

Department of Employee Trust Funds
State Agency Health Insurance Administration Manual

Chapter 11 — Rehired Annuitants

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1101 Eligibility

A Wisconsin Retirement System annuitant's return to **non-WRS** employment does not affect their WRS annuity or health insurance benefits, if any. Eligibility under this Chapter assumes the annuitant has met the requirements of a minimum break-in-service, as explained in Chapter 15 of the *WRS Administration Manual* (ET-1127), and returns to a **WRS-eligible** position, as either an employee or an independent contractor.

Under the provisions of Wis. Stat. § 40.26 (1), a WRS annuitant returning to WRS eligible employment may elect to terminate the annuity and return to active WRS participation or will be required to return to active WRS participation and have their WRS annuity suspended, depending on the WRS annuitant's final WRS termination date (refer to Chapter 15 of the *WRS Administration Manual*). In both scenarios, the WRS annuitant must complete a *Rehired Annuitant Form* (ET-2319).

In the event a rehired annuitant elects to return to active WRS coverage or is statutorily required to return to active WRS coverage, the annuity is suspended effective the first of the month following ETF's receipt of the *Rehired Annuitant Form* (for annuitants electing coverage) or the first of the month following the rehired date (for annuitants with WRS termination dates on or after July 2, 2013) until the employee again retires and reapplies for an annuity. Under either scenario, annuitants returning to active WRS participation are immediately eligible to apply for health insurance coverage through the state agency. Any remaining accumulated sick leave conversion credits are suspended until the employee subsequently retires again. Additional sick leave accrued from state employment after the employee again participates in the WRS is added to their existing sick leave balance when retiring again. **Note:** WRS annuitants returning to WRS eligible employment as independent contractors will have their WRS annuity suspended effective the first of the month following their hire date, but will not be WRS eligible for their active employment, nor will they be eligible for active ETF-administered insurances.

A rehired annuitant returning to active WRS participation is only eligible for health insurance coverage through the active employer. There is no option to continue the group health insurance coverage they held as a WRS annuitant. An annuitant rehired by a WRS participating employer not offering health insurance to its employees will lose group health insurance coverage as an annuitant. In other words, regardless of whether an employer participates in the Group Health Insurance Program or not, an annuitant returning to active WRS coverage is no longer eligible for annuitant health coverage. Eligibility for annuitant health insurance is retained only when a rehired annuitant does not elect to return to active WRS participation or the position is not expected to require two-thirds of full-time hours (880 hours for teachers, 1,200 hours for all others) and last at least one year, i.e., their WRS annuity is not suspended due to returning to work.

1102 Coverage

Upon receipt of the *Rehired Annuitant Form* (ET-2319), ETF will determine both the WRS participation begin date and the WRS annuity suspension date, then will notify both the annuitant and employer. For an employee who was insured as an annuitant, health insurance coverage through the active employer becomes effective the day after the coverage as an annuitant lapses.

Note: WRS annuitants returning to WRS eligible employment as an independent contractor will have both their WRS annuity and annuitant health insurance coverage suspended, but are not eligible for WRS coverage for their work as independent contractors, nor are they eligible for active ETF-administered health insurance coverage.

As premiums paid through the annuity are deducted one month in advance, insurance is paid for one month beyond the annuity suspension date. Premiums paid through the annuitant's accumulated sick leave conversion account are also paid one month beyond the annuity suspension date. ETF will assist the employer in determining the date the rehired annuitant should be added to active coverage on the monthly additions report. A *Group Health Insurance Application* (ET-2301) electing coverage must be received by the employer within 30 days following the WRS participation begin date. When the employee retires again, refer to Chapter 12 for instructions on continuation of health insurance coverage, as the former annuitant is now considered an active employee.

A rehired annuitant electing to return, or statutorily required to return, to active WRS participation, but not electing to enroll in health insurance through the active employer ceases to be eligible for annuitant health coverage. However, ETF's continuation provisions allow an employee to continue coverage for a maximum of 36 months by paying the entire premium. ETF will notify the rehired annuitant of the right to continue prior coverage under COBRA law. Continuation coverage does not make the employee eligible to return to the prior annuitant group coverage when they again terminate employment and retire.

1103 Disability Annuitants

A WRS participant receiving a disability annuity cannot actively participate in the WRS until they are no longer eligible for the disability annuity (i.e., the participant is medically certified as no longer disabled). However, a WRS re-employed disability annuitant who has not reached normal retirement age (65, or age 53-54 for protective category employees [53 for those with 25 or more years of creditable service; 54 for those with fewer than 25 years]) will have the disability annuity suspended if the individual earns more than a set "earnings limit" during a calendar year of employment. Eligibility for annuitant health and/or life insurance coverage continues during the period of annuity suspension.

A disability annuity will be terminated if it is determined that the re-employed individual has recovered from their disability and is able to be gainfully employed. Following termination of the disability annuity, annuitant health insurance coverage ceases and, if in a WRS eligible position, the employee is immediately eligible for health insurance offered by their employer.

ETF notifies both the employee and the employer of the WRS coverage begin date, defined

as the first of the month after the disability termination date. Employers are notified of their obligation to provide the employee with a *Group Health Insurance* Application (ET-2301). ETF will coordinate between ending annuitant coverage and beginning active coverage if the individual elects coverage. New applications must be filed with the employer within 30 days after the date the employee resumes active status under WRS.