



Rehired Retiree Benefits Eligibility

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Key Takeaways

- Benefits eligibility rules for rehired retirees are changing
- All will be assessed for faculty/staff benefits eligibility
- Some will be offered faculty/staff benefits – Mid-level package
- Some will have retiree medical enrollment suspended and Medicare no longer assigned to UC
- Most will be able to return to retiree medical after a period of time, which is variable depending on hire date
- Policy changes go into effect July 1, 2025

Why is the policy changing?

- UC's policies regarding medical insurance are being modified to provide rehired retirees access to meaningful, equitable benefits that comply with federal regulations
 - Rehired retirees are *employees* - must be offered Faculty/Staff benefits if meet eligibility criteria
 - Medicare is *primary* payer for UC Retiree Medicare plans – if eligible for employee coverage, Medicare must be *secondary*

Who is and is not affected?

Who is not affected by the policy change?

- Rehired Retirees Ineligible for Retiree Health
 - Lump Sum Cash Out
 - Not Enough Service Credit
- Retirees Reappointed into a Without Salary Job Type **ONLY**
 - Emeritus WOS
- Return to UCRP/Savings Choice at Rehire
 - Reinstated Employees

Who is affected by the policy change?

- Rehired staff retirees
- Recalled academic appointees
- Survivors of retirees who are hired by UC

For purposes of this discussion, collectively “rehired retirees”

Prospective & Current Retirees

Prospective & Current Retirees

- When will you / when did you retire?
- Are you / were you eligible for Active Employee benefits at retirement?
 - Eligible vs. Enrolled
- When do you anticipate returning to work?
- Will you reside outside of California after retirement?
- FTE at rehire?

Prospective & Current Retirees

- If you will be rehired after 6 months of separation, you can stay in UC retiree medical after you return to work.
 - Rehire appointment FTE must be less than 43.75%
- Examples
 - Retiree retires on 6/30/25, is rehired on 1/2/26 at 40% for 1 year = Stay In Retiree Medical
 - Retiree retires on 6/30/09, is rehired at 7/1/26 at 40% for 1 year = Stay In Retiree Medical

Prospective & Current Retirees

- If you will be rehired within 6 months of separation, you will **be required to suspend Retiree Medical** once you return to work.
 - Even if your rehire FTE is less than 43.75%, including 0 FTE
- If you are rehired at 43.75% or more, you will **be required to suspend Retiree Medical** once you return to work
 - Ex. 100% for 4 months

Prospective & Current Retirees

- If you intend to enroll or already enrolled in the Medicare Coordinator Program, you are **not required** to leave the Medicare Coordinator Program if you are rehired within 6 months of separation.
 - If you are enrolled in the Medicare Coordinator Program and accept the medical plan under Faculty/Staff Benefits, you will no longer receive the HRA, but you will be allowed to remain in the plan

Prospective & Current Retirees

- You will be offered the Mid-level Benefits Package when you're rehired
 - May enroll in any offered medical plan (not limited to Medicare partner plan)
 - May enroll in other Mid-level benefits
 - e.g. Life insurance, Disability Insurance, FSA, etc.
 - NOTE: Retirees rehired at a 0 FTE, no salary, are ineligible for Supplemental Life Insurance and Disability Insurance
- 31-day Period of Initial Eligibility (PIE) to enroll in Faculty/Staff benefits through UCPath, beginning on date of rehire

Prospective & Current Retirees

- If you enrolled in Medicare as part of the retirement process, you will be required to unassign Medicare from UC
- Medicare Options:
 - Keep Original Medicare
 - Enroll in non-UC Medicare plans or Medicare Supplement plans
 - Disenroll from Medicare Part B and Part D
 - Contact RASC for step-by-step instructions and assistance
 - In most instances, Part A enrollment remains

