

DEPENDENT AND INDEPENDENT CONTRACTORS  
EMPLOYMENT CONTRACTS

Purpose: To establish a procedure to monitor adherence to the Mayor's Executive Order dated June 18, 2008 and M.G.L. Chapter 32, §91 **Payment of pensioners for services after retirement** (see attached). Departments contracting with individuals to provide a service must receive approval from the Personnel Review Committee *prior* to the award of a contract. In addition, Departments must identify the status of each individual related to their prior participation in or of their currently receiving a Massachusetts (Chapter 32) pension.

Steps:

1. Department determines a need for services that may be provided by an individual.
2. Department completes a *Personnel Review Committee Employment Contract Form*.
  - a. Provide a detailed description of the work to be performed.
  - b. Provide justification for the contract including the process for selection (i.e. solicitation, former employee); specific qualifications of the individual to perform the related work; and justification for awarding work to any individual that is not a City of Boston resident.
3. Department completes a *Pension Disclosure Form Calculation for Retirees Employed Worksheet*:
  - a. If the individual is known, the Department must work with the Individual to complete the pension disclosure calculation worksheet.
    - i. If the individual has never participated and is not currently receiving a Massachusetts (Chapter 32) pension under Prior Participation/Indicate Governmental Entity, the individual should indicate NONE; under Receiving Massachusetts (Chapter 32) Pension/Indicate Governmental Entity, the individual should indicate NONE.
    - ii. If the individual has participated in, or is currently receiving a Massachusetts pension, the Department must work with the individual to complete the pension disclosure calculation.
  - b. Documentation must be provided to support the calculation for retirees
    - i. Current Retirement Allowance – provide a copy of the pension check or a written statement from the Retirement System that is paying the pension.
    - ii. Current Salary of the position from which the individual retired – provide a statement from the Governmental Entity from which the individual retired.
  - c. Awarding Authority must approve and the individual must acknowledge that the calculations are accurate.
  - d. Contract rates/amounts are not to be approved prior to completing this calculation. **NOTE: Individuals may not work more than 960 hours in a calendar year and may not be paid more than the maximum allowable earnings (as calculated) for a calendar year.**

4. Department submits the *Personnel Review Committee Employment Contract Form* and the *Pension Disclosure Form Calculation for Retirees Employed Worksheet* to the Personnel Review Committee.
5. The Personnel Review Committee will review the statement of work and justification for services along with the pension disclosure calculation worksheet.
  - a. If the individual is not known when the initial request goes to the Personnel Review Committee, the Department must work with the individual when selected to complete the pension disclosure calculation worksheet. Once completed, the Department must re-route all forms to the Personnel Review Committee for approval. Contract rates/amounts are not to be approved prior to completing this calculation.
6. The Personnel Review Committee will notify the Department whether they may/may not proceed with the proposed contract.
7. Once approved the Department follows standard procurement procedure to award contract.
8. All contracts awarded to individuals must include the approved *Personnel Review Committee Employment Contract Form* and the *Pension Disclosure Form Calculation for Retirees Employed Worksheet*. Contracts that do not include these forms will be rejected.

**NOTE: CALCULATION FOR RETIREES EMPLOYED MUST BE PERFORMED FOR EACH CALENDAR YEAR, REGARDLESS OF THE TERM OF THE CONTRACT. THESE CALCULATIONS MUST BE FILED WITH THE ORIGINAL CONTRACT.**