

University of California Retirement Plan (UCRP)



Returning to UC Employment After Retirement Factsheet and Waiver

Each year, some faculty and staff retirees return to work at UC. All retirees receiving monthly retirement income who return to work must elect in writing whether to continue receiving retirement income (accept the waiver) or be reinstated as an active member of UCRP and earn service credit (decline the waiver). Your decision to return to work and whether you accept or decline the waiver can have a significant impact on your current and future income. This factsheet addresses reemployment and how it affects retirement and health and welfare benefits.

Guidelines for Reemployment after Retirement

Following are the general University guidelines for reemployment after retirement.

- You should not return to work at UC until after you receive your first retirement payment (or lump sum cashout), generally 90 days after your termination date. In any case you may not return to work sooner than 30 days after your termination date, even if you have received your first retirement payment or lump sum cashout.
- Your return to work should be caused by exigent circumstances—for example: the University could not find a suitable replacement after a search, your personal circumstances changed, or the University's circumstances changed.
- You should work less than 1,000 hours in 12 months (if paid hourly) or be reappointed at 46 percent time or less.

Medicare Alert

If you return to work after retirement and you or your family members are eligible for Medicare, your medical insurance benefits and premiums may be affected if your appointment is 43.75 percent time or more. Under the Medicare Secondary Payer law, your UC-sponsored medical plan becomes the primary payer and Medicare becomes the secondary coverage. See page 3 for details.

Reemployment and UCRP Retirement Income

If you are receiving monthly retirement income from the University of California Retirement Plan (UCRP) and you are rehired by the University, you must choose either:

- (1) to accept the waiver, that is, waive your rights to additional UCRP service credit associated with your reemployment, and continue to receive your monthly benefits; or
- (2) to decline the waiver, that is, be reinstated as an active member of UCRP (if your new appointment qualifies you), and suspend your monthly UCRP retirement income payments.

Your choice also may affect your eligibility for health and welfare benefits, as described on the following pages.

Reemployment and UCRP Lump Sum Cashout

If you took the lump sum cashout and later you are rehired by UC, the UCRP waiver option is not applicable because you will be treated as a new employee.

► If You Accept UCRP Waiver

Impact on Retirement and Savings Plans

If you accept the waiver, you:

- can continue to receive monthly retirement income while working for the University.
- will not be reinstated as an active UCRP member and will not earn additional UCRP service credit.
- will be required to contribute 7.5 percent of your pay to the DC Plan Pretax Account as a Safe Harbor participant.
- may also choose to contribute to the DC Plan After-Tax Account, the Tax-Deferred 403(b) Plan and/or the 457(b) Deferred Compensation Plan.

Impact on Health and Welfare Plans

If you accept the waiver and continue to receive monthly retirement income upon your return to UC employment, you can choose to continue your retiree medical, dental and legal coverage. Or, you can enroll as an employee in any health and welfare plans for which your reemployment qualifies you.

If you continue your retiree benefits, any net premiums will continue to be deducted from your monthly retirement payments. **Note: You cannot have duplicate coverage as a retiree and an employee.**

If you or family members are Medicare eligible, see page 3.

When you're deciding whether to accept or decline the waiver, you may want to consider the following:

In general, declining the waiver may be to your benefit if:

- You were under age 60 when you originally retired, and you will be age 60 or older when you re-retire, or
- Your salary during your period of reemployment is significantly higher than your original salary.

► If You Decline UCRP Waiver

Impact on Retirement and Savings Plans

If you choose to decline the waiver and your appointment does **not** make you eligible for UCRP membership, your monthly retirement income continues.

If you choose to decline the waiver option and your new appointment meets the requirements for UCRP membership (either immediately or after 1,000 hours on pay status in 12 months—see the appropriate UCRP Summary Plan Description):

- You will be reinstated as an active member and begin earning additional UCRP service credit.
- Your monthly UCRP retirement income payments including any Social Security supplement, must be suspended. **Note: You must contact UC Customer Service to suspend retirement income and return any overpayment that occurs as a result of your reinstatement.**
- You will be required to contribute to the DC Plan Pretax Account in an amount determined by your UCRP membership classification. You may choose to contribute to the DC Plan After-Tax Account, the Tax-Deferred 403(b) Plan and/or the 457(b) Deferred Compensation Plan.
- When you re-retire, your retirement income will be recalculated to include any additional UCRP service credit you earned during your period of reemployment.

If you decline the waiver and become an active member of UCRP, you can estimate the value of your future retirement income using the Retirement Calculator tool available on the At Your Service website (<http://atyourservice.ucop.edu>).

