

# Returning to UC Employment After Retirement

UNIVERSITY  
OF  
CALIFORNIA



If you've retired from UC but the university needs your skills, you may be able to return to work for a limited period. This allows the university to tap the specialized expertise of its retirees, while allowing you to make a valuable contribution to UC's mission.

The policies for rehire in this fact sheet apply to faculty, staff and senior management employees. The rules for faculty, though, are different from those for senior management and staff. As you review this fact sheet, make sure you understand the rules that apply to your situation.

# What You Need to Know

## ELIGIBILITY

You're eligible to be considered for reemployment as a retiree if you're a member of UCRP receiving a monthly retirement benefit.

If you're a senior management or staff employee and chose the lump sum cashout—an option available primarily to those who joined UCRP before July 1, 2013—you can't be hired into a career (UCRP-eligible) position.

Faculty members who took a lump sum cashout, though, are eligible for rehire into UCRP-eligible academic positions.

## LENGTH OF APPOINTMENT

Most often, rehired retirees work 43 percent time or less, for 12 months or less. At this level, you may continue to receive your monthly retirement income during your reemployment.

If you're a faculty member and you have funding, you're eligible for a three-year appointment.

## WHEN YOU CAN BE REHIRED

Because UCRP must comply with IRS pension distribution rules, for the most part UC retirees are allowed to work only under certain limited circumstances. (See "If you've been rehired into a career position" below for the exceptions.) To comply with IRS rules, you can't discuss reemployment until after you've received your first monthly retirement payment, or 30 days after you've

### **If you've been rehired into a career position**

Occasionally, a retiree who is receiving monthly retirement income may be hired into a career position after an open recruitment process.

If you're rehired under these circumstances, you must suspend your monthly retirement benefit during your reemployment. You will become an active member of UCRP again and earn additional service credit. You'll also be required to contribute to UCRP in an amount determined by your membership classification and you may contribute to the DC, 403(b) and 457(b) Plans.

You'll have to suspend any medical, dental, vision and/or legal coverage you have as a retiree. You may, however, enroll as an employee in any health and welfare plans for which your reemployment qualifies you. If you have questions, please contact your local Benefits representative or the Retirement Administration Service Center (RASC) at 800-888-8267.

ended UC employment—whichever is later—if you haven't reached normal retirement age. (The normal retirement age is 65 if you joined UCRP on or after July 1, 2013. If you joined before that date, it's 60; if you're a Safety member, it's 50.)

To be hired after you've retired, UC policy states that:

- The reemployment must be in response to a university need, for instance:
  - You have skills and knowledge that the hiring department can't otherwise obtain with equal cost-effectiveness
  - The hiring department anticipates a prolonged process for hiring a replacement or
  - The hiring department anticipates that you will help the replacement acquire the skills and knowledge needed for the job
  - If you're a faculty member, your recall must serve the university's essential academic needs.
- You need to have had a break in service of at least 30 days—preferably 90 days—before you can be reemployed.
- Your rehire appointment must be limited to the equivalent of no more than 43 percent time during a 12-month period.
  - Faculty members are limited to working no more than 43 percent time per month, with the percentage of time calculated each month.
- Your employment doesn't have to occur during consecutive months, but it can't exceed a total of 12 months. If your department still needs you after 12 months, it must apply again for approval for additional time.
  - Following review, academic recall appointments may be renewed annually.
- If you're reemployed temporarily in a career position (for example, to fill your former job during the search for a replacement), the job must be posted and a search begun within 30 days of the job becoming vacant. The recruitment period must last at least 30 days.

## APPROVALS

Your location's executive officer (or designee) must approve all staff appointments after the chief human resources officer's review and endorsement.

For academics, the chancellor (or designee) approves all appointments, and the provost must approve compensation that exceeds the appropriate indexed compensation level.

If you're applying for a senior management position or one in which the base salary plus any other cash compensation exceeds the Indexed Compensation Level, the Regents or their delegate must also approve your appointment.

# What Happens to Your Benefits

## **HEALTH AND WELFARE BENEFITS**

If you're receiving a monthly pension benefit, you may continue any retiree health and welfare benefits you've been receiving, and your premiums will continue to be deducted from your monthly retirement payments.

You also have the option to enroll in any health and welfare plans for which you're eligible as an employee; for example, the Health FSA.

But you can't have duplicate coverage as both a retiree and an employee—you need to choose.

