

***Reemployment of UC Retired Employees Into
Senior Management Group and Staff Positions
August 6, 2014***

IMPLEMENTATION PROCEDURES

These Implementation Procedures (*Procedures*) are intended to provide operational clarity regarding the restrictions and reporting requirements described in the policy on [Reemployment of UC Retired Employees Into Senior Management Group and Staff Positions \(Regents Policy 7706\)](#). Campus and Laboratory leadership will implement the business operations necessary to comply with this policy.

Retired Employees are defined as former employees who have separated from University service and elected monthly retirement income or a lump sum cashout from the University of California Retirement Plan (UCRP).

I. Policy Restrictions

1. Reemployment into Career Appointments

A Retired Employee who is receiving monthly retirement income may be reemployed into a career appointment if he/she:

- Suspends the monthly retirement income payments;
- Has a minimum 30 calendar day break in service after initial retirement; and
- Is appointed to the career position after a recruitment process.

If the Retired Employee meets all of the criteria above, his/her reemployment is not subject to the policy restrictions on appointment percentage or duration and he/she can be reemployed for reasons other than University Need. All applicable forms, approvals, and reporting requirements still apply.

Retirees who received lump sum cashouts are prohibited from returning to career appointments without an approved exception to policy unless they were grandfathered per Section III below.

A career appointment will qualify the Retired Employee for active employee health and welfare benefits. If the Retired Employee is currently receiving retiree health benefits, those benefits will end when the Retired Employee's monthly retirement income is suspended. The Retired Employee should work with the local Human Resources/Benefits Office upon rehire to ensure there is no interruption in coverage.

2. University Need

Except as stated in Section I.1 above, the reemployment of a Retired Employee must be because of University Need. University Need is defined as any substantive business reason that demonstrates the need of the University to

reemploy the Retired Employee. Examples of substantive business reasons include, but are not limited to:

- The Retired Employee has skills that are critical to the University's mission and the University has not been able to find or is still searching for a suitable replacement.
- The Retired Employee is needed to provide knowledge transfer or to train his/her replacement.
- The Retired Employee is the Principal Investigator or lead researcher on a project that is not complete and his/her expertise is critical to complete the endeavor.
- The University needs temporary services from a qualified professional who has experience with a unique facet of University operations.

3. Break in Service

A Retired Employee cannot be reemployed by the University until he/she has had a break in service of at least 30 calendar days, but preferably 90 calendar days. Because this break in service has specific significance to UCRP, a break in service of at least 90 calendar days is *strongly* preferred. This break in service is only required after a Retired Employee's initial retirement.

Locations must manually enter an Hours Balance Adjustment in the payroll system to prevent a Retired Employee who is rehired into a non-career appointment from earning additional UCRP service credit. This is done by setting the EDB 5143 to zero for all rehired Retired Employees. This adjustment is made in the EDHA (for departments) or ETHA (for central office users such as Payroll) screens. This entry should be made at the time of rehire to effectively zero the Retired Employee's prior hours, as the hours earned by a Retired Employee prior to retirement do not count toward meeting the 1,000 hours (750 hours for a Non-Senate Instructional (NSI) Unit 18 title) in a 12-month period threshold that would automatically convert the rehire appointment to career. As long as a Retired Employee's rehire appointment remains at or below 43%, he/she will not accrue 1,000 hours on a go-forward basis.

4. Appointment Percentage and Duration

Except as stated in Section I.1 above, Retired Employees are to be reemployed at 43% time or less for no more than 12 cumulative months (or equivalent—see below). The months need not be consecutive.

a. *Appointment Percentage*

The restriction on appointment percentage applies cumulatively to all UC locations. That means if a Retired Employee is working 43% at one location, he/she cannot concurrently work an additional appointment at another location or hold separate appointments at the same location that exceed a combined 43%. Appointment percentages must closely reflect the actual time the Retired Employee will work in the rehire appointment.