Impact on Health and Welfare Plans

If you decline the UCRP waiver and suspend your monthly retirement income when you return to UC employment, any medical, dental and/or legal coverage you have as a retiree stops. You may enroll as an active employee in any health and welfare plans for which your reemployment qualifies you. For more information about how declining the waiver affects your health and welfare benefits, see your local Benefits Office or the person in your department who handles benefits.

Note: You cannot have duplicate coverage as a retiree and an employee.

If you or family members are Medicare eligible, see page 3.

If You or Your Family Members are Medicare Eligible

If you or your family members are covered by Medicare and you become eligible for employee medical coverage because of your rehired appointment, federal law requires that Medicare no longer be your primary payer. To comply with this federal regulation, you are required to cancel your retiree coverage and enroll as an employee with Medicare as the secondary payer, or opt-out of UC-sponsored medical coverage and have Medicare coverage only.

If eligible for employee medical coverage, your local Benefits Office or the person in your department who handles benefits will advise you on enrolling as an employee, and your retiree medical coverage will be canceled. 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.

Note: If you are eligible for UC-sponsored employee medical coverage as a result of returning to work, you cannot cancel your Medicare Part B enrollment even though Medicare is a secondary payer.

If your new employment excludes you from UCRP membership (e.g., you are appointed by agreement or per diem, or your appointment is for less than 43.75 percent time), you are not eligible for employee medical benefits. Your retiree benefits continue and Medicare remains the primary payer.

Other Considerations

DC Plan, 403(b) Plan and 457(b) Plan

Once you return to pay status following retirement or a lump sum cashout, the normal DC Plan, 403(b) Plan and 457(b) Plan distribution rules apply to you as an active employee, regardless of whether you accept the UCRP waiver.

Sick Leave

If you receive monthly retirement income and you return to work, any sick leave accruals associated with your new appointment start from zero because at retirement your accumulated sick leave was converted to service credit. If you elected a lump sum cashout, you may be eligible to have some or all accrued sick leave reinstated, in accordance with the personnel policy or collective bargaining agreement that applies to you. For more information, please contact your local Human Resources or Benefits Office.

When You Stop Working

You should notify UC Customer Service as soon as you know when you will stop working so that your medical coverage will reflect your return to retiree status. Call 1-800-888-8267.

Please Note:

UC Customer Service, your local Benefits Office or the person in your department who handles benefits can help you with forms, procedures, information and counseling.

UCRP WAIVER AND RELEASE

UBEN 1039 (R5/05) University of California Human Resources and Benefits

This Retirement Plan Waiver and Release ("Waiver") is made and entered into by

Name _____

(hereinafter referred to as "I" or "Employee") and The Regents of the University of California (hereinafter referred to as the "University").

BACKGROUND

- I previously terminated employment with the University.
- I am receiving monthly retirement income from the University of California Retirement Plan (UCRP).
- I was recently reemployed by the University.
- UCRP provides that my monthly retirement payments be suspended if I am rehired and become eligible to accrue benefits under UCRP for current and future employment; and
- I understand that if I elect to continue receiving my UCRP monthly retirement income during this period of reemployment, I will not earn any additional UCRP benefits (including UCRP service credit) during the period of reemployment. The University is offering me the choice of a knowing waiver of any and all rights to additional UCRP accruals based on this period of reemployment with the University. I understand that I will not be eligible for Full Benefits as an employee under the University's health and welfare plans if I accept the Waiver.

accompanying factsheet. I understand that I cannot have duplicate coverage as both an employee and as a retiree.

5. I understand that if I am, or a family member is, eligible for Medicare and my appointment is for 43.75 percent or more time, my UC-sponsored medical plan becomes my primary coverage, that Medicare becomes the secondary payer, that my monthly net premium may increase, and that any Medicare Part B reimbursement stops. I understand that I may not cancel my Medicare Part B coverage.
6. By electing this Waiver, I agree to not pursue against the University and its employees and UCRP, any lawsuit, judgment, liens, indebtedness, damages, losses, claims (including attorneys' fees and costs), liabilities and demands of whatsoever kind and character in connection with or related to accruals of benefits under UCRP on or after the date of this reemployment. This Waiver specifically covers any and all claims of UCRP benefits arising from this period of my reemployment with the University, omission from future accruals of benefits under UCRP, continuation of UCRP benefits payments after reemployment and eligibility for full benefits under the University's health and welfare plans based on those laws and regulations prohibiting employment discrimination, including but not limited to, the federal Age Discrimination in Employment Act and the California Fair Employment and Housing Act.

