

University of Alabama at Birmingham

POLICY CONCERNING THE RE-EMPLOYMENT OF UAB RETIREES

November 12, 2002

(Replaces policy dated February 27, 1990)

See also Board of Trustees Rule 310 "Employment of or Contracting with Individuals who are Receiving Retirement Benefits from the Alabama Teachers' Retirement System."

Applicability of Board Rule 310

The employment by UAB of *any* person receiving retirement benefits from the Alabama Teachers' Retirement System is covered by Board of Trustees Rule 310 (see item 3 below, and contact UAB Human Resource Management before hiring someone who is receiving retirement benefits from the Alabama Teachers' Retirement System). Furthermore, the employment by UAB of a person who previously has retired *from UAB* is covered by the additional stipulations contained in this UAB policy.

General

When an employee retires from UAB, the employee/employer relationship between the employee and UAB is severed. On rare occasions, it may be in the best interest of UAB to allow the retiree to return to UAB's employ on a part-time basis.

Policy Statement

To maintain consistency on the part of UAB as an employer and to avoid charges of discrimination or favoritism, the following guidelines must be adhered to by all departments employing UAB retirees:

1. UAB retirees, if re-employed, must be classified as Irregular employees (Employment Status 04). This is a non-benefits-earning status.
2. Retirees, when considered for re-employment, should be counseled by the department into which they will be employed that earning amounts in excess of the applicable maximums may subject the retiree to loss of Social Security and/or Teachers' Retirement System of Alabama benefits.
3. Board of Trustees Rule 310 controls employment of, and contracting with, a person receiving retirement benefits from the Alabama Teachers' Retirement System or a business or other entity that employs, contracts with, compensates, or pays an individual who is receiving retirement benefits from the Alabama Teachers' Retirement System. Board Rule 310 contains exceptions to this, in part related to the retiree's role in the contract or arrangement with UAB. (See full text of Board Rule 310 for the specifics of those exceptions.)

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According to Board of Trustees Rule 310, UAB may not hire, employ, contract with, compensate, or pay any individuals (or businesses/entities for which they work, except for exclusions indicated in the Board Rule) who are receiving retirement benefits from the Teachers' Retirement System of Alabama (including former UAB employees) if their UAB compensation will exceed the maximum limits established by the State of Alabama as adjusted from year to year. (Contact the UAB Human Resource Management Benefits Office concerning current maximum amounts.) This prohibition does not apply to individuals participating in, or applying for participation in, the Deferred Retirement Option Plan (DROP). Requests for exceptions to Board of Trustees Rule 310 must be submitted by the UAB President to the Chancellor for consideration by the Board of Trustees.

4. In all cases, departments wishing to employ a UAB retiree must obtain prior written approval from the appropriate vice president, the Provost, or the CEO of the UAB Health System. The request for approval must include the following:
 - a. Statement of work to be performed.
 - b. Statement of circumstances justifying the employment.
 - c. Compensation to be paid to the retiree per month.
 - d. Number of hours to be worked by the retiree per month.
 - e. Statement indicating that the retiree has been counseled concerning potential loss of retirement benefits if total amount earned exceeds applicable maximums.

The appropriate vice president, the Provost, or the CEO of the UAB Health System shall be responsible for insuring that any proposed retiree re-employment that requires Board of Trustees approval is sent to the UAB President for forwarding to the Chancellor.

Implementation

The Vice President for Financial Affairs and Administration is responsible for the development and maintenance of procedures to implement this policy.

The Office of Human Resource Management is responsible for providing to the UAB President's Cabinet and to the President periodic reports of UAB retirees who have been re-employed by UAB.