



# Understanding Health Insurance Rules for Reemployed Retirees

The federal Affordable Care Act (ACA) contains health insurance responsibilities for employers. ACA provisions can be difficult to understand, making it challenging to distinguish responsibility between employers and STRS Ohio. The following information and flow chart provide clarification on these responsibilities.

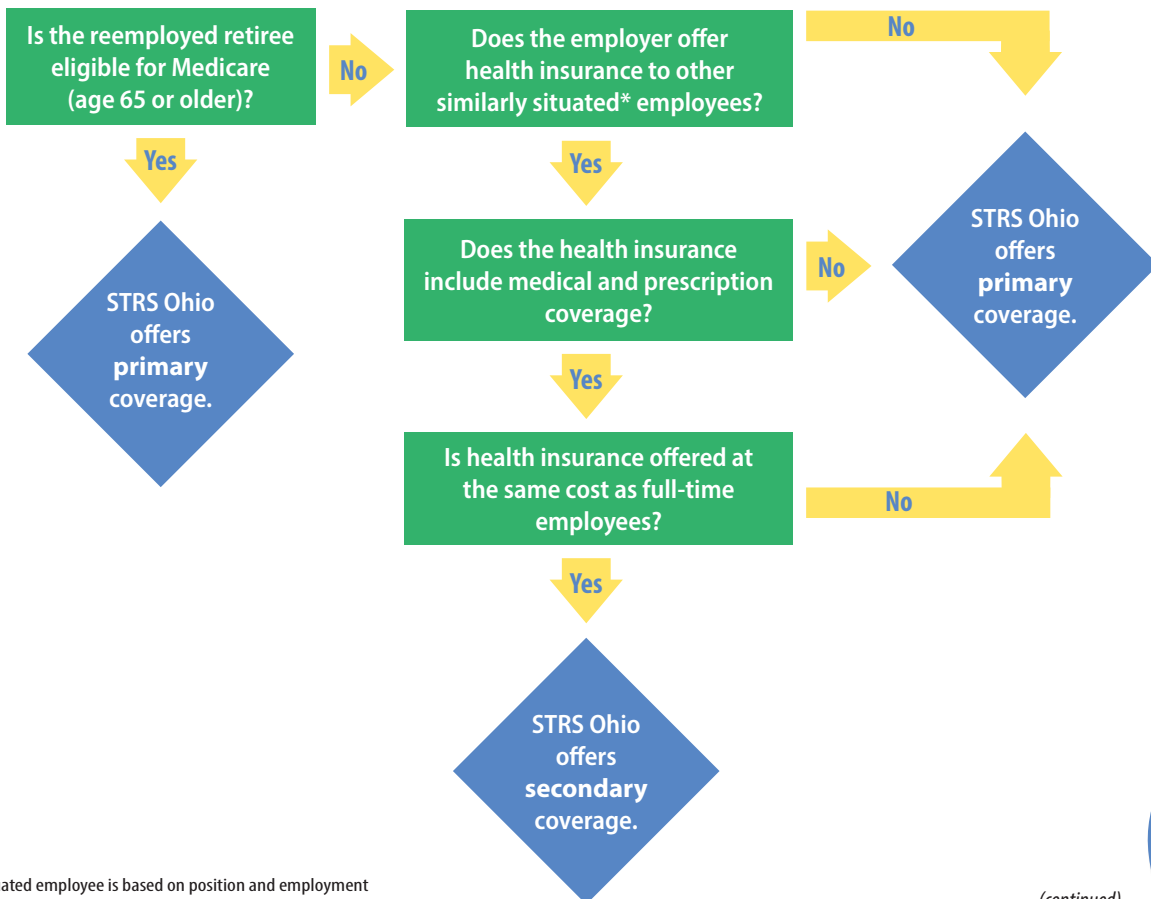
In general, the ACA requires employers with 50 or more full-time employees to offer minimum essential coverage to full-time workers. The fact that STRS Ohio offers health care coverage to reemployed retirees does not alter an employer’s obligation under the ACA to extend coverage to its employees, including individuals who retired under STRS Ohio, another public entity or a private employer.

While employment contracts and collective bargaining agreements are unique, the rules for determining whether STRS Ohio provides primary or secondary health care coverage for reemployed retirees are defined by Ohio law. Under Administrative Code Rule 3307:1-11-03, reemployed retirees qualify for only secondary health care coverage from STRS Ohio if they:

- Are eligible for health insurance through their employer; or
- Hold a position for which other similarly situated employees are eligible for health insurance at the same cost as full-time employees. Note: The determination of similarly situated employee is based on position and employment status (part time/full time), not retirement status.

