



Retirees Who RETURN TO WORK

WORKING FOR THE STATE AFTER YOU RETIRE

Since September 1, 2004, employees who retired from state service and returned to work at a state agency or higher education institution that participates in the Texas Employees Group Benefits Program (GBP) have had the option of enrolling in the GBP as an active employee.

This option gives you tax benefits and allows you to select other benefits not available to you as a retiree, such as Voluntary Accidental Death and Dismemberment (AD&D) Insurance, Short- and Long-term Disability Insurance, additional life insurance, and TexFlex. In addition, your Basic Term life Insurance and Dependent Term Life Insurance benefits will increase from \$2,500 to \$5,000 as long as you are employed.

RETIRES WHO HAVE RETURNED TO WORK

If you aren't already designated as an active employee, you can elect to enroll in benefits as an active employee during the Annual Enrollment period or if you have a qualifying life event (QLE) such as marriage during the plan year. You may be required to show evidence of insurability (EOI, or proof of good health).

RETIRES WHO RETURN TO WORK IN THE FUTURE

If you return to work for the State, you can enroll in GBP benefits as an active employee during the first 31 days of your employment. If you miss the 31-day window, your next opportunity will be during

the Annual Enrollment period or if you have a qualifying life event (QLE) during the plan year. Evidence of insurability (EOI, or proof of good health) may be required to enroll in certain benefits. For more information, see your benefits coordinator at your employer. Health and Human Services Enterprise employees, contact accessHR.

WHAT YOU NEED TO KNOW BEFORE YOU DECIDE

If you return to work for a GBP entity in a benefits-eligible position, you cannot be enrolled in a Medicare Advantage plan while employed. You would need to enroll in HealthSelectSM of Texas or one of the available HMOs.

If you are enrolled in HealthSelect as a retiree, and you are age 65 or older, you have out-of-area benefits and a calendar year deductible (\$200 individual, \$600 family). If you enroll in HealthSelect as a retiree under age 65 or an active employee, you have in-area benefits. In-area coverage means:

- You must select a primary care physician (PCP);
- You must get referrals to specialists and pay in-area copays (for example, \$40 for a specialist office visit);
- If you use network benefits, you won't have to meet a deductible; and
- If you use non-network benefits, you will have to meet a calendar year deductible (\$500 individual, \$1,500 family), even if you have already paid all or part of your HealthSelect and Medicare deductibles as an out-of-area participant.

If you retired prior to January 31, 2006, and were eligible to enroll in a health plan as a retiree, the State pays 100% of your health insurance premium and a portion of your

dependents' premiums, whether you were full-time or part-time at retirement. Tobacco users pay higher premiums. The State does

If you return to state employment, you can enroll as an active employee. This could significantly increase the benefits you receive.

DON'T FORGET!

The amount of optional life coverage is determined by the salary you are earning on September 1.

Taking a position with less pay than your previous salary and enrolling in benefits as an active employee means less optional life coverage.

not cover the full cost of premiums for tobacco users.

Effective with retirements on or after January 31, 2006, employees designated as part-time for any of the three consecutive months prior to retirement continue to receive the part-time contribution on their retiree health insurance premiums (if they qualify for GBP coverage as a retiree) and a contribution for a portion of dependent premiums.

If you return to work and enroll in benefits as an active employee, the employer contribution you receive will depend on your employment status. If you are classified as full-time, you will receive the full contribution of 100% for your premium and 50% for your dependents' premiums. If you are part-time and choose to enroll in active employee benefits, the State will pay 50% of your premiums and 25% of your dependents' premiums. **For this reason, if you return to work part-time, you will**

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probably not want to enroll in active employee benefits.

If you enroll in benefits as an active employee:

- Your out-of-pocket insurance premiums will be deducted from your paycheck before taxes, not from your annuity or by direct payment to ERS. This decreases your taxable income and saves you money.
- The salary you are earning as of September 1 is the salary that is used for calculating your Optional Life Insurance coverage amount. Therefore, if you take a position with less pay than you had before you retired and enroll in benefits as an active employee, your Optional Life coverage amount will be reduced.
- You will not have a waiting period for health insurance if you were already enrolled as a retiree or were eligible for coverage in the GBP but elected to waive coverage.
- You can change your enrollment elections or change your enrollment status during Annual Enrollment or if you have a QLE during the plan year.

