

# When a State Retiree Enrolled in NYSHIP Returns to Work for New York State

*If you return to work with New York State after retiring from State service, your enrollment status in the New York State Health Insurance Program (NYSHIP) and other benefit programs may change. Your health insurance benefits, sick leave credit, and coordination with Medicare may be affected.*

*If you go to work for an employer other than New York State, your NYSHIP status does not change.*

This flyer is for State retirees who plan to return to work for New York State in the Classified Service of the Executive Branch. SUNY follows the same rules for State retirees who plan to return to work in the SUNY Unclassified Service.

This information applies to former employees who are rehired by the same employer from which they retired. (If you retired from a Participating Employer, or are a State retiree planning to work for a Participating

Employer, talk with the agency that is hiring you to determine if your benefits vary from those described in this flyer.)

If you are considering returning to work with New York State: Read this flyer and talk with the State agency that is hiring you. Contact the Employee Benefits Division if you have questions: 518-457-5754 (Albany area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

After you are rehired: Be sure to talk with your agency Health Benefits Administrator (usually in the Personnel Office). Discuss your status as a retiree in NYSHIP and, if applicable, Medicare. The agency will notify the Employee Benefits Division of your return to work.

If you are hired as a seasonal employee, you must clarify your health insurance status with your agency Health Benefits Administrator each time you go on or off the payroll.

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**1. Will I continue my NYSHIP coverage as a retiree or will I re-enroll as an active employee?**

## Health Insurance New York State Health Insurance Program

If you return to State service on a full-time schedule or meet the health insurance eligibility requirements for part-time employees, you have two choices:

- re-enroll for health insurance as an active employee, or
- continue your NYSHIP benefits in retiree status

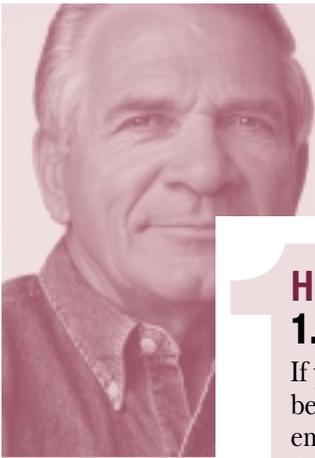
If you work part-time in a position in the Executive Branch Classified Service, to be eligible to re-enroll as an active employee you must work at least half-time. If you work less than half-time, you will continue your retiree coverage.

If you work part-time in a position in the SUNY Unclassified Service, to be eligible to re-enroll as an active employee you must meet the compensation requirements explained in the Eligibility section of your *NYSHIP General Information Book*. If you do not meet the compensation requirements, you will continue your retiree coverage.

If you continue your NYSHIP benefits in retiree status, you may continue to use sick leave credit to offset premium costs.

If you re-enroll as an active employee, you must pay the employee share of the premium. However, you may resume retiree health insurance status at any time and once again apply your sick leave credit to reduce premium costs.

*(Continued on page 2)*



## 1. Health Insurance

1. (Continued from page 1)

If you change from the retiree benefits package to an active employee's benefit package, there will be a change in your share of the premium. Other benefits may also change:

- **Empire Plan**—Certain copayments, Basic Medical annual deductible and coinsurance maximum, and other benefits may change.
- **HMO**—Ask your HMO if your benefits will change if you become covered as an active employee.



2. *If I return to work, will my sick leave accruals be restored?*

Yes, if you return to State service within one year of separation. Under the Attendance Rules for the Classified Service, and under SUNY rules for SUNY Unclassified Service, the sick leave balance at the time of retirement is restored in full for former employees who return within one year. It is not reduced by either the retirement service credit or the health insurance premium credit the employee may have received at the time of retirement. Credits may also be restored to employees who are reinstated after one year by the New York State Civil Service Commission. (*Restoration of sick leave may vary in the Legislative or Judicial Branch.*)

Employees who do not stop their State pensions and employees who have begun withdrawing funds under a SUNY Optional Retirement Program (ORP) such as TIAA-CREF, and work as retirees, do not have their lifetime monthly credit for sick leave recalculated when they stop working. (This sick leave credit is calculated only at retirement.) Employees who stop their State pensions or have not begun withdrawing SUNY ORP funds may have their lifetime monthly credit recalculated when they retire again, as shown in the chart on page 3.



