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## EMPLOYEE SERVICES

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## Retiree Returning to Work <sup>[1]</sup>

### Retiree Returning to Work

Departments may choose to rehire a university faculty or university staff (formerly exempt professional) CU 401(a) Retirement Plan retiree, or a university PERA retiree.

University retirees are set up by Employee Services in the Human Resources Management System (HRMS) under what is called the CUR company. This information is recorded on the retiree's 0 Employee (Job) Record. When a department rehires a retired university employee, the employee must be rehired in the HRMS in the CU company, using Employee (Job) Record No. 1 or higher, to be paid properly.

**The retiree's 0 employee job record in the CUR company carries his/her retirement benefits, and must remain as the 0 employee (job) record.** Therefore, if a retiree is rehired, he/she will reside in the HRMS both as a retiree (job record 0) AND as an employee (job record 1 or higher). Whenever possible, it is also recommended that departments rehire a retiree by using a terminated job record in the CU company, rather than creating a new job record (adding a concurrent job).

It is important that departments check with the retiree to determine his/her retirement status so appointments and benefits eligibility can be handled correctly, and retirees are aware of any related issues.

### PERA Restrictions

There are PERA restrictions and penalties that may apply if a retiree works for a PERA-affiliated employer during the month of his/her effective date of retirement, or if a retiree exceeds the maximum PERA-affiliated work hours allowed during the year. Refer to [PERA's Retirement Application Kit](#) <sup>[2]</sup> for information about working during the effective month of retirement, and to its publication, "[Working After Retirement](#)" <sup>[3]</sup>, for details.

### Retirees Returning to Work in a Benefits Eligible Position

The following retirement benefits and tax information apply to university faculty and university staff CU 401(a) Retirement Plan and PERA retirees who return to work at the university in a benefits-eligible position:

- Both university faculty and university staff CU 401(a) Retirement Plan and PERA

retirees returning to work cannot be classified as a retiree *and* also have an additional, benefits-eligible position with the university.

- Returning retirees (CU 401(a) Retirement Plan or PERA) who wish to be employed in a benefits-eligible position must suspend their University of Colorado retirement classification and any benefits attached to that retirement classification, and make new elections of benefits based on their newly eligible, active classification.
- Medicare and/or OASDI taxes and retirement will be deducted as appropriate, based on the benefits associated with their new benefits-eligible job classification.

## **Retirees Returning To Work In a Non-Benefits-Eligible Position**

The following retirement benefits and tax information applies to University retirees (either Optional Retirement Plan or PERA) who return to work at the University in a position that is not benefits eligible:

- No benefits will apply (not eligible for retirement, insurance, etc.), but Social Security and/or Medicare taxes will be deducted as appropriate.
- Faculty/University staff CU 401(a) Retirement Plan retirees rehired into a non-benefits-eligible faculty/university staff position are subject to Social Security (OASDI) and Medicare tax deductions/contributions, even if they are currently receiving Social Security benefits.
- PERA retirees rehired into a non-benefits-eligible faculty/university staff or state classified staff position are not subject to PERA withholding or Social Security (OASDI), but are subject to Medicare tax withholding (deductions and contributions). In addition, departments are required to pay a percentage of the retiree's gross salary to PERA (percentage may vary by year) as an employer contribution. PERA rules limit the number of days/hours that a PERA retiree can work (currently 110 days or 720 hours) without affecting the receipt of their full PERA retirement payments.

If you have any questions about retirement, OASDI, Medicare tax and other deductions, contact Employee Services.

**Groups audience:**  
Employee Services

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**Source URL:** <http://www.cu.edu/employee-services/business-partners-ppldr/business-partner-resources/employee-services-procedure-73>

**Links:**

[1] <http://www.cu.edu/employee-services/business-partners-ppldr/business-partner-resources/employee-services-procedure-73>

[2] <https://www.copera.org/tools/publicationorder/PublicationOrder.jsp?mode=employer>

[3] <https://www.copera.org/sites/default/files/documents/2-55.pdf>