PERAC

PERAC MEMO 21/2026

MEMORANDUM

TO: All Retirement Boards

FROM: Bill Keefe, Executive Director BK

RE: Updated Calculation Figures for Post-Retirement Work Under Section 91 and Section 91A

DATE: July 13, 2026

On July 9, 2026, Governor Healey signed the Fiscal Year 2027 Annual Budget, which included two amendments to the calculation of excess earnings for retirees pursuant to G.L. c. 32, §§ 91 & 91A. Pursuant to the new language of Sections 91 & 91A, in calculating their ability to work post-retirement, retirees can now add an additional $25,000 to their calculation instead of $15,000. These changes are effective as of July 9, 2026, and will apply to earnings limitations for all of calendar year 2026. Please note, G.L. c. 32, § 91 still requires that an individual be retired for a full calendar year before the limit on their post-retirement earnings increases by the amount specified in the statute.

Prior Language for Calculating Excess Earnings

For work performed in the public sector post-retirement, all retirees are limited in their hours and earnings. In its previous form, G.L. c. 32, § 91(b) provided that in calculating the allowable earnings for a retiree who returns to work in the public sector, the calculation should be completed as follows:

> ...the earnings therefrom when added to any pension or retirement allowance he is receiving do not exceed the salary that is being paid for the position from which he was retired or in which his employment was terminated or the salary upon which the retirement allowance is based, whichever is greater, plus $15,000....

For disability retirees, they are further limited in their earnings in both private and public sector employment pursuant to G.L. c. 32, § 91A. In its previous form, Section 91A provided that in calculating the allowable earnings for a disability retiree, the calculation should be completed as follows:

10 CABOT ROAD, SUITE 300 | MEDFORD, MA 02155
PH 617 666 4446 | FAX 617 628 4002 | WWW.MASS.GOV/PERAC

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> ...if such earnings exceed an amount which when added to the member's retirement allowance is greater than the amount of regular compensation which would have been payable to such member if such member had continued in service in the grade held by him at the time he was retired plus $15,000....

New Language for Calculating Excess Earnings

Section 30 and Section 31 of the Fiscal Year 2027 Annual Budget provide as follows:

> SECTION 30. Section 91 of said chapter 32, as appearing in the 2024 Official Edition, is hereby amended by striking out, in line 101, the figure "$15,000" and inserting in place thereof the following figure:- $25,000.
>
> SECTION 31. Section 91A of said chapter 32, as so appearing, is hereby amended by striking out, in line 27, the figure "$15,000" and inserting in place thereof the following figure:- $25,000.

As such, G.L. c. 32, § 91(b) will now read, in pertinent part, as follows:

> ...the earnings therefrom when added to any pension or retirement allowance he is receiving do not exceed the salary that is being paid for the position from which he was retired or in which his employment was terminated or the salary upon which the retirement allowance is based, whichever is greater, plus $25,000....

G.L. c. 32, § 91A will now read, in pertinent part, as follows:

> ...if such earnings exceed an amount which when added to the member's retirement allowance is greater than the amount of regular compensation which would have been payable to such member if such member had continued in service in the grade held by him at the time he was retired plus $25,000....

This new language will help increase the earnings capacity of all retirees who work post-retirement. These amendments will increase the amount a retiree working post-retirement can earn in each calendar year by an additional $10,000.

We trust the foregoing will be of assistance. If you have any further questions, please feel free to contact Associate General Counsel Daniel Taylor at (617) 666-4446, ext. 912, or at daniel.taylor2@mass.gov. Thank you.