When you leave state employment:

- You will return to retiree benefits status, but you can enroll in insurance available to retirees based on the coverage you had while you were working.
- Your Basic and Dependent Term Life

Insurance will be reduced to the \$2,500 retiree benefit level.

- You will no longer be eligible for AD&D, Optional Term Life Insurance (Elections 3 and 4), and Short- and Long-term Disability Insurance.
- The amount of Optional Term Life Insurance available will be based on your most recent salary.
- You cannot stay enrolled in TexFlex. You can have the remaining plan year contributions deducted from your final paycheck, or you can pay ERS directly. You can continue to use the money in the TexFlex account through the end of the plan year, but you no longer will have access to the TexFlex debit card. You will need to file paper claims.
- You will no longer be eligible for premium conversion. Your insurance premiums will be deducted from your annuity check after it has been taxed. This increases your taxable income.
- Your health coverage will revert to a Medicare Advantage plan.

WHAT IF I DON'T NEED HEALTH INSURANCE COVERAGE?

If you do not want the State's health insurance, you can waive that coverage:

- During your first 31 days of employment;

- During the Annual Enrollment period; or
- If you have a QLE during the plan year.

During those times, you can also apply for the Health Insurance Opt-Out Credit, which lets you apply a monthly credit (up to \$60 for full-time employees and up to \$30 for part-time employees) toward GBP dental and/or Voluntary AD&D premiums if you choose active benefits, or toward dental premiums only if you keep retiree benefits.

You can get the Opt-Out Credit if you don't need the State's health insurance now or in the future because you are enrolled in health insurance that is as good as or better than what the State provides. The Opt-Out Credit has no cash value and is only a credit applied towards certain insurance premiums.

You should carefully consider any decision to decline health insurance coverage.

If you waive coverage, **you won't have prescription benefits and the Basic Term Life Insurance** that is connected to the health coverage (\$5,000 if you are enrolled in active employee benefits; \$2,500 if you are enrolled in retiree benefits).

Individuals who are not eligible for the state contribution toward their health insurance premium, such as adjunct faculty members, are not eligible for the Opt-Out Credit.

THE TABLE BELOW COMPARES BENEFITS FOR RETURN-TO-WORK (RTW) RETIREES.

RTW retirees enrolled in retiree benefits	RTW retirees enrolled in active employee benefits
Health + \$2,500 Basic Term Life	Health + \$5,000 Basic Term Life
Can waive health insurance or select the Health Insurance Opt-Out Credit*	Can waive health insurance or select the Health Insurance Opt-Out Credit*
Dental	Dental
Optional Term Life Insurance—Election 1, 2, or Retiree Fixed Optional Life Insurance (\$10,000 benefit)	Optional Term Life Insurance— Election 1-4
Dependent Term Life Insurance—\$2,500	Dependent Term Life Insurance—\$5,000
Long-Term Care (closed to new applicants on January 1, 2012)	Long-Term Care (closed to new applicants on January 1, 2012)
TexaSaver	TexaSaver
Retirees who have returned to work for the State can contribute to their TexaSaver accounts, whether or not they are enrolled in retiree or active employee benefits. Retirees who have not returned to work cannot enroll in, have a loan on, or contribute to a TexaSaver account. However, they can keep the account(s) they had as an active employee, change asset allocation, and use the TexaSaver Advisor Service.	TexFlex
	Accidental Death & Dismemberment
	Short- and Long-term Disability Insurance
	Premium Conversion (premiums deducted from paycheck pre-tax)

*You can only select the Opt-Out Credit if you have health insurance comparable to what the State provides.

GENERAL INFORMATION FOR ALL RETURN-TO-WORK RETIREES

If you retired from a state agency on or after May 31, 2009, a state agency cannot hire you until at least 90 days after the retirement date.

