

# Rehired Retiree Benefits Eligibility Policy Revisions

## FAQs for Current and Prospective Retirees

**Revised 2/14/25**

*This is a living document. Send suggestions for additions/changes to [healthandwelfarebenefits@ucop.edu](mailto:healthandwelfarebenefits@ucop.edu).*

### Key Takeaways

- Benefits eligibility rules for rehired retirees are changing
- All rehired retirees 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

#### **1. Why is UC making changes to benefits eligibility policy for rehired staff retirees and recalled academic appointees (hereafter collectively referred to as “rehired retirees”)?**

UC’s policies regarding medical insurance are being modified to provide rehired retirees access to strong, equitable benefits that comply with federal regulations.

#### **2. How do the policy changes affect eligibility for retiree and faculty/staff benefits?**

Federal regulations require employers to offer employer-sponsored health insurance to employees if they are rehired at any percentage of FTE (including 0%) within 26 weeks (6

months) of separation and were benefit-eligible at the time of separation. Note that this requirement does not apply to those rehired into positions using a “without salary (WOS)” job title, such as emeritus without salary, because under UC policy all WOS job titles are ineligible for faculty/staff benefits. Assigning an FTE of 0% to a non-WOS job title does not exclude the position from faculty/staff benefits eligibility (see FAQ 3).

Medicare enrollees who are eligible for employer-sponsored health insurance must have Medicare be the secondary payer for all medical claims. Rehired retirees who are eligible for UC faculty/staff medical benefits cannot remain in UC-sponsored Medicare medical plans, because those plans are primary payers of claims.

Most rehired retirees who meet eligibility criteria for faculty/staff benefits will be offered the [Mid-level benefits package](#)<sup>1</sup>, with a 31-day Period of Initial Eligibility to choose and enroll in coverage. Their enrollment in a retiree medical plan will be suspended.

The exception is rehired retirees who live outside of California and are enrolled in medical coverage through the Medicare Coordinator Program administered by Via Benefits. When rehired, these individuals will have their benefits eligibility assessed like all other rehired retirees and will be offered the Mid-level benefits package if eligible. However, because their Medicare plans are individual plans and not employer-sponsored health insurance, they are not subject to the secondary payer rule. If the rehired retiree declines enrollment in Faculty/Staff medical coverage, they may remain in the Medicare plan administered by Via Benefits and will continue to receive the HRA contribution. If they enroll in Faculty/Staff medical coverage, the UC contribution to their Health Reimbursement Account administered by Via Benefits will be suspended.

For the sake of equity, rehired retirees who are not eligible for Medicare are included in this policy. This is to their advantage, since faculty/staff medical plan premiums are lower than premiums for non-Medicare retiree medical plans.

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<sup>1</sup> See FAQs 3 and 9 regarding the determination of benefits eligibility for reinstated employees.

### 3. Who is and is not affected by the policy changes?

The policy applies to all rehired staff retirees and recalled academic appointees (“rehired retirees”), whether or not they are eligible for Medicare, except:

- Rehired retirees who are ineligible for UC’s retiree health benefits, including those who elected to take a lump sum cash out of their UCRP benefits
- Reinstated employees (retirees who are rehired into a UCRP-eligible position and suspend retirement)
- Rehired retirees who are ineligible for faculty/staff benefits (for example, because they are rehired at less than 43.75% **and** have been separated for greater than 26 weeks, are reappointed into a without salary job type<sup>2</sup>, or were ineligible for faculty/staff benefits prior to separation)

Note that some rehired retirees may not be eligible for Faculty/Staff Benefits at the time of rehire but may later become eligible due to changes in their appointment or worked hours (see FAQ 7).

The chart on the next page illustrates how rehired retirees may be affected by the new policy. This chart assumes that ***the retiree is rehired at less than 43.75% time per month in a non-WOS job type and is eligible for Retiree Health & Welfare Benefits***. Note that this chart applies to initial benefits eligibility determination at time of policy implementation and for new hires thereafter; all rehired retirees are subject to ongoing review of benefits eligibility in accordance with federal requirements and UC’s benefits eligibility policies – see FAQs 7 and 8.