WAIVER AGREEMENT AND RELEASE

For and in consideration of the terms and conditions set forth below, the parties agree as follows:

1. The University enters into this Waiver to allow me to choose between future accruals under UCRP (including service credit) or continued monthly retirement income from UCRP during reemployment. The purpose of this Waiver is to settle, fully and completely, any and all claims I might bring against the University for additional benefits and service credit accruals under UCRP in connection with this period of reemployment.
2. If I accept this Waiver, my UCRP monthly retirement income payments will continue without interruption. If I accept this Waiver, the University shall not include me as an "active member" of UCRP for purposes of UCRP service credit accruals and benefit accruals for this period of reemployment subsequent to my most recent separation from service with the University. If I decline this Waiver and again become an active member of UCRP, my monthly retirement income payments will stop until I subsequently re-retire as provided under UCRP.
3. I will accept the continued payment of monthly retirement benefits as consideration in exchange for my waiving all claims against the University or UCRP related to UCRP benefits for this period of reemployment.
4. By waiving active membership in UCRP during this period of reemployment, I also waive possible eligibility for full health and welfare benefits. Depending on the level of my appointment during this period of reemployment, I may be able to choose a lower level of health and welfare benefits. If I am currently enrolled in medical and/or dental plans as a retiree, I may elect to keep any retiree plan coverage I have (unless I am, or a family member is, eligible for Medicare). I understand that special rules dictate my medical coverage if I am, or a family member is, eligible for Medicare, as described in the
7. I expressly acknowledge that I have been supplied with and have read the terms of this Waiver, and I have had ample time to discuss my options with my own legal counsel. I fully understand the contents and effect of this document and any accompanying or referenced materials. I approve and accept the terms and provisions of this Waiver and voluntarily agree to be bound by this Waiver. I have a period of 21 days to consider the Waiver. If I elect to sign the Waiver before 21 days have passed, I voluntarily waive the 21-day period to consider this Waiver. I understand that this Waiver is voidable for seven (7) calendar days after I sign it, provided that I notify in writing the person in my department who handles benefits within seven (7) calendar days after signing this Waiver. If my department does not receive such notice, this Waiver will become final, binding, and irrevocable seven (7) calendar days after I sign this Waiver.
8. This Waiver contains the entire agreement between the University and myself.
9. This Waiver shall bind the heirs, personal representatives, successors, and beneficiaries of myself and the University.
10. Any modification to the terms of this Waiver must be made in writing and signed by all parties to this Waiver.
11. This Waiver is made and entered into in the State of California and shall in all respects be interpreted and enforced in accordance with California law.
12. If any provision of this Waiver, for any reason, should be deemed or held invalid or unenforceable in whole or in part by a court of law, said determination shall not affect any other provision of this Waiver.

UCRP WAIVER AND RELEASE

UBEN 1039 (R5/05) University of California Human Resources and Benefits

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

PLEASE SIGN ONLY ONCE EITHER ACCEPTING OR DECLINING THE WAIVER

I ACCEPT THE WAIVER

This Waiver includes a release of all known or unknown claims for additional accrued benefits under UCRP and eligibility for Full Benefits under the University’s health and welfare plans. I accept these conditions and wish to waive future accruals under UCRP. I understand that with this Waiver I will continue to receive my monthly UCRP retirement income during this period of UC employment. If I am or a family member is eligible for Medicare and my appointment is for 43.75 percent time or more, my UC-sponsored medical coverage becomes the primary payer, which may result in an increase in my monthly premium. I understand that I may not cancel my Medicare Part B coverage.

Employee Signature _____ Date _____

OR

I DECLINE THE WAIVER

I have been supplied with and have read this Waiver document, and I decline the option to waive future accruals under UCRP. I understand that if I again become an active UCRP member, my monthly UCRP retirement income payments must be suspended. If I am or a family member is eligible for Medicare and my appointment is for 43.75 percent time or more, my UC-sponsored medical coverage becomes the primary payer, which may result in an increase in my monthly premium. I understand that I may not cancel my Medicare Part B coverage.

Employee Signature _____ Date _____

Upon completion, please submit the signed Waiver to your local Benefits or Payroll Office.

| 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

By authority of the Regents, University of California Human Resources and Benefits, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (1-800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. Contact your Human Resources Office for more information.

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 Director of Diversity and Employee Programs, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Director of Academic Affirmative Action, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

Website address: <http://atyourservice.ucop.edu>



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