Your benefits coordinator will notify ERS when you are hired and when you leave state employment. If you are an ERS retiree who returns to work at a state agency, you will no longer contribute a portion of your monthly pay to your ERS retirement account. Therefore, you cannot receive a second retirement from ERS.

If you are a retiree of another class or system such as the Teacher Retirement System of Texas (TRS) and you return to work at an ERS agency, you DO contribute the employee portion of your monthly pay to an ERS retirement account. If you are a retiree from ERS or any other statewide retirement system, and you return to work at a non-ERS agency (such as a higher education institution), ask your benefits coordinator if you will be required to make retirement contributions.

If you retired under ERS and go to work at a higher education institution under TRS, please note the following:

- If you did not transfer any TRS service to ERS at retirement, you can immediately be employed by the higher education institution.
- If you transferred TRS service to ERS at retirement, you must be off the payroll for the first full calendar month after retirement before being employed by the higher education institution. For example, if your last day on the job is May 20, with a retirement effective date of May 31, then you must wait until at least July 1 to start work.

If you retired from a statewide retirement system other than ERS or TRS, you will need to contact that system to determine return-to-work policies.

GUIDELINES ON SALARY AND LEAVE ACCRUAL

Ask your payroll department or benefits coordinator about salary and leave accrual guidelines for return-to-work retirees.

HOW DOES RETURNING TO STATE EMPLOYMENT AFFECT MY SOCIAL SECURITY AND RETIREMENT ANNUITIES?

If you are already receiving Social Security benefits and you have reached full retirement age, your salary won't affect your income from Social Security. For more information, call the Social Security Administration (SSA) toll-free at (800) 772-1213 or go to the website www.ssa.gov.

Earning a salary does not reduce the amount of your annuity.

If you retired from another statewide retirement system, check with that system to find out if returning to state employment will affect your annuity.

HOW DOES MEDICARE WORK WITH MY STATE HEALTH INSURANCE?

Regardless of whether you have retired, if you are working in a position that is eligible for ERS benefits and you are eligible for Medicare, your employer's health plan is your primary coverage and Medicare is secondary.

- If you are enrolled in HealthSelect and have chosen active employee coverage, you will have in-area benefits.
- If you keep retiree HealthSelect coverage and are eligible for Medicare, you will have out-of-area benefits **even when you return to work**. If you keep retiree HealthSelect coverage and you are under age 65, you will have in-area benefits.

WHAT HAPPENS WITH MEDICARE WHEN I LEAVE STATE EMPLOYMENT?

If you are age 65 or older, it is your responsibility to notify the SSA that you are no longer working. Call SSA at (800) 772-1213. This is especially important if you were younger than 65 when you retired and returned to work, and then turned 65 while you were still working and did not enroll in Medicare Part B.

If you retired from a state agency on or after May 31, 2009, a state agency cannot hire you until at least 90 days after your retirement date.

A state agency that hires a return-to-work retiree who retired on or after September 1, 2009, pays ERS a surcharge. The surcharge is equal to the amount of the State's retirement contribution for an active employee.

You will have a Special Enrollment Period, which includes any time you are still covered by the employer group health plan or during the eight months after the month the employer health plan coverage ends (whichever is first).

To ensure that you are covered by Medicare on the first day of the month after you retire, call SSA at least 30 days prior to your retirement date.

If you do not notify SSA of your retirement date, your health insurance claims are paid as though Medicare is your primary payer and your state health insurance is secondary. In other words, you will be responsible for paying 80% or more of the cost of your medical care.

In addition, if you don't purchase Part B when first eligible, you will have an additional penalty of 10% per year from the date you were eligible for Part B added to your monthly premium for as long as you have Part B.

If you are enrolled in Medicare Part A and B when you leave state employment, you will automatically be enrolled in the Humana Medicare Advantage Plan. If you want to stay in your current health plan at the **current premium rate**, you can opt out of the Humana Medicare Advantage Plan and continue with your current health plan.