

**Department of Employee Trust Funds
Local Health Insurance Administration Manual**

Chapter 11 — Rehired Annuitants

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1101 Eligibility

A Wisconsin Retirement System annuitant's return to **non-eligible WRS** employment does not affect their WRS annuity or ETF administered annuitant health insurance benefits. Eligibility, under this Chapter, means 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 an **eligible WRS** position, either as an employee or an independent contractor.

Note: A WRS annuitant returning to their former employer, ***without meeting the required minimum break-in-service***, would be considered returning to a WRS eligible position regardless of the number of hours or duration of employment; therefore, their WRS annuity and ETF administered annuitant insurance benefits would be void.

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).

Annuitants returning to active WRS participation are immediately eligible to apply for any ETF administered insurance program the employer participates in and their annuity and annuitant benefits are suspended under the following conditions:

- If their last termination date was ***prior to July 2, 2013***, the annuity is suspended, if the annuitant elects to participate in the WRS, effective the first of the month following ETF's receipt of the *Rehired Annuitant Form*. If the annuitant does not elect WRS participation, their WRS annuitant status continues uninterrupted.
- If their last termination date was ***on or after July 2, 2013***, the annuity is suspended effective the first of the month following their rehire date.
- If the minimum break in service has not been met, the annuity is invalid and considered a benefit paid in error; the annuitant would be re-enrolled in the WRS

with no break.

The annuitant remains enrolled in the WRS until they again retire and reapply for an annuity and annuitant benefits they are eligible for as a result of their most recent position worked.

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 WPE 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 coverage under the WPE Group Health Insurance Program 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 and school district educational support personnel; 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; notification will be sent to both the annuitant and employer. For an employee who was insured as an annuitant, WPE health insurance coverage, if any, becomes effective the day after their 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. ETF will assist the employer in determining the date the rehired annuitant should be added to active coverage. A *Health Insurance Application/Change Form* (ET-2301), or online enrollment through myETF, 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 *Health Insurance Application/Change Form* (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.