position.

 • Retiree re-employed on a temporary basis other than above to perform staff

 functions when other options are not feasible.

 The Board will be notified of these appointments in writing near the time of

each regular Board meeting, and such appointments may have specified end dates.

University of Illinois retirees or other SURS annuitants may be selected for

University jobs at competitive salaries through open and competitive search processes.

Such appointments, and any other employment of SURS annuitants beyond the

circumstances defined in this policy, will remain subject to the Illinois Pension Code,

including PA 097-0968, and will require prior approval by the Board of Trustees via an

agenda item titled: “Recommendation(s) on Employment of University of Illinois

Retirees and Employment of Other SURS Annuitants.”

**Responsibility for Re-employment Costs and Penalties**

The employing unit will have sole responsibility for all costs and penalties

incurred due to employment of a University of Illinois retiree or other SURS annuitant

exceeding Illinois Pension Code (PA 097-0968) limits. In the event of multiple

employing units, responsibility of the employer costs shall be proportional to the reemployment activity. Employing units are expected to make every effort to avoid

rehiring or continuing to employ SURS annuitants that will result in assessment of a

penalty. Campus/central administration shall have the authority to decline request to hire

a SURS annuitant if financial penalties will be incurred.