

TO: Vice Presidents, Deans, Directors and Departments

SUBJECT: Reemployment of PERS Service Retirees - Updates

The University is required to comply with the Public Employees' Retirement System's (PERS) Regulation 34 to employ or contract with state of Mississippi retirees. Departments are required each fiscal year to submit the PERS Form 4B, *Certification/Acknowledgment of Reemployment of PERS Service Retiree (Revised 3/8/2011)*, for returning retirees.

(<http://www.hrm.msstate.edu/forms/downloadfile.php?id=265>)

An Employment Action Form (EAF), along with the PERS Form 4B, is required for any new hires or when a returning state retiree's initial appointment changes. Also, prior to engaging the services of any state retiree as an independent contractor, departments must submit the PERS Employee vs. Independent Contractor Form to the Department of Human Resources Management for transmittal to PERS.

(<http://www.hrm.msstate.edu/forms/downloadfile.php?id=263>)

To complete the PERS Form 4B, the full-time annual salary authorized for the position must be listed. This authorized salary may be adjusted due to recent salary increases to positions at the University for the FY 2012 budget. Any increases as a result of an adjustment must be funded by the department.

As a statutory requirement, the Board of Trustees' approval is required prior to engaging retirees as independent contractors for contracts exceeding \$20,000 a year. IHL Board approval is also required for the remaining portion of current contracts which overlap or cover future fiscal years. Upon receipt of the determination letter from PERS, Human Resources Management will prepare and submit the agenda items for approval to the President's office. In addition, the Board requires as an information item, a listing of former employees who are receiving state of Mississippi retirement benefits and will be paid an amount exceeding \$20,000 a year, and who are **not** issued a contract.

Legislative Update

House Bill 957 – Effective July 1, 2011

Required Separation Period

This bill amends the required separation period to provide that a retiree must be retired for not less than **90 consecutive days from his or her effective date of retirement**, or such later date as established by the PERS Board of Trustees, before he or she may be reemployed on a limited basis. This replaces the 45-day separation period with a 90-day separation period for those who retire effective on or after July 1, 2011.

Required Employer Contributions

This bill further provides that the employer of any retired member who is working after retirement will pay the full amount of the employer's contributions on the wages actually received by the retiree for his or her post-retirement employment effective July 1, 2011.

Please contact your HRM Generalist at 325-3713 if you have any questions.