



# 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.

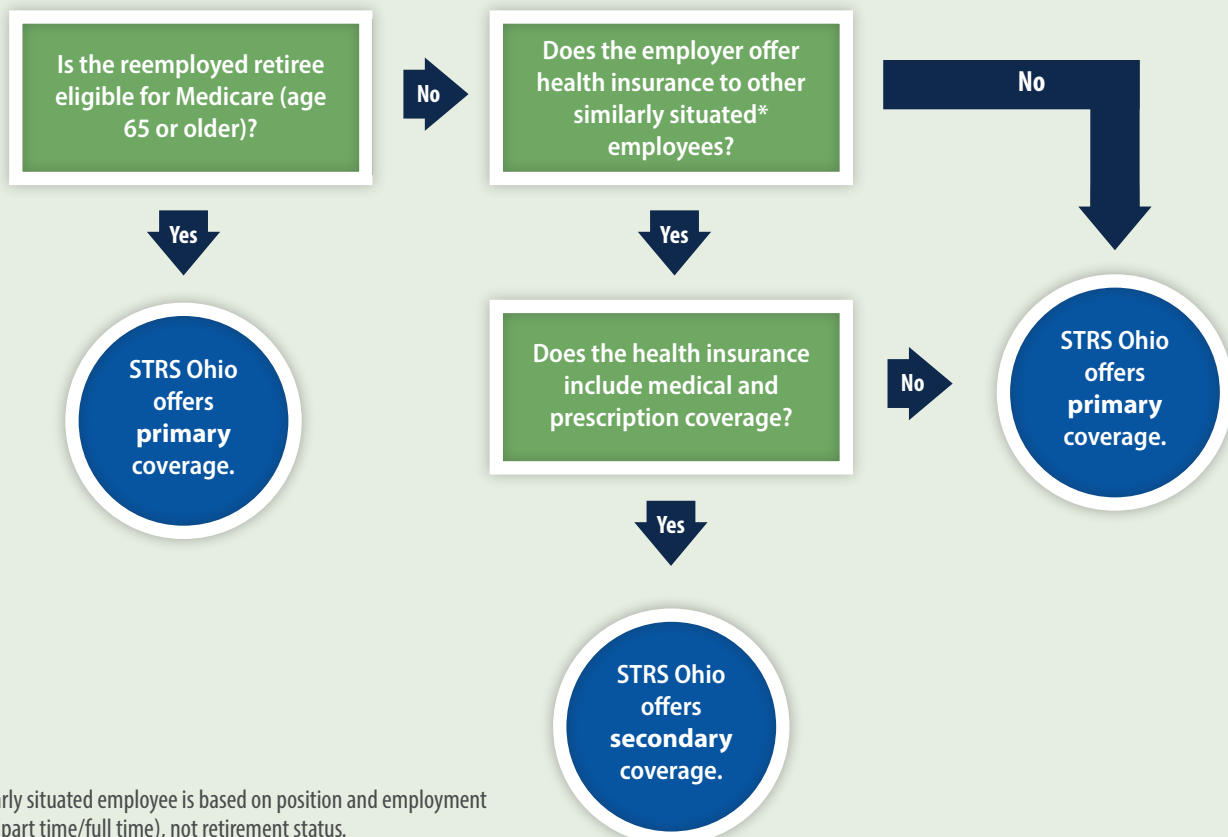
In general, the ACA requires employers with 50 or more full-time employees to offer minimum essential coverage to full-time workers. The fact that STRS Ohio offers health care coverage to reemployed retirees does not alter an employer's obligation under the ACA to extend coverage to its employees, including 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, medical coverage for employed individuals not eligible for Medicare is limited to secondary coverage under STRS Ohio's Aetna Basic Plan when they:

- Are eligible for medical and prescription coverage through their employer; or
- Hold a position for which other similarly situated employees are eligible for medical and prescription coverage. 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.

If eligibility for employer health 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.

# 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 health insurance determined?

Sometimes employed individuals are not offered employer health insurance because they are retired and have access to STRS Ohio coverage. However, an employer's decision to not offer coverage based on retirement status is not a factor when determining eligibility for primary coverage through STRS Ohio. Instead, we look at three factors.

First, is the individual eligible for Medicare? If the answer is no, we ask:

- Is the individual offered medical and prescription coverage through the employer?
- Are other employees in similarly situated positions (i.e., performing the same duties and tasks on a part-time or full-time basis) offered medical and prescription coverage?

If the answer to either question is yes, the individual is not eligible for primary STRS Ohio coverage.

## 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, 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?

The cost of employer health insurance is not a factor in determining eligibility for STRS Ohio coverage. If other similarly situated employees are offered health insurance through the employer, the reemployed retiree would be eligible for only secondary coverage from STRS Ohio.

## 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** or send an email to [report@strsoh.org](mailto:report@strsoh.org)