

**Guidelines and Directives**  
**The Washington State University Retirement Plan (WSURP)**

Effective January 1, 2012

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## Table of Contents

Purpose of Guidelines and Directives .....	3
Plan Participation .....	4
Participation for New Employees .....	4
Reclassification or New Appointment of Existing WSU Employees .....	4
Retirement under the WSURP .....	4
Regular Retirement .....	4
Retirement Because of Health Condition .....	6
Retiree Reemployment .....	7
Phased Retirement Guidelines.....	10

## Purpose of Guidelines and Directives

The Washington State University Retirement Plan (WSURP) Retirement Plan Rules is the University's 403b plan document. This supplementary, yet corresponding authority document to the WSURP Retirement Plan Rules, will address the University's policies for implementing and administering the WSURP. This document should not be read independently from the WSURP Retirement Plan Rules.

The WSURP is a retirement program offered to eligible University employees as identified in the WSURP Retirement Plan Rules. The WSURP is a defined contribution 403b plan, and was established by the Washington State University Board of Regents on July 1, 1974.

All information presented in this document must remain aligned to the WSURP Rules, legislation, laws, rules and regulations from federal, state, local and institutional governance. This Plan is subject to change in order to maintain compliance with both Internal Revenue Service and Social Security Administration rules.

## Plan Participation

Dependent upon the employee's hire date with Washington State University (WSU), or the date of their reclassification or appointment change, different retirement plan options have been/may be offered. Section 3 of the WSURP Retirement Plan Rules and the Plan Choice Matrix identify the options.

In all referenced situations, Human Resource Services (HRS) will review each employee to determine what retirement option(s) the employee should be offered, and provide the appropriate plan election forms to the employee.

As of January 1, 2012, employees have thirty (30) days to make their irrevocable plan election, or be subject to the binding default option.

### Participation for New Employees

HRS reviews all new employees to determine what retirement plan option(s) they have, dependent on prior State service, and whether they have retired under a state of Washington plan, i.e. a Department of Retirement Systems Plan (DRS), prior to their current period of employment. Although the WSURP is primarily offered to Faculty and Administrative Professional employees, there may be occasions in which Civil Service employees are eligible to participate in the WSURP.

### Reclassification or New Appointment of Existing WSU Employees

HRS reviews all reclassifications and new appointments for existing WSU employees to determine if the change in job classification or appointment results in the employee being eligible for a new retirement plan election.

## Retirement under the WSURP

### Regular Retirement

Employees participating in the WSURP may access their retirement accumulations at any time following their separation from the University.

WSU recognizes a WSURP participant as a retiree of the University if they meet the following criteria:

- Age 62, regardless of years of service\*; or
- Age 55, with at least ten (10) years of service; or
- Any age and years of service, provided the participant provides proof of drawing a lifetime annuity benefit from their WSURP retirement contributions. (For instruction on how to pursue this option, please contact HRS-Benefits)

\*Age 62 is when an individual is eligible to draw an early benefit from their Social Security, and a recognized standard age for drawing retirement earnings.

Employees who meet the above criteria may be eligible for various benefits offered through the State, including retiree medical/dental insurance, and a VEBA medical expense account for non-faculty personnel. Those retiring at age 62 or later with at least 10 years of service, who were employed by WSU prior to July, 2011 may be eligible for a Supplemental Retirement Plan (SRP) benefit. For additional information about these benefits, as well as a review of eligibility criteria, visit <https://hrs.wsu.edu/employees/benefits/retirement-information/> or contact HRS-Benefits.

#### **Notification of Retirement:**

Notification of retirement from WSU active service is made by the employee submitting written notification of their last day of employment to his or her supervisor/manager with a copy to [hrs@wsu.edu](mailto:hrs@wsu.edu) and [hrs.benefits@wsu.edu](mailto:hrs.benefits@wsu.edu). Written notification of retirement is binding, and can only be rescinded or changed upon approval of a Dean, Vice President, Chancellor or other appropriate Appointing Authority.

The timeframe in which notification of retirement should be provided must be in accordance with the Faculty Manual, Administrative Professional Handbook, and Business Policies and Procedures Manual.

