

# Retirement and Separation Factsheet

## Is there a difference between separation and retirement?

Yes. Separation means leaving UC employment. Retirement is your election to receive income from UC's Retirement Plan. Your retirement date **must** follow your separation date. You may not be both employed and retired from UC on the same date. Often, retirement is the day following your separation, even if that day is a weekend or a holiday.

Simply put,

1. Your separation date is the last day of employment at UCSC  
→ Your separation date is last day you receive pay of any kind from UCSC including sick leave pay, holiday pay, vacation pay, catastrophic leave pay, etc.
2. Your retirement date is the date you begin to receive retirement income from UC Retirement Plan  
→ Your retirement date is the date provided in your retirement election agreement that you will sign in the course of your retirement process

## Who notifies my department or supervisor that I plan to retire?

You are responsible for notifying your supervisor or Dean that you are resigning your position at UCSC and stating the reason for your resignation is "retirement".

Academic and staff employees should notify their supervisor or Dean of their decision to retire about three months before the retirement date.

Your resignation letter must contain at least the following two facts:

1. **YOUR SEPARATION DATE and**
  - *the last day you will receive pay of any kind from UCSC (including sick or vacation pay)*
2. **YOUR REASON FOR RESIGNING**
  - *you should specifically state that you are retiring in your written letter*
    - *you may include your retirement date in your letter, but it is not recorded in the payroll system- only your separation date is recorded*

## Why is providing a reason for separation important?

1. For compliance reporting. UCSC's payroll system records the reason for every employee's separation which are reported to governmental offices in compliance with labor laws. A partial list is provided below:

To accept another job	To look for another job	Self-employment	Family or child care
Health	To attend school	Military service	Resignation-moved
Resignation-no reason	Layoff	Appointment expired	Etc., etc., etc.

2. The reasons listed above will generally prompt your health plan coverage to end on the last day of the month that you separate from UC employment. Separating "for retirement" will prompt the UCSC payroll system payments for *an additional month of health plan coverage*. The additional month provides lead time for your health plan coverage to transition from employee coverage to retiree coverage, without a break.

## Why is an additional month of coverage helpful?

Employee health plan premiums are paid by the UC Santa Cruz campus. Retiree health plan premiums are paid by the UC Retirement Administration. These two large systems are separate and your health plan eligibility information is stored in yet another, third system, at the health plan carrier. The additional month of coverage from the campus allows the multiple systems time to be updated with your changed information and provide you with new ID cards, when necessary. In the end, the extra time is helpful to you, the retiree continuing health plan coverage.

## Do I get an additional month of coverage if I elect a Lump Sum Cashout for retirement?

Yes. Your choice of retirement income doesn't affect the additional month of coverage. Your separation reason does.

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## **What if I didn't specifically state my reason for resigning as "retirement"?**

If you haven't yet received your final paycheck, reach out to your Human Resources contacts as soon as possible and provide a revised letter of resignation.

If you've already been paid out final pay, reach out to your UC RASC retirement counselor as soon as possible for instructions.

## **What does a resignation letter look like?**

A resignation letter can look like the example below:

*[insert today's date]*

*FROM: [insert your first and last name]*

*TO: [insert the person to whom you report first and last name]*

*RE: Separation from UC employment*

*Dear [insert appropriate greeting]:*

*I write today to inform you of my decision to leave UC employment effective [insert separation date, MM/DD/YYYY].*

*My reason for leaving employment is [insert your reason for leaving UC employment, e.g. to retire, to move to a new city, to start a new job, etc. You may also wish to express additional information about your experiences working at UC].*

*Sincerely,  
[your signature]*

*cc: [insert list of additional recipients receiving a copy of letter; you may include Human Resources or Department Manager]*

## **I'm being laid-off. What are my options? Can I retire?**

It is important to understand that vesting with UCRP is an entitlement you've earned, regardless of your reason for separating from University employment. If you have questions about your layoff options (e.g. severance or preferential rehire or retirement), consult with your UCSC Human Resources professionals.

If you are eligible by age and vesting rules and want to retire from UC, you may elect to retire following a lay-off from UC. Electing retirement is generally an irrevocable decision that limits your re-employment at any UC. You may also become an inactive member of UCRP following your lay-off and receive retirement income at a later date of your choice. Note that if you retire more than 120 days after your separation/layoff date, you will not be eligible for University retiree health coverage.

→ *If you elect to retire immediately following a layoff, please contact the UCSC Benefits Office for assistance as soon as possible. You may be eligible for continued health coverage as a retiree, which will require special handling.*