

## **Support Personnel 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

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

### **Number of Hours Worked Calculation**

- The number of hours required for RDIP participation is calculated by dividing the District group health insurance contribution by the hourly 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
- New retirees who elect to maintain their District insurance coverage have to pay for insurance for the first six months immediately following their retirement; this is because of (1) the PSRS/PEERS requirement of a 30-day separation period from any PRSR/PEERS covered employer and (2) the ACA requirement for a 26-week separation period from a retiree’s former employer

### **Example for New Retiree**

- Individual retires effective March 31
- Cannot work during April – September; must pay April through September insurance premiums
- Insurance premiums are paid on the first business day of the month
- New retiree may sign RDIP participation agreement in September
- District begins to provide RDIP benefit effective October 1
- RDIP participant must work at least 25% of their required hours in each quarter; however, additional time may be worked and will be applied to future quarters
- 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 hours remaining to be worked that quarter
- RDIP participant must complete total required RDIP hours before the end of the last pay period in September
- Individuals who do not complete the number of hours are out of the program for the remainder of the RDIP plan year and are assessed any outstanding cost for their medical insurance