



Working for the state after you retire

Employees who retire from the state and return to work at a Texas Employees Group Benefits Program (GBP)-participating employer can enroll in active employee benefits.

This option gives you tax benefits 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), additional life insurance, TexFlex and Texa\$aver.

What you need to know before you decide

If you return to work to a GBP entity in a benefits-eligible position, you cannot enroll in a Medicare Advantage Plan or HealthSelectSM Medicare Rx while employed. You will enroll in the health plan and prescription plan that you were last enrolled in through the GBP.

If you enroll in HealthSelectSM of Texas, choose active employee coverage, you will have in-area health benefits no matter if you are eligible for Medicare or not.

If you are eligible for Medicare and keep retiree HealthSelect secondary benefits, you will have out-of-area benefits.

If you enroll in benefits as an active employee:

- Your out-of-pocket insurance premiums come out of your paycheck before taxes, not from your monthly retirement payment or by direct payment to ERS. This may decrease your taxable income and save you money.
- ERS uses your salary as of September 1 to calculate for calculating 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 enrollment elections or status during Summer Enrollment or if you have a qualifying life event (QLE).

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 TIPP.
- 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 increases your taxable income.
- You cannot stay enrolled in TexFlex. 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.
- Your health coverage will revert to a Medicare Advantage plan if you are Medicare-eligible.



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	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
<p>TexaSaver</p> <p>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 accounts they had as an active employee change asset allocation, and use the TexaSaver Advisor Service.</p>	<p>TexaSaver</p>
	<p>TexFlex</p>
	<p>Accidental Death & Dismemberment (AD&D)</p>
	<p>Premium conversion (premiums deducted from paycheck pre-tax)</p>

*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 www.ers.state.tx.us/Retirees/Medical/Opt-Out.

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 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 a higher education institution under TRS, please note:

- 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 your retirement date before you begin employment with a 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 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.

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 SSA at least 30 days prior to your retirement date to ensure that Medicare covers you on the first day of the month after you retire.

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. You would be responsible for paying 80% or more of the cost of your medical care.

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

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