The rule applies to all reemployed retirees who are not eligible for Medicare, regardless of hire date or type of employment. Also, the rule applies when the employer plan provides both medical and prescription drug coverage.

If eligibility or cost for employer insurance is based on retirement status, the retiree is eligible for only secondary coverage from STRS Ohio. Primary coverage would need to be obtained from the employer or another plan.



\*Similarly situated employee is based on position and employment status (part time/full time), not retirement status.

(continued)



# Frequently Asked Questions

## **Can reemployed retirees obtain health insurance from STRS Ohio?**

Yes. Benefit recipients who continue working after retirement have access to STRS Ohio health care coverage if eligibility guidelines are met. However, primary coverage may not be available for reemployed retirees without Medicare. If only secondary coverage is available from STRS Ohio, primary coverage would need to be obtained from the employer or another plan.

## **How is eligibility for primary or secondary health insurance determined?**

STRS Ohio determines eligibility for health insurance on an individual basis. If the reemployed retiree is not eligible for Medicare, we consider two factors: (1) is the retiree eligible for health insurance through their employer; and (2) does the retiree hold a position for which other similarly situated employees are eligible for health insurance at the same cost as full-time employees? If the answer to either question is “yes,” then the retiree is eligible for only secondary coverage from STRS Ohio.

## **When comparing employees, what does “similarly situated employee” mean?**

Similarly situated employee means comparable position (e.g., teacher or administrator) and equivalent employment status (e.g., part time or full time). Retirement status is not a factor in determining similarly situated employees.

## **If a reemployed retiree is excluded from the employer health plan, is primary insurance available from STRS Ohio?**

Not necessarily. Exclusion from the employer plan does not automatically qualify a reemployed retiree for primary coverage from STRS Ohio. If other similarly situated employees are offered health insurance at the same cost as full-time employees, the retiree would be eligible for only secondary STRS Ohio coverage.

For example, an STRS Ohio retiree employed as a full-time teacher is excluded from the employer health plan by the collective bargaining agreement. The agreement between the board and the union provides that all full-time teachers are entitled to health insurance. However, a provision of the agreement prohibits a reemployed retiree from participating in the employer health plan. In this case, the retiree would be eligible for only secondary coverage from STRS Ohio since other similarly situated employees (full-time teachers) are eligible for health insurance through the employer. The collective bargaining agreement’s treatment of reemployed retirees is irrelevant since the comparison is to other full-time teachers.

## **What happens if a reemployed retiree is required to pay more for employer insurance due to being a retiree?**

If, based on retirement status, a reemployed retiree is required to pay more for employer insurance than other similarly situated employees, then the retiree would be eligible for only secondary coverage from STRS Ohio.

For instance, an STRS Ohio retiree employed as a full-time administrator is eligible for the same health insurance as other administrators. However, the collective bargaining agreement stipulates the reemployed retiree must pay a higher percentage of the health insurance premium than full-time administrators who are not retirees. In this scenario, the retiree would be eligible for only secondary coverage from STRS Ohio since other similarly situated employees (full-time administrators) are eligible for health insurance through the employer. The collective bargaining agreement’s treatment of reemployed retirees is irrelevant since the comparison is to other full-time administrators.

## **Is primary insurance available if similarly situated employees pay a higher premium than full-time employees?**

Yes. A reemployed retiree would be eligible for primary insurance from STRS Ohio if similarly situated employees pay a higher premium than full-time employees for employer health insurance.

For example, an STRS Ohio retiree is employed as a part-time teacher. Part-time teachers pay 60% of the premium, compared to full-time teachers who pay 20%. However, the collective bargaining agreement between the board and the teachers union provides that a reemployed retiree is not eligible for employer health insurance. In this situation, the retiree would be eligible for primary coverage from STRS Ohio since the retiree is in a position for which other similarly situated employees (part-time teachers) are not eligible for coverage at the cost available to full-time employees. It is irrelevant how the agreement treats reemployed retirees. The relevant fact is this teacher is employed on a part-time basis and other part-time teachers (regardless of retirement status) are not eligible for health insurance at the cost available to full-time employees.

## **For More Information**

Log on to the employer website at [www.strsoh.org/employer](http://www.strsoh.org/employer)  
Call the Employer Reporting Department toll-free at **888-535-4050**  
Send an email to [report@strsoh.org](mailto:report@strsoh.org)