If it is necessary to reemploy a Retired Employee at more than 43%, the reemployment must either be into a career appointment or approved as an exception. However, in order to provide operational flexibility to locations, a 43% appointment may also be calculated as any monthly percentage and duration that mathematically equals or is less than 43% of a 12-month period. For example:

- 43% for 12 months = 100% for 5.16 months
- 50% for 10 months = 100% for 5 months
- 75% for 6 months = 100% for 4.5 months

Only the equivalent of 43% in 12 months may be worked in any 12-month period. Therefore, if a Retired Employee works at 100% time for 5.16 months, he/she must be separated from the University for at least 6.84 months (the remainder of that 12-month period) before any additional rehire could occur. If the Retired Employee returns to University employment at any percentage before the end of those 6.84 months, that reemployment must be approved as a policy exception because the Retired Employee will have been reemployed at more than the equivalent of 43% in a 12-month period.

Any reemployment at greater than the equivalent of 43% in 12 months, with the exception of reemployment into a career appointment per Section I.1 above, must be approved as an exception.

NOTE: *If the Retired Employee is reemployed at the equivalent of 43% in a 12-month period, locations must closely manage the rehire appointment to ensure that the Retired Employee does not reach 1,000 hours of employment within a 12-month period, which would automatically convert the rehire appointment to career.*

Also, an appointment at 43.75% or more, regardless of duration, will likely make the Retired Employee eligible for employee health and welfare benefits and disrupt the Retired Employee's coverage under the Retiree Insurance Program (if applicable). See Appendix A of these Procedures for additional information.

b. Appointment Duration

The restriction on appointment duration applies to all UC locations. As the reemployment of Retired Employees is meant to be temporary, reemployment should not exceed a total of 12 cumulative months (whether the Retired Employee holds one or multiple rehire appointments during that time). However, if there is a substantive business reason to reemploy a Retired Employee after he/she has already been reemployed for 12 cumulative months, the Retired Employee may be reappointed for up to an additional 12 cumulative months. The additional 12 months will not be considered an exception to policy. After 24 cumulative months of reemployment as a Retired Employee, the Retired Employee's rehire

appointment must end. Any further reemployment of that Retired Employee at any UC location will be considered an exception to policy. [This 24 month limit does not apply if the Retired Employee has been reemployed into a career appointment. See Section I.1 above.]

If a Retired Employee has already been reemployed for 24 or more cumulative months as of the issuance date of these *Procedures*, his/her reemployment will end as of the end date of his/her current appointment. [This does not apply if the Retired Employee has been reemployed into a career appointment.] Any further reemployment of that Retired Employee at any UC location will be considered an exception to policy.

5. Recruitment

If an employee's career position will continue as a career position after the employee retires, the position must be posted and a search to fill the position initiated within 30 days of the employee's separation.

Before a Retired Employee can be temporarily reemployed into any career position, this policy requires that a minimum 30-day recruitment period be held for the position. This is to demonstrate that the University has made a true effort to fill the position with a candidate who is not a UC retiree. The policy does not allow for placing a Retired Employee into a career position (either his/her former position or another vacant career position) without any recruitment having been done and Retired Employees should only temporarily fill career positions while recruitment is ongoing. Exceptions to this policy provision should be rare. Locations are reminded that recruitment to fill career positions is an important component in complying with equal employment opportunity and affirmative action objectives, as well as [Personnel Policies for Staff Members 20 \(Recruitment\)](#).

This policy does not require that a recruitment be conducted before a non-career position is filled by a Retired Employee; however, other University policies may require recruitment for such a position.

6. Exceptions

Exceptions to this policy should rarely be approved. Reemployment circumstances that constitute exceptions include, but are not limited to:

- Reemployment of a lump sum cashout recipient into a career appointment;
- Temporary reemployment into a career position without recruitment.
- A rehire appointment with an appointment percentage and/or duration that is mathematically greater than the equivalent of 43% in 12 months.
- An initial reemployment period of longer than 12 consecutive months.
- Reemployment for longer than a cumulative total of 24 months (unless the Retired Employee is reemployed into a career appointment).

The above list is not exhaustive and should not be interpreted to cover all possible exceptions. If a department is uncertain about whether or not an appointment

constitutes an exception to policy, the local Chief Human Resources Officer can provide guidance.

