

Rehiring Faculty Retirees

Office of Faculty Affairs
October 18, 2022

Background

An audit of fiscal-year 2020 rehired retirees yielded \$450,000 in overpayments to retirees from Georgia Tech.

USG created a working group to review system-wide policies and procedures related to the rehiring of retirees.

O.C.G.A. § 47-3-127, which governs the amount retirees can be paid, allows for the salary to be determined by either using the *“last compensation earned at retirement or the average compensation used to determine a retiree’s benefit at retirement, whichever is deemed higher,”* plus allowable annual increases that are determined by USG and TRS.

Changes

We can no longer pay market for the job if the market rate is higher than the maximum allowed under Georgia law.

Requests must be submitted in a timely manner to avoid possible penalties.

The FTE and the salary must align.

- We cannot hire a retiree to work 30% time at the maximum salary of 49%.
- No longer need request letter to President as long as all details are in the package.

If there is a combination of teaching, research, and administration, please reach out to faculty affairs for guidance.

- TRS views each component as dual duties. However, we have had one successful request and are happy to partner with you in submitting these requests.

Dates for Instructional RBW Appointments

Going forward, we will rehire retirees who are teaching for five months during fall and spring semesters.

- Fall semester dates are 8/1-12/31.
- Spring semester dates are 1/1-5/31.
- This allows us to maximize the salary for each semester.
- TRS considers 15 credit hours full-time.

For summer, we will rehire the retirees as temporary, full-time for June and July.

- Temporary, full-time does not require that we hire the retiree at 100% time.
- This allows us to pay a little more for each semester.
- For summer semester, TRS considers 6 credit hours full-time.
- Retirees can work full-time for up to three months per year with no changes to pension.

Data Elements

For all RBW requests, we need:

- Dates
- Salary
- FTE (for non-instructional faculty)
- Funding source (in notes)

For instructional RBWs, we need:

- Dates
- Salary
- Course name and number
- Number of credit hours
- Rate per credit hour (in notes)

Example 1: Hiring a retiree as salaried

Data elements:

- Dates: 7/1/22-6/30/23
- Monthly Salary: \$5,000 per month
- FTE: 40%

Formula:

Monthly salary / FTE – full-time rate

$\$5,000$ (monthly salary) / $.4$ (FTE) = $\$12,500$ (full-time rate)

Example 2: Hiring a Retiree to Teach Fall Semester

Data elements:

- Semester: fall
- Salary: \$5,000
- Dates: 8/1/22-12/31/22
- Course: AE 2220
- Credit hours: 3
- Rate per credit hour: \$8,333.33

Formulas:

- $\$25,000$ (total salary) / 3 credit hours = $\$8,333.33$ per credit hour
- $\$8,333.33$ (rate per credit hour) X 15 Credit hours (TRS considers this to be full time) / 5 months = $\$24,999.99$ full-time rate

Q&A

Questions