

# AFTER YOU RETIRE: IF YOU RETURN TO WORK AT U-M

## BECOMING ELIGIBLE (OR INELIGIBLE) FOR BENEFITS

Depending on your job title and appointment effort, if you return to work at U-M after you retire it may affect your benefits. This can include paying ESR rates instead of retiree rates for your health plan, becoming ineligible to take withdrawals from the retirement plans, needing to postpone, suspend, or cancel Medicare, or becoming newly eligible for active employee benefits.

[hr.umich.edu/benefits-eligibility](http://hr.umich.edu/benefits-eligibility)

## HEALTH PLAN COVERAGE IF REHIRED

You are no longer eligible for retiree health plan coverage if you are rehired as a regular faculty or staff member with a 50% or greater effort. Your retiree health plan coverage will stop at rehire if this happens. This applies to both pre-Medicare and Medicare Advantage coverage in effect at the time of rehire.

### Enroll in Active Employee Coverage

You must enroll in active employee health plan coverage within 30 days of rehire as a regular faculty or staff member with a 50% or greater effort. If you do not, you will have no university health plan coverage while you are a rehired retiree.

### Evaluate Medicare Enrollment

You may want to evaluate if you will continue your enrollment in Medicare (if applicable) and continue paying for Medicare Part B while you have active employee health plan coverage. Other options include postponing Medicare or suspending it and then enrolling back into Medicare when you return to retiree status.

### Resumption of Retiree Health Plan

Retiree health plan coverage will resume when your post-retirement appointment ends, and you return to retiree status.

### Retirement Date and Years of Service Do Not Change

You do not acquire a new date of retirement when your post-retirement appointment ends, and you return to retiree status. A post-retirement appointment also does not increase your total years of service that determines the amount of the university contribution for your retiree health plan.

## RETIREMENT SAVINGS PLANS

You may take a cash withdrawal or rollover from the Basic Retirement Plan, 403(b) SRA, and 457(b) as a rehired retiree at age 59½ or older. If you will not be eligible for a withdrawal as a rehired retiree but will need access to your assets, consult with TIAA, Fidelity, or a qualified financial planner or tax advisor. Actions such as cash withdrawals or an IRA rollover prior to rehire can provide access to your retirement savings. However, there can be tax implications and the loss of important retirement plan features.

[hr.umich.edu/rehired-u-m-retirees](http://hr.umich.edu/rehired-u-m-retirees)

## EMPLOYER SHARED RESPONSIBILITY

You may become eligible for health coverage under the Employer Shared Responsibility (ESR) provision of the Affordable Care Act if you come back to work after you retire. Retirees are treated the same as other employees for the purposes of ESR. If you have health plan coverage as a retiree but you become eligible under ESR coverage, depending on your age and the date you return to work, the university may change the health plan and amount you pay accordingly. If so, the university will send you a confirmation statement at your current address on file. In addition, your unit will be charged for the university contribution for ESR coverage if you are paying the ESR rate as a rehired retiree.

### Call SSC HR Customer Care for an ESR Evaluation

You may become eligible for benefits under ESR if **ANY** of the following apply to you:

- You return to work as a temporary, contingent, or regular employee within 26 weeks of retirement.
- You return to work in a temporary or contingent position for at least 30 hours per week.
- You return to work, and you average more than 30 hours per week over 12 months in one or more positions.

### Does a retiree who becomes eligible under ESR have to accept the coverage? Can a retiree maintain retiree health benefits instead of ESR?

A retiree may not elect to continue retiree health benefits upon becoming eligible as an employee under ESR. Upon becoming eligible under ESR, the individual's retiree health plan will be converted to ESR coverage as of the date of service or eligibility. Retiree health benefits will be reinstated when ESR eligibility or employment ends.

Note: ESR applies only to health plan and prescription drug coverage. All other retiree benefits would continue without interruption for an ESR eligible retiree.

### How much do health benefits cost under ESR?

A retiree may pay more or less for health benefits under ESR, depending on individual circumstances. ESR health plan rates may be viewed at the link below.

### How will I pay for my ESR coverage as a retiree?

If you previously set up electronic funds transfer to pay for your retiree benefits and you become eligible for ESR, your monthly ESR premiums will be automatically deducted from your checking or savings account each month. Otherwise, you will receive a monthly billing statement. If you would prefer to pay for your coverage via payroll deduction, please contact SSC HR Customer Care.

### Does ESR health coverage impact Medicare enrollment for a retiree who returns to work at the university?

If you return to active employment with the university and become eligible under ESR after enrolling in Medicare, U-M will provide coverage during your period of eligibility instead of Medicare Advantage. Once your eligibility under ESR or your employment ends, your retiree benefits will be reinstated. Your health plan coverage will then be provided through Medicare Advantage.

