

Returning to UC Employment After Retirement

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OF
CALIFORNIA

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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 and Programs, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

If you've retired from UC but the university needs your skills, you may be able to return to work for a limited period under certain restrictions. This allows the university to tap the specialized expertise of its retirees, while allowing you to make a valuable contribution to UC's mission. Because rehired retirees may draw a retirement benefit and another UC income simultaneously, the university must follow clear policy guidelines to ensure public accountability, transparency and sound succession planning.

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 UCRP 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 UCRP 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 UCRP 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 return 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 UCRP monthly retirement payment, or 30 days after you've 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 can't exceed a total of 12 consecutive 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.

If you've been rehired into a career position

Occasionally, a retiree who is receiving UCRP 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.

If you are eligible for Retirement Choice, you must elect to participate in either:

- Pension Choice—as an active member in the UCRP 2016 Tier, you and UC will make mandatory contributions to UCRP and you'll earn additional UCRP service credit
- Savings Choice—as an active participant in UC's Defined Contribution (DC) Plan, you and UC will make mandatory contributions to the DC Plan; you will not earn additional UCRP service credit

There are some circumstances in which you will **not** be eligible for Retirement Choice when you are rehired into a career position:

- If you became a member of UCRP prior to July 1, 1994, you will become an active member of the UCRP 2016 Tier
- If you were previously eligible for Retirement Choice, you will automatically resume active participation in the plan in which you participated before your retirement, either Pension Choice (UCRP 2016 Tier) or Savings Choice (DC Plan)

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 at 800-888-8267.

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

The university provides sick leave to eligible employees who are on pay status at least one-half of the working hours of a month or four-week cycle. If you return to work under these terms and you're receiving UCRP monthly retirement income, 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.

Voluntary pretax contributions

When you return to UC service, you may begin or resume making voluntary pretax salary deferrals to the 403(b) or 457(b) Plans, up to the IRS maximums. Visit myUCretirement.com or call Fidelity at 866-682-7787 to enroll.

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 voluntary distribution rules governing these plans for active employees apply to you. They include:

- You can't take distributions from your DC Plan Pretax Account or from your Summer Salary Benefit amounts
- 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 myUCretirement.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 UBEN 1039 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 UCRP 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 suspension of your UCRP monthly retirement benefit. (You must return any overpayment of retirement benefits that may result from your reemployment.)

If you are eligible for Retirement Choice, you will have a 90-day election period to choose either Pension Choice or Savings Choice. If you do not make an election, you will be defaulted to Pension Choice at the end of your 90-day election period. The sooner you enroll, the sooner you start receiving UC contributions (and service credit under Pension Choice).

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 so that you can be switched back to retiree coverage.

If you suspended retirement income and either earned additional UCRP service credit or participated in Savings Choice during your rehire period, 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

Academic appointments:
ucop.edu/academic-personnel/_files/apm/apm-205.pdf



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