Prospective Retirees – Medicare Options

- If you expect to be rehired soon after retirement, you can avoid transitioning to Medicare upon rehire
- Upon retirement, retirees are granted an extra month of employee coverage
- If eligible, employee coverage under the rehire would begin the date of hire
- Example:
 - Separate on June 29
 - Retire on July 1
 - Extra month of employee coverage July 1 - 31
 - Rehired on August 1 – Employee coverage begins under rehire

Prospective Retirees – Medicare Options

- If you expect to be rehired within 6 months of retirement, and want to avoid enrolling and disenrolling from Medicare
 - Enroll in UC non-Medicare Retiree Medical Plan prior to rehire
- Example:
 - Separate on June 29
 - Retire July 1
 - Extra month of employee coverage July 1 – 31
 - Enroll in Retiree medical (UC Care, Blue & Gold, Kaiser, Core) for August – October
 - Rehired on November 1 – Employee coverage begins under rehire

Prospective Retirees – Medicare Options

- If you expect to be rehired within 6 months of retirement, and want to avoid enrolling and disenrolling from Medicare
 - In retirement application, suspend UC retire medical
 - Enroll in Medicare
 - Enroll in a non-UC Medicare plan upon retirement
 - When rehired, waive Faculty/Staff Benefits
- Decline Medicare
- Continue Faculty/Staff benefits under COBRA until rehired
- Re-enroll in Faculty/Staff Benefits at rehire

Prospective Retirees

- If you expect to be rehired within 6 months of retirement, and want to avoid enrolling and disenrolling from Medicare
 - Obtain medical coverage through a spouse or domestic partner
 - If currently enrolled in Faculty/Staff benefits, check to see whether you can enroll through a spouse or domestic partner's medical plan at retirement

Current Rehired Retiree

Current Rehired Retiree

- When is your current appointment ending?
- Will you be reappointed on or after 7/1/25?
- FTE for reappointment on or after 7/1/25?
- Are you enrolled in the Medicare Coordinator Program administered through Via Benefits?
- How many hours did you work prior to reappointment?

Current Rehired Retiree

- If you will not be reappointed, you will be allowed to remain in your current benefits, even if you continue to work on or after 7/1/25
 - Ex. Retiree rehired on 8/1/24, appointment is ending on 7/31/25, will not be reappointed
 - Rehired Retiree allowed to remain in Retiree Medical for the duration of their appointment

Current Rehired Retiree

- If you will be reappointed on or after 7/1/25, your benefit eligibility will be reassessed at the start of the new appointment
 - What is your reappointment FTE?
 - Are you eligible for Faculty/Staff Benefits for 2025?
 - Are you in a Beginning Benefits Eligibility (BBE)?
 - Did you work less than 910 hours during the 23/24 SMP?

Current Rehired Retiree

- Ex. Separated on 6/30/24, rehired on 8/1/24 for 1 year, reappointed at 43% on 8/1/25 for 1 year
 - Rehired Retiree is eligible for Faculty/Staff Benefits until 1/31/26, will be required to leave Retiree Medical on 8/1/25
- Ex. Separated on 6/30/2019, continuously reappointed every year from 8/1 – 7/31 since retirement at less than 43%
 - Rehired Retiree is ineligible for Faculty/Staff Benefits, and will be allowed to remain in Retiree Medical when they are reappointed on 8/1/25

Benefits Administration

Benefits Administration

- Retiree Benefits
 - Enrollment in Retiree Dental, Vision, Legal, and AD&D continues
 - Retiree Benefit Administration: Redwood
- Faculty/Staff Benefits
 - Administered through UCPath

How are benefits premiums paid?

- Pension continues to pay for non-medical Retiree Benefits
 - Premiums based on service credit
- Medicare
 - Deducted automatically via Social Security or Direct Pay
 - Pay Directly to carrier (non-UC Medicare Plans or Medicare Supplement Plans)

How are benefits premiums paid?

