

Returning to UC Employment After Retirement

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OF
CALIFORNIA

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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 UC 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 the UC Retirement Plan (UCRP) receiving a monthly retirement benefit or a Savings Choice participant who is receiving retiree health benefits. For Savings Choice participants, the date that retiree health benefits coverage begins is treated as the retirement date. Savings Choice participants who begin receiving retiree health benefits are subject to all rules for the reemployment of retired employees.

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. This is referred to as a “non-career appointment.”

Returning to work can have a significant impact on your health benefits. See “What Happens to Your Benefits” on page 6 for more information.

Occasionally, a retiree may be hired into a career position. See “If you've been rehired into a career position” on page 5 for more information about rules that apply for those situations.

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” on page 5 for the exceptions.)

You must comply with IRS rules about when you can discuss reemployment. For UCRP members, 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.) For Savings Choice participants, you cannot discuss reemployment until after you've received retiree health coverage (or elected to suspend retiree health coverage), or 30 days after you've ended UC employment—whichever is later.

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.
 - 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.
 - Following review, appointments for reemployed staff retirees may only be extended for up to an additional 12 months.

- 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 may be hired into a career position after an open recruitment process. If you're rehired under these circumstances, you must suspend your monthly UCRP retirement benefit (if applicable) during your reemployment.

If you are eligible for Retirement Choice upon reemployment, 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, you'll earn additional UCRP service credit and your years of service will be taken into account for purposes of determining UC's maximum contribution toward the cost of retiree health coverage.
- Savings Choice—as an active participant in UC's Defined Contribution (DC) Plan, you and UC will make mandatory contributions to the DC Plan and your years of service will be taken into account for purposes of determining UC's maximum contribution toward the cost of retiree health coverage.

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. Please note that if you or family members are covered by Medicare and become eligible for employee medical coverage, federal law requires that Medicare no longer be your primary insurance. See page 6 for more information.

If you have questions, please contact your local Benefits representative or the Retirement Administration Service Center (RASC) at 800-888-8267.

What Happens to Your Benefits

HEALTH AND WELFARE BENEFITS

You may remain enrolled in all retiree health benefits if, upon rehire, you do not become eligible for employee health and welfare benefits. If you are receiving a monthly pension benefit, your premiums will continue to be deducted from your monthly retirement payments. If you are receiving retiree health benefits based solely on participation in the UC Savings Choice program, retiree health premiums will continue to be paid in the same manner, which is generally via deduction from your designated bank account.

As noted on page 5, if you've been rehired into a career position, you'll have to suspend any medical, dental, vision and/or legal coverage you have as a retiree. You may enroll as an employee in any health and welfare benefits for which your reemployment qualifies you.

BENEFITS ELIGIBILITY RULES FOR REHIRED RETIREES EFFECTIVE JULY 1, 2025

Effective July 1, 2025, new rules regarding eligibility for health and welfare benefits for rehired retirees will go into effect.

You **will be offered the [Mid-level faculty/staff benefits package](#) if you meet all three of the criteria below:**

- You are eligible for UC retiree health benefits, **and**
- You were eligible for faculty/staff benefits at the time of separation **and**
- You are rehired on or after July 1, 2025, at any percentage of FTE (including 0 percent) within 26 weeks (6 months) of separation **OR** you are rehired at 43.75 percent FTE¹

If you are offered the Mid-level faculty/staff benefits package, you'll have a 31-day Period of Initial Eligibility to choose and enroll in UC employee coverage. See ucal.us/benefitseligibility to learn more about the benefits offered in the Mid-level faculty/staff benefits package. If you enroll in faculty/staff benefits, your premiums will be paid from your employee earnings.

Whether you accept or decline UC employee medical coverage, your enrollment in a UC retiree medical plan (if any) will be suspended. Suspension of your UC retiree medical coverage means that you and your dependents will be ineligible to participate in a UC retiree medical plan during the period you are eligible for active employee medical coverage. Deductions taken from your monthly retirement payment for UC retiree medical plans will stop.

