

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

**Action:** Approve the Revisions to Policy on Employment of University of Illinois Retirees and Employment of Other State Universities Retirement System Annuitants

**Funding:** No Funding Required

The policy was last updated in 2013 (eleven years ago). The University of Illinois System Office is suggesting changes to provide clarity for units and retirees as well as update the format into the System Office policy structure. The Illinois Pension Code including PA 097-0968 has not changed as it pertains to this policy, and therefore the return-to-work restrictions are still in place.

A history of past Board of Trustees actions is below:

- At the July 14, 2005, meeting of the Board of Trustees, the Board rescinded its policy enacted June 11, 1993, titled “Reemployment Agreements,” that had delegated to the President authority to enter into agreements for temporary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 limits established 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.”

Proposed changes to the policy include providing new section headings. These new sections include information regarding the policy’s purpose, whom it applies to, policy violations, how to start the hiring process of a SURS annuitant, and forms/additional resources. The policy also now specifies the return-to-work limitations for a retiree receiving an annuity as compared to those who received a Lump Sum Payment or who retired via the Retirement Savings Plan. Changes to the policy are meant to provide clarity and additional information that are in alignment with both PA 097-0968 and SURS.

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 System 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 executive vice president and vice president for academic affairs recommends approval.

The president of the University of Illinois System concurs.