- For Teaching Faculty, at least two (2) months' notice
- For Principal Administrative Officers, at least four (4) months' notice

- For Administrative/Professional, at least thirty (30) days' notice
- For Civil Service, recommended thirty (30) days' notice

Upon receipt of the retirement notification, HRS Benefits will review the employee's eligibility for retirement and notify the employee and their department/college if the employee is not eligible to retire, in which case the termination would be processed as a resignation. If eligible, HRS will provide assistance and guidance to the employee regarding retiree benefits and paperwork. The retirement action will be initiated by the employee's department/college in Workday.

### **Retirement Because of Health Condition**

A retirement because of health condition must be approved by the President of WSU or such other person as may be designated by President in the event a Participant has a serious health condition that prevents him or her from performing the duties of his or her Eligible Position.

Employees should contact HRS Benefits to discuss whether a retirement due to health should/could be pursued, and to discuss other benefit options they may be eligible for. If pursued, the employee will submit a written request. The HRS Benefits Director will determine if supporting medical documentation is needed or if sufficient documentation has already been provided to the HRS office.

If approved, the employee may be eligible for the SRP benefit, provided they have at least ten (10) years of service, and were employed prior to July, 2011. If eligible, the age requirement of age 62 is waived.

Any request for retirement because of health is reviewed by the HRS Director of Disability Services and the HRS Director of Benefit Services. Notification of the request is provided to the appropriate appointing authority, and consultation of whether the individual is able to perform the essential functions of their position will/may occur. If deemed eligible, the Director of Benefits presents a recommendation to the President or his/her designee for a final determination on whether the request will be approved.

## Retiree Reemployment

Retiree reemployment means the reemployment in any capacity of an individual who retired under the WSURP.\* Employment may be up to forty percent (40%) of full-time equivalency following the date of retirement.

Retire-rehire appointments are intended to meet short-term temporary needs of the university, and are not intended to address permanent or long-term needs. Normally retire-rehire appointments should not exceed one year, unless they are extenuating circumstances. The business need of the request to rehire a retiree will be considered on a case-by-case basis. Retire-rehire appointments are not guaranteed and may be denied by the university at its discretion or in the event there is another agreement on file with the university that the individual is restricted from returning to work at WSU.

Examples of retire-rehire appointments include (not an all-inclusive list):

- covering a course due to lack of other faculty being available to cover the course,
- finishing a grant that has ongoing duties/responsibilities after the individual retires,
- assisting a department during a busy period where existing personnel are not available to pick up the workload,
- training the individual who will be performing the duties of the retired individual, and/or
- covering the position while a recruitment process occurs.

Retire-rehire appointees may have limited Workday security access, and therefore certain duties may not be able to be performed in a retire-rehire appointment. Such duties may include supervisory duties, access to certain financial/budget information, and responsibilities requiring access to personal identifying information (not an all-inclusive list).

The university's practice is for a retiree to have a 30-day break in service between their retirement date and the date of reemployment. Based on the retirement plan the individual retired under, and the business need to reemploy, a review will occur to determine if an exception to the 30-day break can occur. This break allows the employee to fully retire from the university, and allows other actions to occur while

the person is in a separated status, such as setting of Emerti status within the university system for eligible faculty members.

Reemployment after retirement is not counted as additional service with the WSURP and will not result in any eligibility for increased benefits under the WSURP or the Supplemental Retirement Plan (SRP). A reemployed retiree is not considered an active participant of the WSURP, nor is it expected they will be eligible for the employer-provided benefits package. However, they may trigger benefit or retirement eligibility under a different retirement plan administered by the state, depending on their planned or actual work pattern.

### **Compensation and Employee Type**

A reemployed WSURP retiree's job classification, as well as associated pay rate will be based on the duties and responsibilities associated with the rehire appointment. This determination will be conducted by applicable HRS personnel, in collaboration with the employing department. Under no circumstances can the salary exceed forty percent (40%) of the retiree's average monthly basic salary paid during their highest twenty-four consecutive months of service, which is calculated by HRS Benefits personnel. Former ADR's or other payments will not be included as part of the basic salary when determining this compensation calculation.

