

Break in Service for Group Insurance Regulations

This supplement describes a break in service for purposes of administering the *Group Insurance Regulations*.

Background

Employees who entered the University of California Retirement Plan (UCRP) before January 1, 1990, and who are eligible to continue participation in UC's retiree medical, dental and legal plans will receive 100 percent of UC's contribution toward the medical and/or dental plan's monthly premium unless they have incurred a break in service from UCRP membership with a duration longer than 120 calendar days.

Employees hired, rehired or incurring a break in service longer than 120 days after January 1, 1990 are subject to UC's graduated eligibility provisions.

For purposes of re-enrollment in UC-sponsored health and welfare plans, the UC *Group Insurance Regulations* treats an employee with a break in service of 120 days or more as new employee.

Health and Welfare benefits are not accrued or vested entitlements. Benefits and eligibility for all UC employees, retirees, their family members and any other plan beneficiaries are subject to change or termination. Also, the amount of University contribution toward the monthly cost of these benefits may increase or decrease from year-to-year or may stop altogether.

General Information

A break in service is leaving UC employment, including any period on pay status but without covered compensation, or any period off pay status for four or more consecutive months (120 days).

A break in service would begin with the last day on pay status, whether or not a separation form is submitted. The UCRP buy-back opportunity does not apply to a break in service.

An employee break in service determines whether graduated eligibility would apply to health benefits when the employee

retires (if the employee is otherwise eligible to continue health benefits into retirement).

Example: John was employed by UC on June 1, 1989. He incurred a break in service of six months in 1997. John retired from UC on December 1, 2004. Even though John was hired before January 1, 1990, he is subject to graduated eligibility. John's 15 years of UC service would translate to his receiving 75% of the UC contribution for retiree medical and dental benefits.

Additionally, a break in service may determine the enrollment terms of health and welfare benefits when the employee returns to work.

Example: Mary had a break in service of 140 days before she returned to work in an eligible UC appointment. Mary would have the option to enroll in any medical plan for which she is eligible; Mary would not be restricted to re-enrollment in her former medical plan. For Supplemental Life Insurance, Mary could enroll without proof of insurability.

For each benefit option following a break in service, see the appropriate section of the *Group Insurance Regulations*.

Examples of a Break in Service

Each of the following is considered a break in service:

- A leave without pay longer than two years (730 calendar days)
- A partial-year career appointment with a furlough more than 90 consecutive calendar days
- A temporary layoff more than 120 calendar days
- Not returning to pay status after a medical separation or leave within the time allowed under UC policy
- Rehire outside of a period of right to recall and preference for reemployment
- A military leave in which employee does not return in accordance with employees' reemployment rights

Examples not Considered a Break in Service

In certain instances, an employee may be away from UC employment without incurring a break in service.

The following are **not** considered a break in service for UCRP members as long as the member returns to pay status at the end of the period away from UC employment:

- An approved leave without pay up to two years (730 calendar days)
- A furlough up to 90 calendar days (e.g., a Partial-Year Career appointment)
- A temporary layoff fewer than 120 calendar days
- Rehire within right to recall and preference for reemployment
- Time off pay status if member returns to pay status the next working day after leaving UC employment.
- A military leave in which employee returns in accordance with employees' reemployment rights
- Period during which faculty member works under the affiliation agreement with the Howard Hughes Medical Institute (HHMI)

Bargaining Unit Employees

For UC employees who are bargaining unit members, a break in service may differ from those stated above.

Provisions for a break in service in conjunction with a separation or layoff are set forth in the current bargaining unit contracts which are available on the web site:

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

Then select:

- Employee & Labor Relations
- Current Collective Bargaining Agreement
- The appropriate bargaining unit agreement