

# Employment After Superannuation Retirement

- ***Am I limited in the amount of income I earn or receive from other sources after my retirement for superannuation?*** You are limited in the amount of income you earn or receive from other sources after retirement for superannuation only if you are re-employed in the service of the Commonwealth or any of its counties, cities, towns, districts or authorities.
- ***What are the restrictions pertaining to public service re-employment following superannuation retirement?***

## **Public Service Re-employment Limitations**

In accordance with Section 91 of Chapter 32 of the Massachusetts General Laws, there are two strict limitations on further public employment in the Commonwealth following your retirement from a public service position.

## **Earnings and Hours**

Your earnings for the period of post-retirement employment in any calendar year, when added to your retirement allowance, cannot be greater than the salary currently being paid for the position from which you retired plus \$15,000. The additional \$15,000 is not utilized in the calculation in the first year following retirement.

Your post-retirement employment is also limited to a period of up to 960 hours, in the aggregate, in any calendar year. Your employment must cease when either limitation is reached. A retiree can waive his or her retirement allowance and these limitations would not apply.

## **Section 91**

It is also important to keep in mind: § 91 applies to both superannuation and disability retirees.

- § 91 applies to any public employment, regardless of whether or not it occurs in the same governmental unit from which the employee retired..
- It is irrelevant whether an employee-retiree chooses to classify him or herself as a "consultant" or "independent contractor"— the § 91 earnings limitations still apply if in fact the nature of the relationship is as an employee.

For persons who retire after July 1, 2009, earnings as a consultant or an independent contractor are limited.

A retiree may not avoid the limitations in § 91 by forming a company if the primary reason for the formation is to avoid the limitations.

- Earnings for "details" which are paid by city or town payroll are included in the § 91 limitations, regardless of whether the city or town ultimately bills a private entity for the work.
- The § 91 limitations apply only to retirees, not survivors or beneficiaries.
- ***Is there any public sector re-employment that is not affected by these limitations?***

Yes, you may: be paid for jury duty, be paid for services as an election officer, hold certain paid appointive positions, and certain emergency employment may be authorized.

In addition, you may be elected to office by a direct vote of the people following your retirement, and be paid for the same without limitation if the position from which you retired was not an elective office. If the position from which you retired was an elective office, then the earnings limitations will apply to you unless at least one year has passed from the last day you held said public office and the commencement of your post-retirement elective office.

- *Under what circumstances may I become a member-in-service once a retirement allowance has become effective for me?*

#### **Repayment of Retirement Allowance**

Any individual who is receiving a superannuation or termination retirement allowance may re-enter the retirement system upon repayment (or repayment agreement) of the amount of superannuation/termination retirement allowance received to the date of reinstatement plus buyback interest (one half of actuarial assumed interest). G.L. c. 32, § 105 also provides that any such individual must work at least five years of full-time employment after reinstatement in order to benefit from this provision. The contribution rate may be higher than it was while you were an active member, depending on the timing of your reinstatement. You should carefully consider the requirements of this section before agreeing to be reinstated.

#### **Election or Appointment**

If, as a retiree, you are elected to office by popular vote or receive a particular type of appointment, you can elect to become a member-in-service if you repay into the retirement system, together with buyback interest, the total amount of the allowance you have received from your date of retirement to the date you rejoin the system. You must also fulfill all the requirements of Section 105, as outlined above.

#### **Disability Retirees**

Disability retirees who are returned to service under GL c. 32, s. 8, will become retirement system members again and will receive creditable service for the years for which they received disability retirement allowances, without cost.