

Hiring Working 401(a)* Retirees into Staff Positions

Department Reference Guide

The following reference guide outlines the [APS 5054 Hiring Retirees to Work in Staff Positions](#) guidelines for hiring retirees into staff positions to assist university departments and business partners in demonstrating employer responsibility and provide clarity and consistency when hiring retirees to work in staff positions.

Hiring retirees outside of these guidelines may have in negative or complex effects on a retiree's benefits, retirement fund distributions or reduce social security benefits.

***401(a) retiree** has been referred to as an ORP retiree and is a CU 401(a) plan participants who have retired from the university. If an ORP retiree returns to the university, they are considered a *Working ORP Retiree*.

Guidelines

Refer to [APS 5054 Hiring Retirees to Work in Staff Positions](#) for full details.

CU retirees may be hired into positions under the following conditions:

- appointments can be university or classified staff positions
- appointments are limited to 9-month, 12-month or defined project period
- all appointments must be reviewed by the applicable human resources department at the end of each period

Appointments may:

- Train, cross-train, transfer knowledge or act in a short-term mentoring role for a new incumbent
- Fill a position that is defined as non-supervisory* and part-time
- Fill a position on a unique and non-recurring project
- Provide specialized knowledge or fill a specialized role
- Fill an interim vacancy
- Fill a role deemed necessary by the Chancellor of a campus or the President of the System

*Extraordinary situations where a retiree is asked to assume supervisory responsibilities for a limited period of time may be allowed. [Refer to APS 5054.](#)

Working Retiree Staff Appointment Options

When a 401(a) (ORP) retiree retires from the university and is hired back to the university, **only one job code** can be used when creating or updating the position in HCM. Working retiree positions should not contain any other job codes. Refer to the appropriate HCM resource for [creating a new position](#) or [updating an existing position](#) to ensure the correct job code is used. Incorrect job codes for working retirees can have detrimental effects on retiree benefits, retirement distributions and social security.

Job Code	Title	Definition	Defined by State Personnel System	Position Type	Rate of Pay
2585	Working 401(a) (ORP) Retiree*	Professional University Staff	NO	Temporary	Daily rate or Hourly Rate

*Working 401(a) (ORP) retirees may have working titles that are reflective of the duties being performed but only job code 2585 – Working ORP Retiree should be entered into HCM when hiring a working ORP retiree.

Tax-Deferred Retirement Incentive Program (ERIP)

If an Employee has been offered and accepted the Tax-Deferred Retirement Incentive Program (ERIP) as stipulated under [Faculty Retirement Agreements APS 5016](#), the employee cannot be rehired in any capacity with the university nor receive any taxable income of any kind from the university. If the employee is rehired and receives any taxable income, while the ERIP agreement is in effect, the employee's ERIP agreement will become void and null, and the employee will forfeit the right to all payments under the agreement that are due to be made or contributed after the date on which these circumstances have occurred.

Working ORP Retiree – Effects on Retiree Benefits

ORP retirees may be eligible for **retiree benefits** and should schedule a retiree benefit consultation with Employee Services three months prior to retiring from the university to ensure eligibility and enrollment in retiree benefits and for final contributions to retirement plans. Please refer employees to [Retirement Ready](#) resources for essential information.

Working ORP retirees can continue with their eligible retiree benefits, however are:

- not eligible for regular employee benefits
- not eligible to accrue vacation or sick leave
- not eligible for merit increases (performance plans and evaluations are not required, but recommended)
- not eligible for tuition benefit
- not allowed to volunteer time performing same duties as employment

Working ORP Retiree – Effects on Distribution of 401(a) and 403(b) Funds Distribution

When considering returning to work, it is essential that an ORP retiree understands the impact that it may have on their University of Colorado 401(a) and 403(b) Retirement Plans distributions. The availability to withdraw funds from their University of Colorado 401(a) account is dependent on **age** and **employment status** with the university.

While employed, as a regular employee or as a working ORP retiree, there are age restrictions on distributions from the University of Colorado 401(a) and/or 403(b) retirement plans.

In-service Distributions

University of Colorado 403(b) in-service distributions **while employed** are allowed if the employee is **59 ½ years of age**.

University of Colorado 401(a) in-service distributions **while employed** are allowed if the employee is:

- **62 years of age** for all plan participants with a date of hire/rehire on or after January 1, 2017
- **59 ½ years of age** for all plan participants that were active on December 31, 2016. **NOTE:** If a participant terminated employment on or after January 1, 2017 and was rehired after such date, he/she will no longer be eligible for the age 59 ½ in-service distribution, but will fall under the age 62 condition.

Example of effects on in-service distributions

If an employee retires from the university at age 58 (no longer employed) and begins taking distributions from their University of Colorado 401(a) Retirement Plan and then is hired back to the university (now employed) they will no longer be able to take in-service distributions from their University of Colorado 401(a) Retirement Plan until they reach age 62 since their new hire date is after Jan. 1, 2017.

Employees or retirees can [schedule an appointment](#) with TIAA financial consultant or refer to the [University of Colorado 401\(a\) Mandatory Retirement Plan Guide](#) for further information.

Working ORP Retiree – Effects of Social Security

- Working ORP Retirees may experience a reduction in Social Security benefits.
- Employees should contact Social Security Administration for more information about their Social Security benefits www.ssa.gov.