You may remain enrolled in all retiree health benefits if, upon rehire, you do **not** become eligible for employee health and welfare benefits; for example, if you are only appointed into a position that is designated as "without salary (WOS)," such as emeritus without salary.

¹ For certain jobs, such as per diem, seasonal or by agreement appointments, the benefits eligibility threshold is 75% time for three months or more.

Some rehired retirees who are (or were) ineligible for employee benefits at the time of rehire may become eligible due to changes in their appointment or worked hours. Under Affordable Care Act rules, the hours of all employees (including rehired retirees) are evaluated annually during what's known as the Standard Measurement Period (usually from November to October). **If you work more than 43.75 percent time (910 or more hours) during this period, you will become (or remain) eligible for the Mid-level faculty/staff benefits package.** Your eligibility usually begins the following January 1, and you will be required to suspend your enrollment in a UC retiree medical plan as of December 31.

NON-MEDICAL COVERAGE FOR REHIRED RETIREES OFFERED THE MID-LEVEL BENEFITS PACKAGE (EFFECTIVE JULY 1, 2025)

Rehired retirees may remain in all non-medical plans offered under the [retiree benefits program](#), including dental and vision. In addition, rehired retirees offered employee benefits may enroll in any plans for which they are eligible, if the plans do not duplicate the retiree's coverage under the retiree benefits program (including legal insurance and accidental death and dismemberment).

IF YOU LIVE OUTSIDE OF CALIFORNIA

If you live outside of California and are enrolled in retiree medical coverage through the UC Medicare Coordinator Program administered by Via Benefits, different rules apply. If you are offered and enroll in faculty/staff medical coverage, the UC contribution to your Health Reimbursement Account administered by Via Benefits will be suspended. If you wish to suspend your medical plan due to enrollment in UC faculty/staff benefits, you must contact ViaBenefits. If you decline enrollment in UC faculty/staff medical coverage, you may remain in a Medicare plan administered by Via Benefits, and the UC contribution to your Health Reimbursement Account will continue.

COORDINATION WITH MEDICARE

If you're eligible for Medicare and you are **not eligible** for UC employee coverage during your reemployment, your UC retiree medical benefits continue, and Medicare remains as the primary payer for your medical care.

As noted above, if you are offered UC employee medical coverage, your enrollment in a UC retiree medical plan will be suspended and the UC employee medical plan becomes the primary payer for your medical care.

Alternatively, you may opt out of all UC-sponsored medical coverage (both employee and retiree) and have coverage (Medicare or non-Medicare) that is not sponsored by UC. For example, you could keep Original Medicare coverage only, enroll in a Medicare Advantage or Medicare Supplement plan that is

not sponsored by UC, or enroll in coverage through your spouse's employer.

If you have been receiving a Medicare Part B reimbursement from UC, it will stop when you become eligible for UC medical insurance as an employee. If you choose to enroll in UC employee coverage, you may suspend Medicare Part B coverage under the rules of the Centers for Medicare & Medicaid Services (CMS; learn more at [cms.gov](https://www.cms.gov)). When your UC employee coverage ends, you will have a Special Enrollment Period to re-enroll in Medicare Part B without incurring late enrollment penalties.

Given these options, it is crucial for you to carefully assess the full spectrum of costs, including premiums for medical coverage, Medicare Part B premiums, and any potential out-of-pocket expenses (such as deductibles, copayments, or coinsurance). This will enable you to make an informed decision that best aligns with your health care needs and financial situation. Retirement counselors in [RASC](#) and UC locations' [Health Care Facilitators](#) can provide guidance.

