UCRP Service Credit Buyback May Enable Some to Retain Retiree Health Eligibility

Some employees who previously took a leave of absence may be able to retain eligibility for retiree health insurance under the current rules by buying back UCRP service credit for the leave period.

The UC Regents in 2010 approved changes to the eligibility rules for retiree health insurance beginning July 1, 2013. The new rules, which are subject to collective bargaining, will apply to new employees as well as existing employees who do not satisfy the three requirements listed below by June 30, 2013.

Under the new rules, employees must be at least 55 years old at retirement with at least 10 years of service credit to be eligible for retiree health benefits. In addition, the UC contribution to retiree health will be based on both age and years of service, with eligibility for the full UC contribution at age 65 with 20 years of service.

The current eligibility rules allow an employee to receive UC’s full contribution if he or she retires at age 50 or later with 20 years of service.

To qualify for this group, as of June 30, 2013, an existing employee must:

1. Have five or more years of UCRP service credit
2. Have age plus years of service credit that total 50 or greater
3. Be actively employed

In order to become eligible for the current retiree health rules through a buyback, the leave period must be long enough for the employee to meet the above requirements by June 30, 2013.

Employees interested in pursuing a service credit buyback can use a new online Leave Buyback Estimator tool to produce a cost estimate. To use the tool, sign in to your personal account on At Your Service, select the Leave Buyback Estimator link under “Retirement & Savings” and enter the requested information.

If, after viewing the buyback estimate, you want to proceed with a buyback, print out the estimate and submit it along with a Service Credit Buyback Information Request Form to your benefits office or the Retirement Administration Service Center no later than March 15, 2013. You also need to submit a copy of your approved leave of absence form detailing the time frame you were on leave without pay. If you had multiple leaves, a form must be submitted for each leave.
UC will then provide a final cost calculation and the necessary forms to complete a buyback election. In order for the buyback to affect eligibility for the current retiree health rules, the Retirement Administration Service Center must receive a signed Buyback Election form by June 28, 2013.

For more information:
- *Fact Sheet on Retiree Health*
- *The UCRP Buyback Booklet*