3. *Coordination with Medicare: Which plan pays first?*

Regardless of whether you continue your coverage as a retiree or re-enroll in active status, **NYSHIP will provide primary coverage for you and your covered dependents when you return to the payroll and are eligible for health insurance as an active employee.** Medicare will pay secondary to NYSHIP while you are working. The State will stop reimbursing you for Medicare Part B coverage for you and/or your spouse while you are working for New York State.

However, if you have enrolled a domestic partner, Medicare remains primary for the domestic partner age 65 and over.

When you leave State service again or no longer meet the health benefits eligibility requirements for active employees, Medicare will once again become your primary coverage.

**Warning:** If you are eligible for active employee health insurance and also eligible for Medicare due to age or disability, you can choose Medicare as your primary insurer only by canceling your enrollment in NYSHIP. *If you do so, there will be no further coverage for you and your dependents under NYSHIP. Your benefits will be drastically reduced with only Medicare coverage.* While you are an active employee, your spouse or other dependent who becomes eligible for Medicare due to age or disability also may choose Medicare as primary insurer only by canceling enrollment in NYSHIP. *However, benefits for the dependent would be drastically reduced because no benefits would be available through NYSHIP.*

Refer to your *NYSHIP General Information Book and Empire Plan Reports or NYSHIP HMO Reports* for information on Medicare coverage when eligibility is due to end stage renal disease.

## Use of Sick Leave by Rehired Retirees in the Classified Service of the Executive Branch and SUNY Unclassified Service

### Returns *Within* One Year And...

<b>1.</b> Suspends State pension, or has not been collecting a State pension (although eligible) or has not begun withdrawing funds under the SUNY Optional Retirement Program	Sick leave accruals restored
	Chooses health insurance as active or retired: <ul style="list-style-type: none"> <li>• If active and eligible, pays employee rate</li> <li>• If retired, uses sick leave credit</li> </ul>
	Can use restored and newly earned sick leave accruals for absences from work due to illness
	When re-retires: <ul style="list-style-type: none"> <li>• New sick leave credit calculated (sick leave accrual balance at time of re-retirement up to a maximum of 200 days, or 165 for PBA and PIA)</li> <li>• New pension calculated (check with your Retirement System)</li> </ul>
<b>2.</b> Continues State pension or has begun withdrawing funds under the SUNY Optional Retirement Program (returns under Retirement and Social Security Law sections 211/212)	Sick leave accruals restored
	Chooses health insurance as active or retired: <ul style="list-style-type: none"> <li>• If active and eligible, pays employee rate</li> <li>• If retired, uses sick leave credit</li> </ul>
	Can use restored and newly earned sick leave accruals for absences from work due to illness
	When employment ends: <ul style="list-style-type: none"> <li>• No change in previously calculated sick leave credit (even if accruals were used during period of re-employment)</li> <li>• No change in pension</li> </ul>

### Returns *After* One Year\* And...

<b>1.</b> Suspends State pension or has not been collecting a State pension (although eligible) or has not begun withdrawing funds under the SUNY Optional Retirement Program	No sick leave accruals restored
	Chooses health insurance as active or retired: <ul style="list-style-type: none"> <li>• If active and eligible, pays employee rate</li> <li>• If retired, uses sick leave credit</li> </ul>
	Can use newly earned sick leave accruals for absences from work due to illness
	When re-retires: <ul style="list-style-type: none"> <li>• New sick leave credit calculated (sick leave accrual balance at time of re-retirement plus the sick leave credit calculation at time of previous retirement, up to a maximum of 200 days, or 165 for PBA and PIA)</li> <li>• New pension calculated (check with your Retirement System)</li> </ul>
<b>2.</b> Continues State pension or has begun withdrawing funds under the SUNY Optional Retirement Program (returns under Retirement and Social Security Law sections 211/212)	No sick leave accruals restored
	Chooses health insurance as active or retired: <ul style="list-style-type: none"> <li>• If active and eligible, pays employee rate</li> <li>• If retired, uses sick leave credit</li> </ul>
	Can use newly earned sick leave accruals for absences from work due to illness
	When employment ends: <ul style="list-style-type: none"> <li>• No change in previously calculated sick leave credit</li> <li>• No change in pension</li> </ul>

