

# POLICY



# MEMORANDUM

<b>SUBJECT:</b> Rehired Retirees	<b>POLICY NO.:</b> 8
<b>ISSUED BY:</b> OFFICE OF PLANNING AND BUDGET DEPARTMENT OF ADMINISTRATIVE SERVICES	

## I. Purpose

The purpose of this document is to establish statewide policy concerning rate of pay for rehired retirees.

This policy is not intended to conflict with or supersede state statutory requirements or requirements governing any public retirement plan.

## II. Legislative Authority

Under the Budget Act as amended (Official Code of Georgia Annotated Section 45-12-70 et seq.), the Office of Planning and Budget is responsible for developing financial plans for the State, coordinating the fiscal affairs of the State, and seeing that the financial resources of the State are used most efficiently. In accordance with the Official Code of Georgia Annotated Section 45-20-1 et seq.), the Department of Administrative Services is responsible for establishing and maintaining a state-wide system of pay ranges for all job classes, assigning job classes to appropriate pay ranges, administering compensation plans and ensuring compliance with applicable board rules. Accordingly, the Director of the Office of Planning and Budget and the Commissioner of the Department of Administrative Services issue this policy jointly.

## III. Definitions

**Rehired Retiree.** An individual that has retired from state employment who is receiving benefits from the Employees' Retirement System (ERS) or the Teachers' Retirement System (TRS) and returns to service in an agency, as the term "agency" is defined in O.C.G.A. 45-20-2. This policy does not apply to individuals working for and paid by a bona fide independent contractor, as determined by the factors prescribed in O.C.G.A. 47-2-110 (b)(3).

## IV. Policy

State agencies may rehire retirees of the ERS or TRS in accordance with state law governing the ERS and TRS plans, rules and regulations, and this policy.

The rate of pay for rehired retirees should be commensurate with assigned duties and responsibilities of a properly classified job, and comply with the statewide pay plan. If paid hourly, the hourly rate must be no greater than the hourly rate or equivalent hourly rate the hiring agency would pay a newly hired employee with similar qualifications for the same job. If a rehired retiree returns to service in the same or similar job the retiree performed at an agency prior to retirement, the appropriate rate of pay should not exceed the prior rate of pay without proper justification. An example of proper justification to pay a rehired retiree a higher salary upon reemployment for the same or similar work includes:

- 1) the job previously performed by the retiree was improperly classified on a lower paygrade; or,
- 2) the retiree obtained additional skills, experience, or education relevant to the job since retirement, such that anyone hired for the same with such qualifications would warrant a higher salary.

Under no circumstances may agencies pay a retiree the same full-time annual salary the retiree made as a full time employee if rehired to perform part-time work.

**V. Effective Date**

This policy becomes effective January 1, 2014, and may be revised as necessary.

**VI. Revision History**

Version	Date
1.0	September 2013

 <hr/> Department of Administrative Services	9/27/13 <hr/> Date
 <hr/> Office of Planning and Budget	9/27/13 <hr/> Date