- Paycheck pays for Faculty/Staff Benefits
 - Premiums Based on Salary Band of Rehire Appointment
 - Medical premiums paid pre-tax
 - NOTE: If you are being rehired at 0 FTE, the hiring department has to code your pay correctly so that you will be given the UC Contribution
 - You must make arrangements with UCPATH so that you can be billed accordingly and pay premiums
 - Failure to arrange for Direct Billing with UCPATH will result in cancellation of Faculty/Staff benefits

Measurement Period

How does a rehired retiree qualify for Faculty/Staff Benefits at measurement?

- Meets or exceeds a threshold of worked hours (Average Weekly Hours of Service or AWHS) during an annual measurement period required by the Affordable Care Act
- AWHS of 17.5, or 910 hours annually = Eligible
- Standard Measurement: November 1 – October 31
- If meets AWHS, employee gains or retains Faculty/Staff Benefits for the following year

When can a rehired retiree return to Retiree medical?

- AWHHS threshold is **not met** during Measurement Period
 - Rehired retiree works less than 43.75% time (910 hours/year, 17.5 hours/week)
 - Ex) Separates on June 29, 2025, Retires on July 1
 - Rehired August 1, 2025
 - Works less than 910 hours from Nov 2025 – Oct 2026
 - Can return to Retiree medical Feb. 1, 2027
- Rehired retiree appointment terminates and/or only active appointment is a WOS job type

How does a rehired retiree return to Retiree medical?

- Faculty/staff coverage ends last day of month following the month in which the rehired retiree loses eligibility
- Rehired Retiree will receive a notice from UCPath about their upcoming ineligibility and disenrollment
- Rehired retiree must take action to re-enroll in Retiree benefits
- Can re-enroll into Medicare without penalty when eligibility for Faculty/Staff Benefits is lost
 - Loss of employee coverage triggers a Special Enrollment Period (SEP) to re-enroll in Parts B and D

How are pension payments and retirement savings distributions affected by rehire?

- Pension payments continue unless rehired into a UCRP-eligible position
- Regarding retirement savings distributions or Minimum Required Distributions
 - See FAQs on UCnet
 - Consult retirement counselors in RASC
 - Make appointment with Fidelity

Rehired Retiree Checklist

Thinking about returning to work after retirement? Consider these steps:

- * Meet with RASC retirement counselor to learn about potential implications of rehire/recall on benefits, Required Minimum Distributions, pension payments, etc.
- * If offered a rehire/recall appointment, decide if want to accept; if so, return signed offer letter
- * Complete and return the 1039 form provided by your hiring department
- * Watch for email and postal mailing (“New Hire Kit”) from UCPATH. If offered faculty/staff benefits and decide to accept, complete enrollment in UCPATH within 31 days of hire
- * If your retiree medical is suspended or you terminate a plan under Via Benefits, watch for a postal mail notice from RASC. Determine if want to terminate Medicare Part B. If so, follow step-by-step instructions in the notice from RASC, which includes the Medicare form that will need to be completed and submitted to the Social Security Administration.

Where can a prospective or current retiree get help?

UCnet

Returning to UC Employment after Retirement Fact Sheet: <https://ucnet.universityofcalifornia.edu/wp-content/uploads/forms/pdf/returning-to-uc-employment-after-retirement.pdf>

FAQs: <https://ucnet.universityofcalifornia.edu/wp-content/uploads/2025/02/Rehired-Retiree-Benefit-Eligibility-FAQ.pdf>

<https://ucnet.universityofcalifornia.edu/retirees/understanding-your-retiree-benefits/details-retiree-benefits/returning-to-work-after-retirement/>

Retirement Administration Service Center <https://rasc.universityofcalifornia.edu/>

1-800-888-8267, Monday–Friday, 7:00 a.m. to 4:30 p.m. (PT)

UCPath <https://ucpath.universityofcalifornia.edu/>

855-982-7284, Monday – Friday, 8:00 a.m. – 5:00 p.m. (PT)

Fidelity

1-800-558-9182, Monday–Friday, 5:30 a.m. to 5:00 p.m. (PT)

Schedule an appointment: <https://digital.fidelity.com/prgw/digital/wos/one-on-one?planSponsorId=700003>

Questions?