

University of California Retirement Plan (UCRP)

Returning to UC Employment After Retirement Factsheet

Most rehired UC retirees work on a part-time basis and for a limited duration, which supports the orderly administration of the retirement system and the need to refresh the UC workforce.

Retired UC retirees are a valuable resource, providing the University with institutional knowledge, research resources and experienced replacements when needed. Many employers, including UC, turn to their retirees to address compelling needs for specialized knowledge and experience in the workplace.

At the same time, the University must be a responsible steward of the University's reputation and protect the tax-qualified status of the UC Retirement Plan (UCRP). The Internal Revenue Service (IRS) restricts the ability of defined benefit plans such as UCRP to distribute pension benefits before an employee separates from University service or attains "normal retirement age" as defined in the plan.

The University's policy on reemployment of retired employees is designed to protect the University's reputation and ensure compliance with IRS pension distribution rules while continuing to give managers the flexibility to call on retired employees when

needed. This factsheet explains the University's policy regarding reemployment into senior management and staff positions and addresses how it affects retirement and health and welfare benefits.

Academic Retirees

The policy does not apply to faculty positions. However, it does apply to academic retirees who are reemployed in senior management or staff positions. This includes the requirement for academic retirees who are reemployed in a senior management or staff position to complete the *UCRP Reemployment Retiree Notification Form* (UBEN 1039) upon reemployment.

Academic appointees recalled into academic administrator, teaching, research or service appointments should refer to the Academic Personnel Manual—Policy 205 for the applicable reemployment policy.

This factsheet provides information about how your retirement and health benefits may be affected by your reemployment. This information applies to academic, staff and senior management appointments after retirement.

Policy for Reemployment after Retirement

A UC retiree is defined as a former UC employee who elected either a monthly retirement benefit or a lump sum cashout from UCRP. The policy governing reemployment after retirement applies whether you elect a monthly retirement benefit or a lump sum cashout. Following are the policy requirements:

- Reemployment must be in response to a University need, for example, the retired employee possesses skills and institutional knowledge that the hiring department cannot otherwise obtain with equal cost effectiveness; the hiring department anticipates a prolonged process for hiring a replacement; or

the hiring department anticipates that the retired employee will assist the replacement in acquiring necessary skills and knowledge.

- Reemployment must not occur until there has been a break in service of at least 30 calendar days, and preferably 90 days. In addition, employees who have not reached normal retirement age, defined by UCRP as age 60 (50 for Safety Members), must not engage in discussions concerning reemployment until after they have received their first monthly payment or lump sum cashout or 30 days after separation, whichever is later.

If you accept a career position or long-term appointment, you must complete the *UCRP Reemployed Retiree Notification Form* (available from your local Benefits Office) to suspend retirement income and return any overpayment that occurs as a result of your reinstatement.

If you are hired into a career or other long-term position, you will be required to contribute to the UCRP in an amount determined by your UCRP membership

classification. You may also choose to contribute to the voluntary DC Plan After-Tax Account, the 403(b) Plan and/or the 457(b) Plan.

When you suspend your monthly retirement income, any medical, dental and/or legal coverage you have as a retiree is suspended. You may enroll as an active employee in any health and welfare plans for which your reemployment qualifies you. For more information about how suspending your retirement income affects your health and welfare benefits, contact your local Benefits Office.

If You or Your Family Members Are Eligible for Medicare

If you or your family members are covered by Medicare and you become eligible for employee medical coverage, including Core, because of your rehire appointment, federal law requires that Medicare no longer be your primary insurance. To comply with this federal regulation, you are required to either:

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

If you are eligible for employee medical insurance, your local Benefits Office will advise you on enrolling as an employee, and your retiree medical insurance will be suspended. Your premium will be paid from your employee earnings and, in most cases, your premium will increase. If you are receiving any Medicare Part B reimbursement, it will stop.

If you are not eligible for employee medical benefits as a result of your reemployment, your retiree medical benefits continue and Medicare remains the primary payer.

When Your Reemployment Ends

If you continue to receive your retirement income while working but are enrolled in employee health and welfare benefits, you should notify UC Customer Service as soon as you know when you will stop working so that your coverage will reflect your return to retiree status. Call 1-800-888-8267.

If you suspended your retirement income and earned additional UCRP service credit:

- **you must re-retire the day after you leave UC employment,**
- your retirement benefits earned during the reemployment period will be calculated using the age factor based on your age on the day of your re-retirement date, and

- you may name a new contingent annuitant for the portion of the retirement benefit that results from your reemployment period, but you may not change the contingent annuitant or the form of benefit selected for your original retirement benefit.

Please Note:

UC Customer Service or your local Benefits Office can help you with forms, procedures, information and counseling.