If the duties reflect those of a NonPermanent job, the appropriate job classification will be identified, and the associated pay rate of the identified title will be applied. The classification and pay rate will follow the Civil Service classification structure and the associated salary schedule classification. This amount will often be less than the 40% salary maximum calculated by HRS-Benefits.

Faculty: If the duties of the retire-rehire appointment reflect faculty duties and show that the work will be performed on a consistent schedule, the job should be set up as an FTE faculty appointment. If the duties will not be performed on a consistent schedule, they may hold an hourly faculty appointment.

Administrative/Professional (AP): A review of the duties will be performed to determine appropriate classification. The following options may be considered based on the duties and responsibilities associated with the rehire:

- An AP appointment at no more than a 40% FTE. If the duties will be performed on a consistent basis/schedule, this approach will be recommended.



- A NonPermanent appointment at a scheduled FTE of no more than 40% FTE or non-scheduled appointment with an hourly rate.
- A professional hourly appointment may be considered if no other options exist.

Civil Services duties: The NonPermanent scheduled or non-scheduled titles will be used for jobs consisting of civil service duties.

A reemployed WSURP retiree is not eligible for merit increases, equity adjustments, or market raises. However, mass salary increases will occur, and if needed, minimum wage adjustments may occur. In all situations, any increases in wages cannot exceed the salary/wage rate calculated by HRS Benefits.

### **Request to Rehire a Retiree Process**

Under a 2010 Presidential Directive, WSU implemented the retire-rehire review process and identified the appropriate use of hiring retirees to address the university's needs.

Departments/Colleges must contact HRS Benefit Services **prior** to extending an offer to a retiree of a Washington State retirement plan, which includes the WSURP or a DRS plan. HRS Benefits will provide critical information regarding rehire limitations and determine if the request for rehire can be approved. The Provost office will be notified of all faculty retire-rehire requests, and when needed, their input and/or review may be a part of the process.

During this process, other HRS personnel will be collaborated with to identify the appropriate title, classification and salary/earnings limit. All requests start with HRS Benefits who will provide the notice to the Provost's Office (department/colleges need not alert the Provost's Office of the retire-rehire request.) At a minimum, HRS Benefits needs the following information:

- What the employment need is; what duties and responsibilities need to be addressed
- How long will the services be needed
- Will the employment be on a set schedule or intermittent
- Are there other University personnel that could perform the duties
- If the duties are permanent or long-term, what efforts are being made to assign the duties to an existing faculty or staff member? Is there a

recruitment for a person to perform these duties, and if so, the status of that recruitment

- Documentation the request for rehire has been reviewed and approved by the Dean/Vice President or other appropriate Appointing Authority

If the request is approved by HRS, the department/College will enter the appointment into Workday and HRS Benefits will approve the appointment with a comment on the appointment reflecting the request was approved and the appointment is within the limits of the retirement plan.

If the appointment needs to be extended, the above process will be performed again. The hiring unit will need to demonstrate extenuating circumstances in order to extend an appointment beyond one year.

\*Individuals who retire under a retirement plan other than the WSURP, such as a Department of Retirement Systems (DRS) plan, will also be subject to the rehire request process. Based on their retirement plan, there may be different limits under which the retiree can be rehired. Please contact HRS-Benefits whenever considering hiring a retiree of the State of Washington.

**IMPORTANT:** No verbal or written discussions can occur prior to retirement with DRS participants about potentially returning to work after retirement. This could result in the retirement being voided by DRS.

## Phased Retirement Guidelines

The WSU Phased Retirement Plan is a program designed to give University faculty and administrative professional staff who participate in the WSURP an opportunity for pre-retirement reduction of full-time service while gradually phasing into retirement over a period of years. This Plan allows eligible personnel of the University to reduce their regular appointments to pursue personal or professional interests and to continue their academic and professional lives in gainful part-time employment, under a negotiated agreement with the University. This Plan provides an opportunity

for individual career flexibility and forms an important part of the long-range personnel resource management of the University.

See the [Phased Retirement Plan Guidelines](#) for details on the plan, as well as eligibility criteria.