[hr.umich.edu/esr](http://hr.umich.edu/esr)

# POST-RETIREMENT APPOINTMENTS AND YOUR BENEFITS

ELIGIBILITY FOR BENEFITS	REGULAR APPOINTMENT 49% OR LESS <sup>1</sup>  Includes LEO and Adjunct  <i>Note: Adjunct are not eligible for the Basic Retirement Plan if the effort is 49% or less.</i>	REGULAR APPOINTMENT 50% OR MORE <sup>1</sup>  Includes LEO and Adjunct	TEMPORARY EMPLOYEE	EMERITUS WITH FUNDING
Active employee health plan coverage	N/A	Eligible <sup>2</sup>	N/A	N/A
ESR health plan coverage	You may be eligible <sup>3</sup>	N/A	You may be eligible <sup>3</sup>	N/A
If 65 or older, is health plan retained through Medicare Advantage or does U-M active employee coverage apply?	If ESR eligible, U-M active employee coverage <sup>4</sup>	U-M active employee coverage <sup>4</sup>	If ESR eligible, U-M active employee coverage <sup>4</sup>	Medicare Advantage
Long-Term Disability (Expanded and Basic plans)	For eligibility, visit: <a href="http://hr.umich.edu/ltd">hr.umich.edu/ltd</a>	For eligibility, visit: <a href="http://hr.umich.edu/ltd">hr.umich.edu/ltd</a>	N/A	N/A
Life Insurance, Dental, Vision, Legal, Flexible Spending Accounts, HSA	N/A	Eligible <sup>5</sup>	N/A	N/A
403(b) SRA	Eligible	Eligible	Eligible	Eligible
457(b)	Eligible	Eligible	N/A	Eligible
Basic Retirement Plan	Eligible, except Adjunct <sup>6</sup>	Eligible <sup>6</sup>	N/A	N/A
Cash Withdrawals	At 59½ or older <sup>7</sup>	At 59½ or older <sup>7</sup>	At 59½ or older <sup>7</sup>	At 59½ or older <sup>7</sup>

- Appointment must be 4 months or longer with university funding. Appointment duration to be eligible for Long-Term Disability will vary by job title.
- If you already have retiree health plan coverage, it will cease upon rehire. You must enroll in active employee health plan coverage within 30 days of rehire or you will not have health plan coverage while rehired. Retiree health plan coverage will resume when your post-retirement appointment ends, and you return to retiree status.
- You are not eligible for active employee health plan coverage. However, you may be eligible for coverage through ESR. Depending on your age and the date you return to work, the university may change the health plan and amount you pay for the coverage.
- U-M active employee health plan coverage applies if you are a faculty or staff member with 50% or greater effort or through ESR, and not through Medicare Advantage if 65 or older. You may want to evaluate when to enroll in Medicare, postpone enrollment, or possibly suspend it. If you are not eligible for active employee health plan coverage as a rehired faculty or staff member at 50% or greater effort or coverage through ESR, Medicare Advantage applies. Coverage for an OQA is always Medicare Advantage starting at age 65 (earlier, if due to disability) even if you are still working.
- If you have Dental, Vision, and Legal coverage as a retiree, you do not need to re-enroll upon rehire; coverage automatically continues. You must enroll in Flexible Spending Accounts, HSA (with the CDHP) and Optional and Dependent Life Insurance within 30 days of rehire to have coverage while you are rehired. University Life (\$30,000 university-paid coverage) resumes upon rehire if you have retiree life insurance. If you contribute to a Health Savings Account (HSA), you must stop your contributions six months prior to retiring and applying for Medicare.
- Eligibility is 1% effort (Adjunct need at least 50% effort) and you do not need to fulfill the waiting period again as a rehired retiree. You must enroll to contribute 5% and receive the U-M 10% using a paper form by contacting the SSC; you cannot enroll using Wolverine Access Self Service as a rehired retiree. Adjunct and supplemental (Visiting and Clinical I titles) are not eligible for the Basic Retirement Plan with an effort of 49% or less).
- Cash withdrawals from the Basic Retirement Plan, 403(b) SRA, and 457(b) may be taken starting at age 59½. The 403(b) SRA also offers loans, and hardship and disability withdrawals. The 457(b) also offers loans and withdrawals due to an unforeseeable emergency.

Call the Shared Services Center (SSC) HR Customer Care for an analysis of your situation at (734) 615-2000 locally, or (866) 647-7657 toll-free, Monday through Friday from 8 a.m. to 5 p.m. Not every scenario is covered in this table, such as holding two or more appointments concurrently, or changes in appointment that make you lose eligibility for active employee health plan coverage but make you eligible for ESR coverage.