RETIRED EMPLOYEE APPROVALS FORM
 UBEN 138 (R4/09) University of California Human Resources and Benefits

Return completed form
 to your location's Human
 Resources Office.

The hiring manager must complete this form including obtaining necessary approvals, for Retired Employees reemployed into appointments in staff positions regardless of the nature of the new appointment.

1. PERSONAL INFORMATION (Please type or print clearly)

NAME (Last, First, Middle Initial)	EMPLOYEE ID NUMBER
CAMPUS/LAB/MEDICAL CENTER	CAMPUS PHONE ()
DEPARTMENT ADDRESS	

Retirement date _____ Retirement election: Lump Sum Cashout Monthly Retirement Income (Please fill out Election Form)
 Suspend monthly UCRP retirement: Yes No Date suspended _____

2. REHIREE APPOINTMENT INFORMATION

Accepted a career position via recruitment process Yes No Hiring manager name _____
 Hired into same position Yes No. If yes, was position posted for recruitment Yes No
 Appointment % time _____ Appointment begin date _____ Appointment end date _____
 Appointment title _____ Appointment type _____
 Does this appointment represent an Exception to Policy? Yes No Salary _____
 Is there a current appointment at another UC location? Yes No If yes, provide details: _____

Please describe University need _____

Justification for an Exception to Policy _____

Attachments: Election Form Job description Other _____

SIGNATURES

DEPARTMENT HEAD AUTHORIZED SIGNATURE		DEAN/DIRECTOR/PRINCIPAL OFFICER AUTHORIZED SIGNATURE	
NAME (please print)		NAME (please print)	
DATE	PHONE ()	DATE	PHONE ()
CHIEF HUMAN RESOURCES OFFICER AUTHORIZED SIGNATURE		EXECUTIVE OFFICER AUTHORIZED SIGNATURE	
NAME (please print)		NAME (please print)	
DATE	PHONE ()	DATE	PHONE ()

UCRP REEMPLOYED RETIREE NOTIFICATION FORM
UNIVERSITY OF CALIFORNIA RETIREMENT PLAN (UCRP)
 UBEN 1039 (R10/12) University of California Human Resources

Return completed form to your
 Benefits or Payroll Office.

Please see your Benefit Representative for guidance in completing this form. All retirees who receive a monthly retirement income and are reemployed in a senior management or staff position must complete this form regardless of the nature of the new appointment. Do not complete this form if you have received a lump sum cashout.

PERSONAL INFORMATION (Please type or print clearly)	
NAME (Last, First, Middle Initial)	EMPLOYEE ID NUMBER
CAMPUS/LAB/MEDICAL CENTER	CAMPUS PHONE ()
DEPARTMENT ADDRESS	REHIRE DATE

Please check only one of the applicable below:

- I WILL BE REEMPLOYED IN A NON-UCRP-ELIGIBLE POSITION**
- I understand that I will continue to receive my monthly UCRP retirement income.
 - I understand that I will not be considered an active UCRP member and will not accrue additional UCRP service credit during my period of reemployment.
 - I understand that if I am eligible for health insurance coverage both as an employee and as a retiree, I cannot have duplicate coverage, and if I enroll in employee health insurance coverage my retiree coverage must be suspended during my period of reemployment. (Also see Important Medicare Information below.)*
 - I understand that unless an approved exception applies, my appointment must be limited to the equivalent of no more than 43 percent time during a 12-month period.
 - I understand that if at any time, I am reemployed in a UCRP-eligible position, I must complete a new UBEN 1039 form and my UCRP retirement income will be suspended.

OR

- I WILL BE REEMPLOYED IN A UCRP-ELIGIBLE POSITION***
- I understand that my monthly retirement income will be suspended.
 - I understand that I will be considered an active UCRP member and that I will accrue additional UCRP service credit during my period of reemployment and that I must make member contributions as required.
 - I understand that my retirement income must cease the day before my rehire date and that I am responsible for returning any monthly UCRP retirement income overpayments that I receive.
 - I understand that I must re-retire the day after my employment ends and that I must contact the Benefits Office to begin the re-retirement process.

* **Important Medicare Information:** If you or a family member covered under your medical plan is eligible for Medicare, and your appointment is for 43.75 percent time or more, your UC-sponsored medical coverage will become the primary payer. This may result in an increase to your monthly premium.

I certify that I have read and understand the *Returning to UC Employment After Retirement Factsheet* and the above information.

EMPLOYEE SIGNATURE	DATE
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FOR BENEFITS/PAYROLL OFFICE USE ONLY				
RETIREMENT/FICA INDICATOR	RETIREMENT SYSTEM CODE	FICA ELIGIBILITY	EMPLOYEE HEALTH CARE COVERAGE Y N	BELI INDICATOR
AUTHORIZED SIGNATURE	DATE	PHONE		

Doc Type: WAV