All exceptions must be accounted for in the quarterly and semi-annual summary reports submitted to the Vice President–Human Resources (see Section IV of these *Procedures*).

II. Reemployment Process and Requirements

1. Notification Form

All reemployed Retired Employees receiving monthly retirement income must fill out the [UCRP Retired Employee Notification Form](#). Completion of this form is required for these Retired Employees so that those who return to non-career appointments do not have UCRP contributions deducted from their paychecks and those who return to career appointments do not receive a UCRP benefit and a career salary at the same time. Retired Employees who do not complete the form may have their rehire appointments modified or withdrawn.

At the time of reemployment, locations must have the form processed by the Benefits/Payroll Office and then submit the completed form to the Retirement Administration Service Center at the Office of the President.

This form is not required for Retired Employees who received a lump sum cashout.

2. Approvals

a. *Retired Employee Appointment Approval Form*

Hiring managers must fill out the [Retired Employee Appointment Approval Form](#) for each rehire appointment a Retired Employee holds, regardless of whether there are successive appointments of less than the percentage and duration maximum. Once completed, the form should be submitted to the local Human Resources Office for processing. Local processes may require hiring managers to complete additional forms.

As part of the random monitoring described in Section IV.3 below, the systemwide Human Resources Compliance Unit may request from locations copies of completed *Retired Employee Appointment Approval Forms*. Systemwide HR Compliance will direct these requests to the Human Resources Office at each location.

b. *Approval of Reemployment Appointments*

The reemployment of Retired Employees into Senior Management Group or staff positions must be approved in accordance with Section [IV.C](#) (*Approval of Actions Authorized by this Policy*) or [IV.D](#) (*Approval of Exceptions to this Policy*) of the policy as appropriate.

As applicable, locations and Retired Employees must follow the same procedures described in II.1 and II.2.a above when extending an existing rehire appointment, when reemploying a Retired Employee after the Retired Employee has already been reemployed for a cumulative total of 12 months,

or when reemploying a Retired Employee into a career appointment (including after recruitment).

c. *Delegation of Authority to Approve Reemployment Appointments*

Chancellors may delegate their authority to approve reemployment actions that are both allowed by and are exceptions to this policy. (Note that the Regents must approve exceptions for SMG positions.) However, if the Chancellor delegates his/her authority, he/she remains accountable for all reemployment actions at the location. Chancellors who delegate their approval authority should ensure that monitoring mechanisms are established so that they are regularly informed as to how the policy is being administered.

III. Grandfathering Provisions

All Retired Employees who were reemployed as of December 31, 2008 and whose appointments continued into 2009 and beyond have been grandfathered under the [Guidelines for Rehire of UC Retirees](#) as follows:

- Retired Employees whose appointments have end dates are grandfathered until their appointment end date or until there is a change to their appointment, whichever occurs first.
- Retired Employees who have indefinite appointments or appointments with end dates for budgetary purposes only (e.g., a career appointment with extramural or soft funding) are grandfathered until their appointment ends or until there is a change to their appointment, whichever occurs first.

A change to an appointment in either of the above circumstances includes, but is not limited to:

- Change in appointment type
- Reclassification
- Promotion
- Demotion
- Any change in title/job code
- Movement to another department or location

A salary increase, the addition of stipend pay, or an increase or decrease in appointment percentage is not considered to be a change in appointment.

All recipients of a UCRP lump sum cashout who retired on or before December 31, 2008 but were not rehired as of December 31, 2008 were eligible to return to University employment during the calendar year 2009 and be immediately grandfathered as indicated above. All lump sum cashout recipients who retired before, on, or after December 31, 2008 and who were not already rehired as of January 1, 2010 are subject to all of this policy's restrictions regarding the reemployment of Retired Employees.

IV. Compliance/Reporting

1. Semi-Annual Summary Reports

Semi-annual summary reports must be submitted to the Vice President–Human Resources on August 1 (for the period of January 1–June 30) and February 1 (for the period of July 1–December 31) each year.

