

## **Certified Staff Planning to Work at FHSD after Retirement**

**Employees who have retired or resigned from the Francis Howell School District (FHSD) will not be able to work for FHSD until after they have been separated from employment for 26 weeks. Previous employees will be required to re-apply for employment after the 26 week separation period.**

### **Why The Change?**

- The Affordable Care Act (ACA) contains a requirement that individuals be separated from employment for a period of 26 weeks or the employer will have to “look back” over the prior 12 months to determine if the individual worked, on average, more than 30 hours per week
- Individuals who worked, on average, more than 30 hours per week during the look back period must be provided the same level of benefit as active full time employees
- Retirees would have worked, on average, more than 30 hours per week during the “look back” period
- It would be financially unsustainable to provide full time benefits to retirees
- This means that newly retired employees may not work for FHSD for 26 weeks (6 months) after their retirement date.

**The following will apply if you are planning to participate in the RDIP program**

### **Number of Days Worked**

- The number of days is calculated by dividing the District group health insurance contribution by the daily amount that a retiree is paid for substituting in the job category from which they retired, then multiplying by a pre-determined percentage rate which is disclosed on the RDIP Service Options Form
- The calculation is revised each year, based on any changes in the Board contribution

### **Eligibility**

- Retirees are eligible for the five years immediately following their retirement
- Retirees do not have to participate in RDIP each year in order to retain eligibility
- Retirees do have to maintain participation in the District’s group health plan in order to be eligible for RDIP
- Due to PSRS/PEERS rules, new retirees cannot elect to participate in RDIP until one month after their date of retirement
- New retirees have to pay for insurance for the month of July; this is because they cannot sign up for RDIP or work for a PSRS/PEERS covered entity until one month following their date of retirement

### **Example for New Retiree**

- Individual retires effective June 30
- Cannot work during July – must pay July insurance premium
- Insurance premiums are paid on the first business day of the month; since new retirees cannot enter into a contract until after August 1 (one month following retirement), the retiree must pay the August medical premium. The retiree will also be required to pay the September premium, since the district provided benefits through RDIP begin October 1
- New retiree may sign RDIP participation agreement following the 30-day PSRS/PEERS separation period
- District begins to provide RDIP benefit effective October 1
- New retiree in RDIP cannot begin RDIP sub work until January 1 following their June 30 retirement date
- RDIP participant must work at least 33% of their required days in each quarter; however, additional time may be worked and will be applied to their required RDIP sub work
- RDIP participants are provided a letter indicating when each RDIP quarter ends
- RDIP participants are reminded two payrolls prior to the end of the quarter of the number of days remaining to be worked that quarter
- RDIP participant must complete total required RDIP days before the end of the last pay period in September
- Individuals who do not complete the number of days are out of the program for the remainder of the RDIP plan year and are assessed any outstanding cost for their medical insurance