

Guidelines -- Extended Service Employees (Re-employed ERS Retirees)

Effective date: August 23, 2006

Criteria for Approval

Use of extended service requires that one or more of the following criteria be met:

Specific Project: An extended service employee may be employed to complete a specific, time-limited project for which the employee has exceptional skill, knowledge, and ability.

Transition of Responsibilities: In the absence of unusual circumstances, an extended service employee should not be hired to perform the employee's old job, or another "regular position" that could be filled through the established recruitment and selection process. Under limited circumstances, however, extended service may be used for short-term (typically thirty to sixty days) assistance in the transition of responsibilities from the retiree to the retiree's replacement.

Hard to Fill Jobs: An extended service employee who has skills, knowledge, or training that are not readily obtainable through the established recruitment and selection process may be used to perform clearly defined duties on a time limited basis. There must be documentation of recruitment difficulties.

Seasonal or "Peak" Periods: Extended service may be used for periods of extraordinary workload, in lieu of using a temporary services agency.

Cost savings: Extended service may be used if the employing organization can demonstrate that its use will result in cost savings for the Department on an annualized basis.

Length of Service

A specific timeframe for the extended service, not to exceed one year, should be determined prior to employment. Within this year, DHR organizations may use the employee without further approval, subject to the statutory requirement that an extended service employee work no more than 1,040 hours per calendar year. Extensions beyond the initial year of approval may be granted only upon presentation of evidence that the specific purpose for the extended service cannot be met through established recruitment and selection processes.

Salary Considerations

The salary level for an extended service employee is not automatically based on the hourly rate the employee earned at the time of retirement. The hourly rate shall be based on a careful consideration of the duties to be performed, with consideration of the fact that the employee is receiving a pension. Absent extraordinary circumstances, the hourly rate should not be higher than it was at the time of the employee's retirement.

Succession Planning

It is expected that succession planning occur well before the retirement of an employee in a key leadership position. Re-employment of a retiree is not a substitute for effective succession planning. Planning should occur so that an acting or permanent replacement for the retiree is available at, or shortly after, the point of retirement.

Approval Process

Effective September 1, 2006, the placement of a retiree in an extended service position will require the approval of the DHR Commissioner **if the employee retired from a position on pay grade 15 or higher**. Requests for approval of extended service must provide justification for the request in accordance with these criteria, and must include a description of the duties to be performed. The attached form, "Request for Use of Extended Service Employee," shall be used for this purpose. Following Division/Office Director approval, the completed form should be sent to Mary Walker in the OHRMD Operations and Benefits Section for the Commissioner's signature and further routing.

CRITICAL REMINDER: Extended service employees may work no more than 1,040 hours in a calendar year. This is an average of 20 hours per week. If an extended service employee works more than the allowed 1,040 hours, the Department must report this to the Employees' Retirement System, and the employee's pension is subject to suspension.

Please also note that a retiree who performs service as an independent consultant is also subject to the 1,040 hour provision discussed above.