These reports will identify:

- Each Retired Employee reemployed at the location during that period (whether in a new, extended, or ongoing rehire appointment);
- The Retired Employee’s rehire appointment type, percentage, duration, personnel group, start and end dates, and whether the appointment is an extension;
- The length of the Retired Employee’s break in service period after he/she initially retired; and
- Any reemployment action that constituted an exception to policy.

Locations must provide documentation that the appropriate approvals were obtained for exceptions.

2. Quarterly Exception Reports

Quarterly exception reports must be submitted to the Vice President–Human Resources on April 15 (for the period of January 1–March 31) and October 15 (for the period of July 1–September 30) each year. These reports will identify any exceptions that were approved during these periods. Locations must provide documentation that the required approvals were obtained for these exceptions.

3. Compliance Monitoring

It is the responsibility of each location to ensure that the semi-annual summary reports and quarterly exception reports are current, accurate, and thorough, and account for all reemployed Retired Employees and exceptions to policy. The systemwide HR Compliance Unit will monitor a random sample from each location’s report, as well as use the data submitted by locations to report to University leadership on compliance rates and overall employment practices with regard to reemployed Retired Employees. A template spreadsheet should be used for all report submissions and is distributed by the systemwide HR Compliance Unit prior to each deadline.

Appendix A – Impact of Reemployment on Health and Welfare Benefits

A Retired Employee whose reemployment appointment is 43.75% or more is likely eligible for employee health and welfare benefits. If the Retired Employee is enrolled in UC’s Retiree Insurance Program and his/her rehire appointment does not require the suspension of monthly retirement income (i.e., is not a career appointment), he/she will have to suspend or opt out of coverage in one program or the other, as UC regulations prohibit coverage as both an employee and a retiree. (If the Retired Employee’s appointment is 43% or less, he/she will keep any retiree health coverage he/she has as

the rehire appointment does not qualify the Retired Employee for active employee benefits.)

a. Medicare

Under the Medicare Secondary Payer Law, regulations require that Medicare pay secondary to any employee medical coverage for which a Retired Employee is eligible. Consequently, if the Retired Employee is enrolled in UC's Retiree Insurance Program and is covered by Medicare, under no circumstances can he/she forgo active employee medical coverage unless he/she opts out of both active and retiree UC-sponsored medical coverage and has Medicare coverage only.

Non-compliance with these regulations carries significant financial risk to the University. Locations that fail to ensure compliance will be responsible for all claims and fines associated with the violation.

The following chart provides more information regarding how retiree health and welfare benefits are impacted by employee health and welfare benefits eligibility. The chart assumes that the Retired Employee has chosen to continue some form of University coverage rather than electing to have Medicare coverage only.

**IMPACT ON BENEFITS
 FOR RETIRED EMPLOYEES AND/OR ELIGIBLE FAMILY MEMBERS**

BELI (assigned and derived) for appointment into which Retired Employee is being hired	Impact on UC Retired Employee's Pension	Retired Employee not in Medicare: Impact on UC Retired Employee's Medical Plan	Retired Employee in Medicare: Impact on UC Retired Employee's Medical Plan	Impact on UC Retired Employee's Other Benefits
<p>BELI 1 (50% or more & 12 months or more Accumulation of 1,000-eligible hrs – or 750 hrs for Unit 18 – in a rolling 12-month period.)</p>	<p>Retiree pension must be stopped and additional service credit will accrue.</p>	<p>Because retiree pension is stopped, Retired Employee is no longer eligible for coverage through the Retiree Insurance Program. Retiree medical plan reenrollment happens automatically.* Must enroll in medical plan as an employee. Different salary banding may apply.</p> <p>*RIP should input suspend code for retiree medical coverage.</p>	<p>Because retiree pension is stopped, Retired Employee is no longer eligible for coverage through the Retiree Insurance Program. Retiree medical plan reenrollment happens automatically and if enrolled in an HMO, must complete HMO paperwork to “unassign” Medicare benefits. When enrolled as an employee, net cost to Retired Employee may increase because enrollment will be under non-Medicare plan. Any reimbursement for Medicare Part B stops but retiree must maintain Part B coverage.</p>	<p>Because retiree pension is stopped, Retired Employee is no longer eligible for coverage through the Retiree Insurance Program. Retiree dental and legal plan reenrollment happens automatically. Retired employees must cancel retiree vision and AD&D directly with vendor. Retired Employee may enroll in health & welfare benefits as an employee.</p>