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<sup>2</sup> Without Salary (WOS) job type is defined in the UCPath system. An example is “Emeritus WOS.” The WOS job type is not equivalent to a zero FTE (0%) appointment, as other job types may be appointed with zero FTE. Also, WOS pay group is not equivalent to WOS job type. Only WOS job types are, by definition, ineligible for Faculty/Staff benefits. Zero FTE appointments in non-WOS job types and appointments with the WOS pay group are subject to the terms of the rehired retiree benefits eligibility policy.

<b><i>If</i></b> <b>rehire occurs...</b>	<b><i>And</i></b> <b>employee's eligibility for benefits at time of separation was...</b>	<b><i>Then</i></b> <b>the rehired retiree will have medical coverage through this benefit program...</b>	<b><i>And</i></b> <b>will have all other benefits coverage in this/these benefit program(s)...</b>
Prior to 7/1/25	Either eligible or ineligible for employee benefits at time of separation	Retiree Benefits Program  <i>Subject to review if appointment changed or extended – see FAQ 7</i>	Retiree Benefits Program
On or after 7/1/25 <b>and</b> 26 weeks or more after retirement separation (i.e., individual did not work for 6 months or more)	Either eligible or ineligible for employee benefits at time of separation	Retiree Benefits Program	Retiree Benefits Program
On or after 7/1/25 <b>and</b> within 26 weeks (6 months) of retirement separation	Ineligible for employee benefits at time of separation	Retiree Benefits Program	Retiree Benefits Program
	Eligible for employee benefits at time of separation	Mid-level benefits package under the Faculty/Staff Benefits Program	<ul style="list-style-type: none"> <li>• Retiree Benefits Program for dental and vision</li> <li>• Mid-level benefits package under the Faculty/Staff Benefits Program for all other plans</li> </ul>

#### **4. Under what circumstances will a rehired retiree have their medical plan through UC's retiree health program suspended?**

Rehired retirees who are enrolled in a medical plan offered under UC's retiree health program will have their retiree medical plan suspended if they qualify for faculty/staff benefits (see FAQ 2 regarding out-of-state retirees in the Medicare Coordinator

Program). They may re-enroll in retiree medical coverage when their eligibility for faculty/staff benefits ends.

If a rehired retiree enrolls in a faculty/staff medical plan, there will be no gap in coverage during the transition in coverage (see FAQ 11).

#### **5. Are Without Salary (WOS) appointments or appointments at 0% FTE affected?**

Job titles that are designated as Without Salary, such as Emeritus WOS, are categorically ineligible for faculty/staff benefits and are not required to be offered benefits upon appointment (see footnote on page 2). The policy changes will not affect retirees hired into “WOS” job titles.

However, appointments into positions at 0% (zero percent) FTE, that are not “WOS” job titles, **are** subject to the new policy. A retiree rehired at 0% FTE into an academic position within 26 weeks of separation, who was employee benefit-eligible at the time of separation and is eligible for retiree health coverage, would be offered Mid-level faculty/staff benefits and be required to suspend Retiree medical coverage.

#### **6. Are benefit plans other than medical coverage affected by the policy changes?**

The policy revisions affect medical insurance plans. No other benefit plans are directly affected by these changes.

Rehired retirees may remain in all non-medical plans offered under the [Retiree Benefits program](#), including dental and vision. In addition, rehired retirees offered faculty/staff 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 (AD&D)).

As a reminder, retiree vision and AD&D premiums are paid directly to the carrier and not deducted from the pension check. If a rehired retiree prefers to enroll in those benefits through the faculty/staff program (where premiums will be deducted from the paycheck), they will need to contact the carrier(s) to cancel their retiree enrollment and direct premium payments. However, note that vision coverage is not available in the Mid-level faculty/staff benefits package that most rehired retirees will be offered.

**7. When do the policy changes go into effect? Will existing rehired retirees be affected, or only those hired after the effective date of the policy changes?**

All rehired retirees will have their benefits eligibility evaluated. If you are rehired or recalled July 1, 2025, or later, your benefits eligibility will be assessed at the time of hire.

Retirees rehired prior to July 1, 2025, will have their benefits eligibility evaluated when their appointment is next renewed, extended or changed. Existing rehired retirees may maintain their current plan enrollments until their benefits eligibility is next evaluated. Following evaluation of benefits eligibility after an appointment change, a rehired retiree **may** be required to change to a faculty/staff medical plan due to federal regulations.

