



3.06 EMPLOYMENT OF RETIREES

Rule

A Public Employee Retirement System (PERS) or an Oregon Public Service Retirement Plan (OPSRP) retiree who has applied for retirement benefits and is eligible to receive and is receiving a monthly pension benefit/service retirement allowance or who and who has submitted the appropriate paperwork documenting their intention to retire as of a specific date from the City of Portland may be reemployed by the City of Portland. Reemployment of such employees is solely at the request of the appointing authority and approval of the Director of Human Resources and subject to the following conditions:

- ~~1.~~ Reemployment shall be to a classification in which the retiree previously held status ~~or to another classification, providing the employee is qualified to perform the work.~~
- ~~2.1.~~
- ~~3.2.~~ The retiree shall not have the benefit of any previously acquired seniority.
- ~~4.3.~~ No permanently appointed employee shall be displaced by reemployment of a retiree.
- ~~5.4.~~ Must be approved by the Bureau Director or designee.
- ~~6.5.~~ No reemployed ~~Tier One/Two~~ retiree may work for the City for more than ~~2078 hours or two years, whichever results in the longer period of employment for the reemployed retiree,~~ without approval by the Director of Human Resources. ~~An OPSRP Pension Program retiree may not work more than 1199 hours or two years, whichever results in the longer period of employment without approval by the Director of Human Resources.~~

~~**NOTE:** The number of hours paid by a PERS covered employer to a PERS Tier One/Two retiree may not total 1040 hours or more in a calendar year without negatively impacting the retiree's retirement benefits. The number of hours paid by a PERS covered employer to an OPSRP Pension Program retiree may not total 600 hours or more in a calendar year. Returning retirees are responsible for ensuring they do not exceed this limit in a calendar year.~~

Salary of Retiree Appointments

The salary rate of retirees shall be at the step or position on the salary range for the classification of the position they previously held. ~~or If they~~ appointment is to a different classification from which the employee retired, the applicable pay rate shall comply with the provisions set forth under HRAR 8.04 and the City's Pay Equity Policy.

~~are hired into a new classification, to the step or place in the salary range for the classification that affords them the least reduction in pay from the rate at retirement.~~

Retirees are not eligible for annual salary increases other than Cost of Living (COLA) increases granted to all employees in the particular classification.

Limitations of Retiree Status

Working after retirement for the City of Portland constitutes a new employment relationship. (See attachment) Any employee returning as a retiree to the position they held at the time of retirement appointment shall not accrue or be eligible to receive paid vacation , or additional retirement benefits, nor are they eligible for ~~management leave or~~ any other form of City paid leave such as jury duty or funeral leave. Retirees may be eligible for paid sick time under the City of Portland City Code or State law. Retirees may receive holiday pay if they are in pay status their scheduled work day before and their scheduled work day following the holiday. In addition, if an FLSA exempt retiree is required to work on a City observed holiday they are entitled to a postponed holiday with pay to be taken at the mutual convenience of the retiree and the bureau.

Retirees in an FLSA covered position who work overtime hours must be paid for those hours. Retirees may not accrue compensatory time off but may be awarded up to 80 hours of management leave each calendar year.

Retirees have no seniority rights for purposes of layoff and recall and do not require “just cause” for discipline or removal from a position.

Retiree Health Benefits

Retirees who retire from a benefits eligible position and who return to work a schedule of at least 40 hours per pay period within 30 days of their effective retirement date (with or without a break in service) are eligible for City paid health insurance benefits at the appropriate employer contribution for a maximum of ~~six months~~ one year from the date of retirement. Application of eligibility rules for working retirees are subject to the federal Affordable Care Act (ACA) guidelines.

Returning to a Different Classification

Retirees may apply for reemployment in a different classification than what they held at the time of their retirement. Retirees who are appointed to a different classification from a certified eligible list, following an examination process, will not be subject to the abovementioned hours, employment duration, or benefit limitations and shall only be distinguished from an initial permanent appointment to the extent that is required by the law.

Administrative Rule History

Adopted by Council March 6, 2002, Ordinance No. 176302
Effective April 5, 2002
Revised July 28, 2003
Revised September 16, 2005
Revised October 19, 2010
Revised November 4, 2011
Revised April 25, 2016
Revised January 1, 2020
Adopted by Council March 4, 2020, Ordinance No. 189873

Guidance for HR Administrative Rule 3.06 Employment of Retirees

Issues

- Time off for returning retirees. (A returning retiree does not accrue vacation hours.)
- Employee Group (EG) and corresponding Employee Sub-Group (ESG) designation. (A returning retiree whose regular work schedule is less than 72 hours may not be hired as a full-time employee.)

Unpaid Time Off for Returning Benefits Eligible Retirees

- BHR recommends that returning retirees begin work within 30 days of their effective retirement date, except in cases of family emergency or illness to be eligible for City paid health care coverage up to 1 year.
- Within the course of a Working Retirees employment, they may request unpaid time equal to the amount of vacation a 20-year employee would accrue over the a 1 year period and does not jeopardize the agreed upon EG and ESG designation. Any unpaid time off exceeding this constitutes a break in service and City paid benefit coverage will be terminated.
- At the discretion of the hiring bureau a returning retiree may be allowed unpaid time off in keeping with the returning retiree's EG and ESG designation. However, the actual hours worked per pay period by the employee should always be reflected in the Positive Standard Hrs/Wk (SPTH) switch in SAP. For example, if a returning retiree appointed as a full-time - benefits eligible changes their schedule and works only 3 days each week, a personnel action must be submitted to change their ESG and SPTH switch. This will affect their benefit eligibility. Likewise, if a retiree returns as a part-time, pro-rated benefits eligibility and switches to a full-time schedule, a personnel action should be submitted to change their ESG and SPTH switch.

Process for Hiring a PERS Retiree

- The bureau must submit a BHR Personnel Action Request form to BHR requesting an appointment of a PERS Retiree before the retiree is rehired. When the retiree is approved for hire by BHR, bureau must submit a personnel action and a request to the OBPA to set up the SPTH switch.
- The Employee Group, Employee Sub-Group and SPTH switch must match in SAP.
- Submit an "Employee to WR Benefit Eligible" personnel action to appoint a returning retiree.

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Unpaid Time Off for Returning Benefits Eligible Retirees

- BHR recommends that returning retirees begin work within 30 days of their effective retirement date be limited to no more than the equivalent of two weeks off (unpaid time) per six months, except in cases of family emergency or illness to be eligible for City paid health care coverage up to 1 year.
- Within the course of a Working Retirees This is consistent with the employment, they may request unpaid time equal to the amount of vacation a 20-year employee would accrue over one-half year the a 1 year period and does not jeopardize the agreed upon EG and ESG designation. Any unpaid time off exceeding this constitutes a break in service and City paid benefit coverage will be terminated.
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