BELI (assigned and derived) for appointment into which Retired Employee is being hired	Impact on UC Retired Employee's Pension	Retired Employee not in Medicare: Impact on UC Retired Employee's Medical Plan	Retired Employee in Medicare: Impact on UC Retired Employee's Medical Plan	Impact on UC Retired Employee's Other Benefits
BELI 2 or 3 (50% or more & 12 months or more; 100% & 3 months or more, but less than 12 months)	Retiree pension continues.	<p>Retiree medical plan may continue. Retired Employee must opt out of medical as an employee to prevent automatic enrollment in Core Medical.</p> <p>If Retired Employee does not want retiree medical to continue, must "suspend" retiree medical and enroll as an employee in the same medical plan.</p>	Retiree medical plan must be suspended and if enrolled in an HMO, must complete HMO paperwork to "unassign" Medicare benefits. Must enroll in medical plan as an employee. When enrolled as an employee, net cost to Retired Employee may increase because enrollment will be under non-Medicare plan and different salary banding may apply. Any reimbursement for Medicare Part B stops but retiree must maintain Part B coverage.	Retiree dental and legal may continue through Retiree Insurance Program. Retiree vision and AD&D may continue directly through vendor. Retired Employee may choose to enroll in various Life and FSA plans and Auto/Homeowner as an employee during PIE. If not enrolled in Retiree legal or Retiree AD&D, may enroll as an employee during PIE.
BELI 4 (43.75% or more but does not	Retiree pension continues.	Retiree medical plan may continue. Retired Employee must opt out of medical as an	Retiree medical plan may continue but Retired Employee must complete UC form to	Retiree dental and legal may continue through Retiree Insurance Program. Retiree

BELI (assigned and derived) for appointment into which Retired Employee is being hired	Impact on UC Retired Employee's Pension	Retired Employee not in Medicare: Impact on UC Retired Employee's Medical Plan	Retired Employee in Medicare: Impact on UC Retired Employee's Medical Plan	Impact on UC Retired Employee's Other Benefits
satisfy % and duration for BELI 1, 2, or 3)		<p>employee to prevent automatic enrollment in Core Medical.</p> <p>If Retired Employee does not want retiree medical to continue, must "suspend" retiree medical and enroll as an employee in Core or default into single party Core.</p>	<p>move to the non-Medicare version of the plan. If enrolled in an HMO, Retired Employee must complete HMO paperwork to "unassign" Medicare benefits. Net cost to Retired Employee may increase because enrollment will be under non-Medicare plan. Any reimbursement for Medicare Part B stops but retiree must maintain Part B coverage. Retired Employee must opt out of medical as an employee to prevent automatic enrollment in Core Medical.</p> <p>If Retired Employee does not want retiree medical to continue, must "suspend" retiree medical and enroll as an employee in Core or default into single party Core. If enrolled in Retiree HMO, must complete HMO paperwork to "unassign" Medicare benefits.</p>	<p>vision and AD&D may continue directly through vendor. Retired Employee may choose to enroll in FSA plans as an employee during PIE. If not enrolled in Retiree legal or Retiree AD&D, may enroll as an employee during PIE.</p>

BELI (assigned and derived) for appointment into which Retired Employee is being hired	Impact on UC Retired Employee's Pension	Retired Employee not in Medicare: Impact on UC Retired Employee's Medical Plan	Retired Employee in Medicare: Impact on UC Retired Employee's Medical Plan	Impact on UC Retired Employee's Other Benefits
BELI 5 (Less than 43.75% at any duration; Less than 43% is in compliance with this policy)	Retiree pension continues.	Retiree medical plan may continue.	Retiree medical plan may continue with no changes. May remain in and receive Medicare benefits. Any reimbursement for Medicare Part B continues. No changes to salary banding.	Retiree dental and legal may continue through Retiree Insurance Program. Retiree vision and AD&D may continue directly through vendor. No change to retiree insurance, if enrolled.