

MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Updated 91A Earned Income Worksheet and Change in Public Employment Earnings for Disabled Retirees

DATE: December 28, 2012

As you know last year's Pension Reform, Chapter 176 of the Acts of 2011, changed the post-retirement earnings limit for earnings derived from public employment for all public retirees in Massachusetts. A superannuation retiree, who has been retired more than a year, will be allowed earnings of up to \$15,000 above the salary currently being paid for the position from which he/she retired or terminated employment when added to his/her retirement allowance in calendar year 2012. (See **Memo #28/2012**).

Consequently, this change in public sector post-retirement earnings will indirectly affect post-retirement earnings for disabled retirees who are employed by a governmental entity. Disabled retiree earnings will be governed by the limitations contained in Section 91A, and this calculation will be based on total earnings without any concern from the source of earnings, public or private. Section 91A states, such retirees will be allowed total earnings of up to \$5,000 above the regular compensation, currently being paid for the position from which he/she retired from when added to his/her retirement allowance. (See Attached Earned Income Worksheet for allowable earnings). This is an interactive form posted on PERAC's Website and can be accessed at <http://www.mass.gov/perac/91AEarnedIncome.htm>.

In addition to the compensation limits, retirees are also limited in public sector post-retirement employment by total hours in a calendar year. No retiree is allowed to work in excess of 960 hours, in the aggregate, from all such public sector employment during a calendar year.

Attachment