RETURNING TO UC RETIREE MEDICAL COVERAGE

You may return to UC retiree health benefits when you are no longer eligible for faculty/staff benefits. You will lose eligibility for faculty/staff benefits under the following conditions:

- Your employment ends or you return to an Emeritus WOS-only appointment. Coverage ends the last day of the month following the month in which employment ends.
- You fail to meet the required Average Weekly Hours of Service (AWHS) threshold during an annual Standard Measurement Period (SMP). If your hours don't meet the threshold, your coverage under faculty/staff benefits will terminate the month following the end of your "stability period," typically January 31 of the new plan year.

If you wish to re-enroll in a UC retiree medical plan when your eligibility for employee benefits ends, either during the 31-day period following termination of faculty/staff benefits eligibility or during a subsequent Open Enrollment.

For more information about UC benefits for employees and for retirees, visit UCnet at ucal.us/ucnet.

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.

SICK LEAVE

UC does not provide sick leave to employees who work 43 percent time or less.

UC 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 as a reappointed retiree, you will generally start accruing sick leave from zero in your new appointment. (Unused sick leave from your prior appointment will most likely have been used to increase your UCRP retirement benefit, if applicable, and/or the UC contribution toward your UC retiree health premiums.) Faculty members don't accrue sick leave, so this information doesn't apply to them.

UCRP/SAVINGS CHOICE

In most cases, your reappointment won't qualify you for active participation in UCRP (Pension Choice) or Savings Choice. That means you don't make contributions to UCRP or Savings Choice, you don't earn additional UCRP service credit and you don't earn additional retiree health service credit during your reemployment period.

As a part-time employee not eligible for primary retirement benefits, you will make mandatory contributions of 7.5 percent to the DC Plan Pretax Account, in lieu of Social Security. See the DC Plan summary, available at ucal.us/contributionplan, for more information.

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

As a reappointed retiree, the voluntary distribution rules governing these plans for active employees apply to you. For example, you must be 59½ or older to take a distribution from your 403(b) or 457(b) Plan, or from your DC Plan Pretax Account. Other rules apply as well, including some exceptions for certain emergency situations. Please see your plan documents for details.

If you're repaying a 403(b) loan, your reemployment may affect your repayment schedule and any direct payment arrangement you have with Fidelity. Please contact Fidelity at 866-682-7787 or myUCretirement.com.

What Happens to Your Benefits

REQUIRED MINIMUM DISTRIBUTIONS

If you have begun making Required Minimum Distributions (RMDs) from your retirement account(s), these distributions will continue after you are rehired at UC.

If you have not yet begun making RMDs when you are rehired, they may be delayed depending on the timing of your return to UC employment. Fidelity typically processes employment data to determine RMDs in early December of each year.

RASC and/or Fidelity advisors can help you better understand how your return to UC employment may affect your RMDs. Questions regarding RMDs for the Retirement Savings Program (403(b), 457(b) and DC plans) should be directed to Fidelity at 1-800-558-9182. Questions regarding RMDs for UCRP and CAP accounts should be directed to RASC at 1-800-888-8267.

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 and/or your retiree health coverage. (You must return any overpayment of UCRP 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 and/or your retiree health coverage. (You must return any overpayment of UCRP retirement benefits that may result from your reemployment.)

If you are eligible for Retirement Choice upon reemployment, 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 offered health coverage as an 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.

What You Need to Do

NINETY DAYS BEFORE THE DATE YOUR REEMPLOYMENT WILL END

If your retiree health coverage was suspended and you enrolled in employee health and welfare benefits, notify the UC Retirement Administration Service Center (800-888-8267) of the date you'll stop working. You'll have a Period of Initial Eligibility to reenroll in retiree coverage.

If you suspended UCRP retirement income and either earned additional UCRP service credit or participated in Savings Choice during your rehire period, you must re-retire under UCRP the day after you leave UC employment. Contact the UC Retirement Administration Service Center to arrange your re-retirement and any change to your original UCRP retirement benefit.

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.

Returning to work policies

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

Staff and senior management:

policy.ucop.edu/doc/4000696/RehiredRetiree

Academic appointments:

ucop.edu/academic-personnel-programs/_files/apm/apm-205.pdf