Note that under federal rules, if a rehired retiree works more than 43.75% time (910 or more hours) during a Standard Measurement Period, which typically extends from November to October each year, they will become eligible for faculty/staff benefits as of the following February 1, and will be required to suspend Retiree Health enrollment as of January 31. All rehired retirees will be measured in 2025.

A rehired retiree hired prior to July 1, 2025, may contact UCPath if they want to move to a faculty/staff medical plan prospectively, provided they are eligible to do so.

**8. If a rehired retiree is required to change to faculty/staff benefits, when can they change back to a retiree medical plan?**

Rehired retirees will have their faculty/staff benefits terminated and have the opportunity to return to retiree medical coverage (if eligible) when they meet **either** of the conditions below:

- The rehired retiree's employment ends or the retiree's only remaining position is in a WOS job title. Coverage ends the last day of the month following the month in which employment ends.
- The rehired retiree fails to meet the required Average Weekly Hours of Service (AWHS) threshold during an annual Standard Measurement Period (SMP), which is typically November 1 – October 31 (dates may vary for biweekly-paid employees).

For reference, required average weekly hours are:

- 17.5 hours for career, limited, contract and most academic appointees — equivalent to working 910 hours in an SMP

- 30 hours for per diem, by agreement and certain other academic appointees<sup>3</sup>

If the AWHs threshold is not met, the rehired retiree's coverage under faculty/staff benefits will terminate the month following the end of the rehired retiree's "stability period," typically January 31 of the new plan year.

See [Group Insurance Regulations Part II, Section 1.A](#) for details.

## **9. If they are eligible for Faculty/Staff Benefits, what benefits package will a rehired retiree be offered?**

Rehired retirees who are enrolled in a medical plan offered under the Retiree Health & Welfare Benefits program will be offered the [Mid-level Benefits package](#) if they qualify for the faculty/staff benefits program. For equity, rehired retirees not eligible for Medicare are included in this policy, which is to their advantage since employee medical plan premiums are lower than non-Medicare retiree medical plan premiums.

Mid-level benefits include:

- Medical: Your choice of UC Blue & Gold HMO, Kaiser HMO, UC Care, Health Savings Plan or CORE
- Accident, Critical Illness and Hospital Indemnity plans
- Life Insurance: Core Life, Supplemental Life, Expanded Dependent Life and AD&D
- Disability: Basic, Voluntary Short-Term and Voluntary Long-Term Disability
- Legal Insurance
- Health Flexible Spending Account
- Dependent Care Flexible Spending Account
- Identity Theft Protection
- Auto and Homeowner/Renter Insurance

Note that dental and vision insurance are not included in the Mid-level benefits package. Rehired retirees may continue enrollment in dental and vision coverage through the retiree benefits program.

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<sup>3</sup> The number of hours worked is derived from the employee's pay, which in most cases is proportional to the employee's appointed FTE. In addition, locations report hours worked by employees with zero FTE appointments.

Consistent with current policy, rehired retirees who are ineligible for the retiree benefits program or elected a lump sum cash out will be offered the [Core benefits package](#) if they qualify for the faculty/staff benefits program.

Reinstated employees (retirees hired into a UCRP-eligible position) will be offered the benefits package that corresponds to their rehire appointment.

**10. Can a rehired retiree decline enrollment in the faculty/staff benefits program? If so, what coverage options do they have?**

Yes, a rehired retiree can decline the offer of coverage under the faculty/staff benefits program. However, the rehired retiree will have their enrollment in the medical plan under the retiree benefits program suspended until their eligibility for faculty/staff benefits ends.

Medicare-eligible rehired retirees who decline the offer of coverage under the faculty/staff benefits program may choose to enroll in Original Medicare (also known as Fee-For-Service Medicare, or Medicare Parts A and B) and/or enroll in other non-UC Medicare coverage, such as a commercial individual Medicare plan (e.g., a Medicare Supplement or Medicare Advantage/Medicare Part C plan). Regardless of the rehired retiree's Medicare decision, rehired retirees will be required to unassign Medicare from UC.

**11. If a rehired retiree's Medicare plan is terminated, do they need to notify CMS?**

Yes, if a rehired retiree's UC Medicare plan is terminated, they should notify the Centers for Medicare & Medicaid Services (CMS). Visit [medicare.gov](https://www.medicare.gov) or call 1-800-MEDICARE (800-633-4227).

