

Maine
Cumberland **County**
CUMBERLAND COUNTY
RETIREE RETURN TO WORK POLICY

PURPOSE

The County recognizes that allowing retirees to return to work for a period of time after retirement benefits both our employees and the County. It can serve to improve morale and employee welfare by allowing employees to take advantage of retirement plans to which they have contributed throughout their careers. The County, for its part, is able to better succession plan for future staffing and needs, and extend the careers of some of its long-term employees who continue to bring talent, dedication, and institutional knowledge to our workforce.

APPLICABILITY

This policy applies to Non-Union employees who have met the terms set forth by the Maine Public Employees Retirement System (MEPERS) and are eligible for retirement through MPERS. For the purpose of this Policy, employees who retire and are rehired by the County after they begin collecting their MPERS retirement benefit will be considered a Retiree Returning to Work (RRTW).

The IRS defines the “Normal Requirement Age” (NRA) as age 59.5. In accordance with IRS Regulations, RRTW under the age 59.5 who do not have a “bona fide termination” will be subject to a 10% early distribution tax on their retirement benefits if they are rehired by the County. To be considered a bona fide termination, there must be no explicit understanding or agreement in place that the employee will be rehired to work for the County after their retirement.

Employees who have fully met the eligibility terms of their retirement plan, and are of NRA as defined by the IRS, are not prohibited from planning or discussing their return to work as a RRTW with a PLD Employer and are not subject to a waiting period to be rehired.

ELIGIBILITY REQUIREMENTS

Employees who wish to be rehired by the County as a PLD Plan RRTW, must meet all of the following requirements to be considered:

- The employee is in a regular, benefits eligible position with the County;
- The employee is not a member of a Bargaining Unit.
- The employee receives a positive recommendation from their Department Manager and County Manager to retire and be rehired;
- The employee is enrolled in a MPERS retirement plan and has qualified for normal retirement under that plan. Employees who opt for early or disability retirement do not qualify;
- The employee’s position is still required by the County, and it is not superfluous or slated for elimination;
- The employee is still able to perform the essential functions of the position, with or without accommodation;

- The employee has no significant history of discipline and/or suspension.

TERMS OF REHIRE

- a.) Upon rehire, the employee will be treated as a new hire with respect to seniority and all other benefits.
- b.) Employees who are rehired as a RRTW after April 1, 2024 are eligible to work as a RRTW for a period of up to three (3) years. A RRTW hired under the conditions of this Policy may be permitted to extend their employment for an additional three (3) years if they continue to meet the eligibility requirements set forth in this Policy.
- c.) Employees who are rehired as a RRTW must work at least an average of 30 hours per week.
- d.) MPERS imposes a weekly contribution on the earnable compensation of a RRTW, which is equal to the aggregate unfunded actuarial liability, or "AUAL". The AUAL contribution rate is set annually by MPERS and is 5% at the time of the adoption of this policy. The County will pay up to 5% of this AUAL. If the AUAL percentage increases above 5%, the RRTW will be responsible for contributing the difference from their earnable compensation.
- e.) The RRTW may enroll in a 457 with Mission Square Retirement. The County will match up to a maximum of 3% into a 401(a) Retirement Account with Mission Square Retirement.

DISPUTE RESOLUTION

Any disputes arising under this policy may be appealed to the Human Resources Director and then to the County Manager. They shall not be subject to any grievance or similar procedures.

Effective: April 1, 2024

Approved: _____