

RETIREE EMPLOYMENT RESTRICTIONS

As a Massachusetts Public Employment Retiree, there are restrictions on post-retirement employment for any and all Massachusetts Public Employers (including all cities, towns, public schools, fire/water or health districts, housing authorities, state agencies, state colleges and universities). Restrictions also apply to federal grant funded positions with a Massachusetts Public Employer.

Public sector employment for retirees is limited to both aggregate hours and earnings per calendar year. Hours of compensated work are limited to an aggregate of 1200 hours per calendar year. Earnings are limited to the difference between your retirement allowance and the compensation paid for the position you retired from. For example, if the position you retired from currently pays \$30,000 and your retirement allowance is \$20,000, you are limited to the difference - \$10,000 of earnings from public sector employment in a calendar year. ONCE YOU ARE RETIRED FOR A FULL YEAR, The following calendar year you can earn from the above calculation plus add an additional \$15,000.00 per calendar year to the amount you are allowed to earn (part of pension reform) The rationale – as a public sector retiree, you cannot be compensated (from public funds) more than you would have received had you continued working in the position from which you retired. You, the retiree, are responsible for monitoring your aggregate hours and compensation from all public sector employment. You must cease all public employment when either limit is reached. If you exceed either limitation, you will be subject to reimbursement of all compensation in excess of limits or you must waive receipt of your retirement allowance for the period of re-employment with any public sector employer(s).

For regular “Superannuation” retirees (i.e. regular age/service based retirements) post-retirement employment in the private sector is not subject to restrictions.

Please note: Due to the COVID-19 crisis, PERAC lifted some of these restrictions see below only during the state of emergency.

Post-Retirement Work in the Public Sector and Covid-19

Pursuant to legislation recently passed (Chapter 53 of the Acts of 2020), superannuation retirees (disability retirees are excluded from the legislation) working in the public sector will be subject to a different hours/earnings calculation for CY 2020. Specifically, hours and earnings that occur during the current State of Emergency as defined in the Governor’s Executive Order of March 10, 2020 will not be included in the retiree’s earnings limitations for CY 2020. Please note that this work need not be directly related to the coronavirus; the law covers any hours/earnings from the emergency period. So, for example, if the State Emergency lasts 3 months, the hours and earnings from this period will not be included in the 2020 limitations, you would only look at the hours and earnings from the other 9 months. PERAC will publish guidance to boards and municipalities providing the law’s text and further detail.

PLEASE CONTACT OUR OFFICE FOR A DETAILED WORKSHEET OF THE AMOUNT YOU CAN EARN