Specifically, if the retiree was enrolled in a Medicare Advantage plan or a Medicare Prescription Drug Plan (Part D), the retiree should contact CMS to update their enrollment status. They will also need to contact CMS if they decline faculty/staff benefits and want to enroll in an individual (non-UC) Medicare plan.

**12. Should a Medicare-eligible rehired retiree who enrolls in a faculty/staff medical plan continue enrollment in Medicare Part B?**

When a member enrolls in a faculty/staff medical plan and continues to participate in Medicare Part B, Medicare will become the secondary payer to the primary medical plan. In this scenario, the member is responsible for paying their own Medicare Part B premiums, in addition to premiums associated with their faculty/staff medical plan.

If the member opts to terminate their Medicare Part B coverage while remaining enrolled in the faculty/staff medical plan, they will **not** face penalties from Social Security. This allows the individual the flexibility to re-enroll in Medicare Part B when their faculty/staff benefits end, without incurring the typical late enrollment penalties.

Given these options, it is crucial for the member 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 them to make an informed decision that best aligns with their health care needs and financial situation. Retirement counselors in [RASC](#) and UC locations' [Health Care Facilitators](#) can provide guidance.

To enroll or re-enroll in Medicare Part B after faculty/staff benefits eligibility ends, contact [RASC](#) or your local [Health Care Facilitator](#).

**13. If a retiree is offered and accepts faculty/staff benefits upon rehire, on what date do faculty/staff benefits begin, and when does retiree health coverage end?**

Faculty/staff benefits are effective as of the date of hire. Retiree health coverage will end the last day of the month in which the rehired retiree becomes eligible for faculty/staff benefits. This may result in a brief period of overlapping coverage, during which the rehired retiree should use the faculty/staff medical plan as their primary coverage to avoid Medicare denying claims.

For example, a retiree is rehired on September 1, 2025. The hire is entered into UCPath by the employee's department on September 3, 2025. Eligibility for faculty/staff benefits will begin on September 1, 2025. Retiree insurance will be suspended as of September 31, 2025. The rehired retiree should use the faculty/staff medical plan starting September 1, 2025.

#### **14. Is a rehired retiree's pension affected by the benefits eligibility changes?**

If a retiree is rehired into a position that **is not UCRP-eligible** and becomes eligible for faculty/staff medical coverage, enrollment in and any deduction for retiree medical coverage and Medicare Part B reimbursement (if applicable) will cease. While enrolled in faculty/staff benefits, the rehired retiree's contribution to medical coverage will be deducted from their paycheck rather than their pension check. This is the only impact of the change on a rehired retiree's pension payments.

Note that UC's staff and academic personnel rules generally limit a rehired retiree to 43% time in a 12-month period, which would prevent them from becoming UCRP-eligible.

If a retiree is rehired into a position that **is UCRP-eligible** (50% or more for 12 months or more), a rehired retiree's pension payments must be suspended effective the date they return to work. Prior to accepting an appointment they should discuss with [RASC](#) the implications of employment on their UCRP membership and pension payment. If not initially hired into a position that qualifies for UCRP, a rehired retiree can re-establish UCRP eligibility if they work at UC over 1,000 hours in a 12-month period (or 750 hours if a lecturer) and must suspend their pension if their employment at UC continues.

#### **15. Can a rehired retiree participate in the Retirement Savings Program?**

Rehired retirees are eligible to contribute to any of the voluntary retirement plans in the UC's Retirement Savings Program (RSP) including the 403(b), 457(b) and after-tax Defined Contribution Plan. In addition, most rehired retirees will be required to contribute 7.5% of earnings to the [DC Plan Safe Harbor](#) on a pretax basis.

#### **16. Do the policy changes affect the ability of UC campuses/medical centers to make offers of employment to retirees, or the timing of offers of employment?**

The changes in benefits eligibility policy do not affect employment policy. However, we will take this opportunity to remind retirees and hiring managers that if the rehired retiree is under Normal Retirement Age (as defined by federal law and [UCRP policy 2.42](#)), then UC must demonstrate a bona fide separation prior to the retiree returning to work.

