

## Working for the state after you retire

If you retired from the state and return to work at an agency or institution that participates in the Texas Employees Group Benefits Program (GBP) you can enroll in active employee benefits.

This option offers you tax savings and allows you to select benefits not available to you as a retiree, such as Voluntary Accidental Death and Dismemberment (AD&D) Insurance, Texas Income Protection Plan (TIPP) disability insurance, additional life insurance, TexFlex flexible spending accounts and, if your new employer participates in TexaSaver, contributions to a TexaSaver 401(k) and/or 457 account.

## What you need to know before you decide

If you return to work to a GBP entity in a benefits-eligible position, you cannot continue enrollment in a Medicare Advantage plan or HealthSelect<sup>SM</sup> Medicare Rx while employed. ERS will enroll you in the health and prescription plans that you were last enrolled in through the GBP.

If you enroll in HealthSelect<sup>SM</sup> of Texas and choose active employee coverage, you will have in-area health benefits whether you are eligible for Medicare or not. This means you won't have a medical deductible, as long as you stay in the HealthSelect network. You will have to choose an in-network primary care physician (PCP) and pay a copay and/or coinsurance for your care (except in-network preventive care, like checkups and vaccinations). You'll also pay less out of pocket if you stay in the network.

If you are eligible for Medicare and keep retiree benefits, HealthSelect will remain your primary payer even though your benefits will show as HealthSelect Secondary when you log in to your ERS online account. HealthSelect will pay as primary, and you may be responsible for up to 30% of your health costs. You will have an annual medical deductible but you don't have to stay in the HealthSelect network. You are not required to have a PCP or to get referrals to specialists, as long as you see providers who accept Medicare.

## If you enroll in benefits as an active employee:

- Most of the insurance premiums you pay for yourself and dependents will come out of your paycheck before taxes, not from your monthly retirement payment or by direct payment to ERS. This may lower your taxable income and save you money.
- ERS uses your salary as of September 1 to calculate your Optional Life Insurance coverage. Therefore, if you take a position with less pay than you had before you retired and enroll in active employee benefits, your Optional Life coverage will be reduced.
- You will not have a health coverage waiting period 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 benefit elections or status from active to retiree, or vice-versa, during Summer Enrollment or if you have a qualifying life event (QLE) such as becoming Medicare eligible.

## If you currently are working and have active benefits when you leave state employment:

- You will return to retiree benefits status if you're eligible, but you can enroll in coverages available to retirees based on what 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 insurance, Elections 3 and 4 of Optional Term Life Insurance, and TIPP disability insurance.
- The amount of Optional Term Life Insurance available will be based on your most recent salary.
- You will no longer be eligible for premium conversion. Your insurance premiums come out of your monthly retirement payment after taxes. This could increase your taxable income.
- If you choose, you can continue your participation in TexFlex through COBRA until the end of the plan year. You can submit claims only for expenses you incur during the months you continue your participation. You will not have access to the TexFlex debit card and will need to file paper claims.

## If you currently are working and have retiree benefits when you leave state employment:

- If you did not previously opt-out, ERS will re-enroll you in the Medicare Advantage plan and HealthSelect Medicare Rx plan if you are enrolled in Medicare Parts A and B. It is up to you to enroll in Medicare when you're eligible. See more information on page 3.



## Enrolling in active benefits

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 Summer Enrollment or if you have a QLE. Evidence of insurability (EOI) 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 the HHS Employee Service Center.

If you return to work and enroll in active employee benefits, the employer contribution to your health premium depends 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 enroll in active employee benefits, the state will pay 50% of your premiums and 25% of your dependents' premiums. If you return to part-time employment, carefully consider enrolling in active employee benefits since you would have to pay for your health coverage.

## 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 Insurance	Health + \$5,000 Basic Term Life Insurance
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 coverage	Dental coverage
State of Texas Vision insurance	State of Texas Vision insurance
Can continue Optional Term Life Insurance Election 1 or 2 or apply for Retiree Fixed Optional Life Insurance (\$10,000 benefit). EOI required to apply if waiving Optional Term Life Insurance.	Optional Term Life Insurance Election 1-4 <b>Note:</b> Coverage at Election 3 or 4 always requires evidence of insurability (EOI).
Dependent Term Life Insurance – \$2,500	Dependent Term Life Insurance – \$5,000 benefit
TexaSaver 401(k) / 457 Program	
Retirees who have returned to work for the state can contribute to their TexaSaver accounts, whether they are enrolled in retiree or active employee benefits—if their employer participates in the TexaSaver program.	
	TexFlex flexible spending accounts
	Voluntary Accidental Death & Dismemberment (AD&D) Insurance
	Premium conversion (premiums deducted from paycheck pre-tax)
	TIPP short-term and long-term disability insurance

\*You can only select the Opt-Out Credit if you have health insurance comparable to what the state provides (excludes Medicare). For more information, visit <https://www.ers.texas.gov/Active-Employees/Health-Benefits/Opt-Out-Credit>.

## 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 not contribute to an ERS retirement account. Therefore, you cannot receive a second retirement from ERS.

If you retired from another system such as the Teacher Retirement System of Texas (TRS) and you return to work at an ERS agency, you will contribute a portion of your monthly pay to your ERS retirement account. If you retired 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 from ERS and now work at an institution under TRS, please note:

- If you did not transfer any TRS service to ERS at retirement, you can immediately be employed by the institution.
- If you transferred TRS service to ERS at retirement, you must be off the payroll for the first full calendar month after your retirement date before you begin employment with a TRS-contributing 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 monthly retirement payments?

If you already receive 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 visit [www.ssa.gov](http://www.ssa.gov).

Earning a salary does not reduce your ERS retirement payment.

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

## What happens with Medicare when I leave state employment?

If you are 65 or older, it is your responsibility to notify the SSA that you are no longer working. 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.

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.

Call the SSA at least 30 days before your termination date to ensure that Medicare covers you on the first day of the month after you leave employment.

If you are a return-to-work retiree and are 65 or older on your termination date, your state health insurance will become your secondary payer. Your health insurance claims will be paid as though Medicare is your primary payer – even if you haven't enrolled in Medicare Parts A and B yet. If you do not notify the SSA of your termination date and get enrolled in both Parts A and B, you will be responsible for paying 80% or more of the cost of your medical care after you leave employment.

In addition, if you don't purchase Part B when you're 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 Parts A or B when you leave state employment, ERS will automatically enroll you in the HealthSelect Medicare Rx prescription drug plan, unless you previously declined. If you are enrolled in Medicare Parts A and B, ERS will automatically enroll you in the HealthSelect<sup>SM</sup> Medicare Advantage plan.

If you did not opt out before and want to stay in the health plan you have as a RTW retiree, at the **current premium rate**, you can opt out of HealthSelect<sup>SM</sup> Medicare Advantage by making the change in your online ERS account or calling ERS



200 E. 18th Street • Austin, Texas 78701

ERS CUSTOMER SERVICE • TOLL-FREE (877) 275-4377 • [WWW.ERS.TEXAS.GOV](http://WWW.ERS.TEXAS.GOV)