\*Exception: Executive Branch Classified Employees reinstated by the Civil Service Commission after a break of more than one year are treated in the same way as employees who return within one year.



## Health Insurance

### 4. *I have vestee coverage in NYSHIP. Will this change when I am re-employed?*

If you have continued your NYSHIP coverage in vestee status and you are rehired and once again eligible for employee health insurance, you will no longer have to pay the employer share of the premium. As an active employee, you will pay only the employee share. You will have active, not vestee, benefits. Be sure to tell the agency Health Benefits Administrator that you are a vestee who is returning to work.

If you later retire directly from active employment, instead of from vestee status, you may apply your unused sick leave at the time of retirement toward your premium. If you still are not eligible for retiree coverage when you stop working, and you return to vestee status, you will not be eligible to apply sick leave credits toward your premium.



### 5. *If I continue my health insurance in retiree status, but suspend my pension, how will I pay for my retiree health insurance?*

You will be placed in Direct Pay status and will make monthly payments directly to the Employee Benefits Division.

### 6. *How will my NYSHIP plan (Empire Plan or HMO) know I have returned to work?*

It is very important that you tell the agency Health Benefits Administrator that you are a State retiree who is returning to work. Your agency Health Benefits Administrator will update your health insurance enrollment record to show your new status. The Empire Plan carriers or your HMO will then know your correct benefits.

If your record is not updated, your benefits will not be correct. Also, you may incorrectly continue to receive only secondary benefits from NYSHIP and incorrectly continue to receive reimbursement for your Medicare Part B premium. You will eventually have to repay the Medicare credit provided to you in error while you were working in a benefits-eligible position.

When you again leave State service, or work less than half-time (or for the SUNY Unclassified Service, do not meet health benefits eligibility requirements), your agency Health Benefits Administrator will update your record to show retiree benefits. Medicare will again be primary to NYSHIP and you will receive reimbursement for the Medicare Part B premium.

## Other Benefit Programs

### Dental and Vision Coverage

If you return to work in a position eligible for dental and vision coverage provided by New York State, you may enroll even if you continue your health insurance as a retiree. To enroll for dental and vision coverage, file form PS-404 with your agency Health Benefits Administrator. If you return to work in a position eligible for dental and vision coverage provided through a union Employee Benefit Fund, contact your union to enroll.

### M/C Life Insurance Program

Your return to work will not affect your benefits or premium in the M/C Life Insurance Program.

### Income Protection Plan

If you return to work in a position eligible for Short Term Disability Insurance and/or Long Term Disability Insurance under an Income Protection Plan (IPP) provided by New York State, the amount of disability benefits paid would be reduced by the amount of the pension you receive.

### New York State Pension and Social Security

It is important for you to know what to do about your State pension before you go back to work. Call your State Retirement System for information on post-retirement employment. For information on Social Security limits on earnings, call Social Security at 1-800-772-1213 to ask for the factsheet, *How Work Affects Your Benefits* (Publication No. 05-10069), or visit the Social Security Web site at [www.ssa.gov](http://www.ssa.gov).

It is the policy of the State of New York Department of Civil Service to provide reasonable accommodation to ensure effective communication of information in benefits publications to individuals with disabilities. These publications are also available on the Department of Civil Service Web site ([www.cs.state.ny.us](http://www.cs.state.ny.us)). Click on Employee Benefits for timely information that meets universal accessibility standards adopted by New York State for NYS Agency Web sites. If you need an auxiliary aid or service to make benefits information available to you, please contact the Employee Benefits Division at 518-457-5754 (Albany area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

