



Employer Services

Quick Reference Guide for Employers

Re-employment or Contract Service by OPERS Retirees

Do you have individuals working for or providing services to your organization who are OPERS benefit recipients? Here's what you need to know:

Before the relationship begins

To protect their organization from potential of benefit overpayments, employers are strongly encouraged to ask prospective employees and contractors if they are an OPERS benefit recipient.

Once employment/services begin

Ohio law requires the employer to send a *Notice of Re-employment of an OPERS Benefit Recipient* (form SR-6 or form SR-6E for elected officials) by the end of the first month of employment or entering a contract with an OPERS benefit recipient.

- The notice is required:
 - Whether the individual is hired as an employee or under a personal services contract,
 - Whether the individual is an independent contractor,
 - Regardless if retirement contributions are paid or not, and
 - Regardless of length of time the individual will be employed/providing services.
- Annually, if you have an OPERS benefit recipient on your non-contributing list, make sure you have submitted a *Notice of Re-employment of an OPERS Benefit Recipient* (form SR-6 or form SR-6E for elected officials).
 - Poll workers providing services on days other than when the polls are open are required to have retirement contributions withheld and remitted to OPERS for that work. The \$600 threshold of earnings for poll workers to be excluded from membership applies only to earnings during the days the polls are actually open.

Impact on employer and retiree

OPERS matches contribution report data, information from OPERS forms and the employer-generated non-contributing list with OPERS membership records to ensure OPERS has been accurately notified of employment or contractor services.

- Age-and-service benefit recipients will lose their pension for the length of the contract *when contracting with the public employer from which they retired or entering a contract with any public employer during the first two months of retirement.*
- If a public employer does not notify OPERS of the retiree's employment or contract service, the employer may be liable for the pension benefits overpaid during the period of work.

Health care information to know when hiring an OPERS retiree

Employers must offer health care to re-employed retirees, if offered to other employees performing similar services. If declined, the retiree *will not* have access to OPERS health care coverage.

Additionally, Medicare-eligible re-employed retirees cannot participate in the health reimbursement arrangement (HRA) offered by OPERS beginning in 2016 regardless of the amount of work or compensation.

While working as a public employee for an OPERS public employer, re-employed retirees:

- Are not eligible for HRA allowances for any month in which they are working, and
- Cannot use HRA balances for reimbursement of claims incurred during the re-employment period.

Multiple periods of re-employment during a calendar year prevent participation in the HRA through the end of the year. OPERS retirees who are re-employed or who will become re-employed will have the following options:

- Select their employer's coverage, if the employer offers it.
- Select a plan through the OPERS Connector (see information on the Connector at www.opers.org) but without receiving their HRA allowance or reimbursements during re-employment.
- Enroll in the OPERS re-employed retiree plan (this is the only option that permits dependent enrollment in an OPERS plan).

Independent contractors are not impacted by these provisions unless the contractor's benefit is suspended during the term of the contract. 