### 17. Where can a rehired retiree find the cost of faculty/staff medical plans?

Employee contributions to faculty/staff medical premiums can be found in [ALEX](#), UC's virtual benefits counselor, or on [UCnet](#).

Premiums for faculty/staff medical plans are based on the employee's salary. If there is 120 days or more between separation and rehire, the employee is treated as a newly eligible employee and the salary band will be based on the new salary rate. If there is less than 120 days between separation and rehire, the salary band on record at the time of separation will be used. Note that salary bands are based on the full-time equivalent of the salary on January 1 of the prior year (e.g., the salary band for premium paid in 2025 is based on the employee's salary as of January 1, 2024).

### 18. If a rehired retiree enrolls in a faculty/staff medical plan, will premiums be deducted from their paycheck or their pension check?

The following chart shows the premium payment method for faculty/staff and retiree benefits for which rehired retirees may be eligible:

Benefit	Premium Payment Method
Faculty/staff medical	Paycheck deduction
All other faculty/staff benefits – disability, life, AD&D, supplemental health, etc.	Paycheck deduction
Retiree dental	Pension check deduction if subject to graduated eligibility; otherwise none
Retiree legal	Pension check deduction
Retiree vision	Direct to carrier
Retiree AD&D	Direct to carrier

If the amount of pay is not sufficient to cover benefits premium deductions, the rehired retiree will need to [contact UCPath](#) to make arrangements to pay the balance of premiums to UCPath directly. If payment arrangements are not made with UCPath, unpaid premium balances will result in cancellation of coverage. This cancellation of coverage **does not** allow the rehired retiree to return to a retiree medical plan.

### 19. Will faculty/staff medical plan premiums be deducted on a pretax basis?

Yes, unless the rehired retiree opts out of the [TIP](#) (Tax savings on Insurance Premiums) program.

**20. When changing benefit programs — either to a faculty/staff medical plan or to a retiree medical plan — will the retiree be able to choose any available medical plan for which they are eligible? How much time do they have to decide?**

The retiree will have a 31-day Period of Initial Eligibility (PIE), beginning on the date of the PIE-triggering event, during which they may choose any medical plan for which they are eligible.

To enroll in faculty/staff benefits, rehired retirees must log in to UCPATH to choose their plans and complete the election process. They may choose to enroll in additional benefits not available under the retiree benefits program, such as a health flexible spending account, life and/or disability insurance, and other coverage.

Rehired retirees returning to a retiree medical plan must contact [RASC](#) to complete the necessary forms to enroll, including, if applicable, paperwork required by Medicare for enrollment in a UC Medicare medical plan.

**21. If a rehired retiree declines faculty/staff benefits at time of hire and later experiences a qualifying life event, will they have an opportunity to enroll in faculty/staff Benefits, if still eligible?**

Yes, qualifying life events such as marriage, divorce, the addition of a new dependent child, or an involuntary loss of coverage may provide the opportunity to enroll in benefits under a Period of Initial Enrollment.

The rehired retiree must contact UCPATH and complete the necessary enrollment steps within 31 days of the qualifying life event.

Qualifying life events **do not** provide the opportunity to change medical coverage from the faculty/staff benefit program to retiree benefits, or vice versa.

**22. Does being rehired affect Required Minimum Distributions from retirement savings plans?**

Rehired retirees who are subject to distribute a minimum amount from their retirement savings plans each year under Required Minimum Distribution (RMD) rules will continue to receive RMDs annually once they have begun, even if they are rehired at UC.

If RMDs have not yet begun at the time of rehire, being employed as of the date UC reports employee data to Fidelity may delay the start of RMDs. Fidelity typically processes employment data to determine RMDs in early December of each year. Prospective retirees are advised to consult retirement counselors in RASC to discuss how the timing of retirement and rehire may affect 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.

### **23. Where can a current or prospective retiree go for help?**

For questions about the policy changes or retiree benefits, UC employees and retirees should contact [RASC](#). RASC offers live webinars, weekly office hours focused on Medicare questions, and one-on-one counseling.

For questions about eligibility for faculty/staff benefits, please contact [UCPath](#).

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.

### **Additional Resources**

#### **UCnet**

<https://ucnet.universityofcalifornia.edu/>

#### **Retirement Administration Service Center (RASC)**

<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>