## **MEDICARE**

If you or family members are covered by Medicare and become eligible for employee medical coverage (including Core), federal law requires that Medicare no longer be your primary insurance. This means that you must either:

- suspend your retiree medical insurance and enroll as an employee, so that Medicare becomes your secondary insurance; or
- opt out of all UC-sponsored medical coverage (both employee and retiree) and have Medicare coverage only.

If you enroll in medical insurance as an employee, your premium will be paid from your employee earnings. If you have been receiving a Medicare Part B reimbursement, it will stop.

If you're not eligible for employee coverage during your reemployment, your retiree medical benefits continue, with Medicare remaining as the primary payer.

## **SICK LEAVE**

If you're receiving monthly retirement income and return to work and if eligible, you start accruing sick leave from zero in your new appointment. Faculty members don't accrue sick leave, so this information doesn't apply to them.

## **UCRP**

In most cases, you don't return to active UCRP membership. That means you don't accrue new service credit or contribute to UCRP during your reemployment period.

## **DC, 403(B), 457(B) PLANS**

Whether you continue or suspend your retirement income during your reemployment, the rules governing these plans for active employees apply to you. They include:

- You can't take distributions from your DC Plan Pretax Account
- You must be 59½ or older to take a distribution from your 403(b) Plan
- You can't take a distribution from your 457(b) plan before the year you reach age 70½

If you're repaying a 403(b) loan, your reemployment may affect your repayment schedule. Please contact Fidelity at 866-682-7787 or [ucfocusonyourfuture.com](http://ucfocusonyourfuture.com).

## What You Need to Do

### WHEN APPLYING TO BE REHIRED

You must disclose your status as a UC retiree. If you don't, your appointment could be modified or withdrawn.

### AFTER YOU'VE BEEN REHIRED

**If you're rehired into a non-career staff position**, you'll need to complete the *UCRP Reemployed Retiree Notification Form* (UBEN 1039) and indicate that you will continue to receive your monthly UCRP retirement income.

If you had received a UCRP lump sum cashout prior to your rehire, you do not need to complete the above form or notify UC Retirement Administration Service Center of your reemployment.

**If you've been rehired into a career staff position**, you'll need to complete the *UCRP Reemployed Retiree Notification Form* (UBEN 1039) indicating that you're suspending your monthly retirement benefit. (You must return any overpayment of retirement benefits that may result from your reemployment.)

**If you've been rehired into a full-time academic position**, you don't need to fill out the UBEN 1039 form, but you do need to send a signed letter to the UC Retirement Administration Service Center providing your rehire date and requesting to suspend your monthly retirement benefit. (You must return any overpayment of retirement benefits that may result from your reemployment.)

**If you're changing your health coverage from retiree to employee, or opting out of all UC-sponsored coverage**, contact your Benefits representative and/or the UC Retirement Administration Service Center for help with the process.

### NINETY DAYS BEFORE THE DATE YOUR REEMPLOYMENT WILL END

**If you're continuing to receive retirement income but enrolled in employee health and welfare benefits**, notify the UC Retirement Administration Service Center at 800-888-8267 of the date you'll stop working. The UC Retirement Administration Service Center can help you switch back to retiree coverage.

**If you suspended retirement income and earned additional UCRP service credit**, you must re- retire the day after you leave UC employment. Contact the UC Retirement Administration Service Center to arrange your re-retirement. (The retirement benefits you've earned during your reemployment will be based on your age on your re-retirement date.)

### AFTER YOUR REEMPLOYMENT HAS ENDED

Check your first retiree benefits statement carefully to make sure that any changes have been made correctly. Contact the UC Retirement Administration Service Center if you have any questions or concerns.

#### **Tip:**

You can read the full policies for returning to work after retirement online:

Staff and senior management: [regents.universityofcalifornia.edu/policies/7706.pdf](https://regents.universityofcalifornia.edu/policies/7706.pdf)

Academic appointments: [www.ucop.edu/academic-personnel/\\_files/apm/apm-205.pdf](https://www.ucop.edu/academic-personnel/_files/apm/apm-205.pdf)

By authority of the Regents, University of California Human Resources, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations for Faculty and Staff, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. For more information, employees should contact their Human Resources Office and retirees should call the Retirement Administration Service Center (800-888-8267).

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Systemwide AA/EEO Policy Coordinator, University of California, Office of the President, 1111 Franklin Street, 5th Floor, Oakland, CA 94607, and for faculty to the Office of Academic Personnel, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.



3M 1039 7/14