



Retired Public Employees Association

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MEMORANDUM IN SUPPORT

A.2858-A, by Assemblyman McDonald

AN ACT to amend the retirement and social security law, in relation to increasing the retiree earnings cap

The **Retired Public Employees Association (RPEA)** supports this bill which would increase the amount that a public retiree under 65 years of age may earn in public employment without a reduction in retirement benefits to \$35,000.

Under current law retirees may earn up to \$30,000 from public employment without diminution of retirement earnings. This limitation originated at \$12,500 and was increased periodically by small increments to keep up with inflation. Unfortunately, **the last time the earnings cap was raised was in 2007** and the limitation has remained at \$30,000 ever since.

A study conducted by the State Department of Civil Service has shown that hiring retirees on a part-time basis is cost efficient. Very little training is involved and there are no benefit costs in hiring a retiree. While there is mechanism for a waiver of the law to permit unlimited earnings, this is a cumbersome procedure that is difficult to navigate and unnecessary where temporary assistance is needed to fill gaps in personnel. Usually, temporary help is needed in security and/or nursing services where there are fluctuations in staffing patterns.

Working part-time is beneficial to retirees as it not only helps the employer to fill gaps, but also is good for the health and well-being of the retiree. It helps them remain in contact with their colleagues and provides satisfaction in performing work with which they are familiar.

For the above reasons, **RPEA** supports this bill and urges that it be passed by the Legislature and enacted into law by the Governor at the earliest opportunity.