

## PAYROLL LETTER

TO: PAYROLL OFFICERS, FISCAL OFFICERS, PERSONNEL OFFICERS OF  
ALL STATE AGENCIES, DEPARTMENTS, BOARDS AND COMMISSIONS

FROM: ROBERT L. CRUSE, MANAGER  
SYSTEMS ADMINISTRATION  
DIVISION OF STATE PERSONNEL

SUBJECT: EMPLOYMENT OF RETIRANTS IN A PERS COVERED POSITION

DATE: FEBRUARY 4, 1994

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House Bill 151 was recently passed by the legislature and becomes effective February 9, 1994. This new law made changes regarding the re-employment of **PERS** retirants (those employees who are receiving retirement benefits from PERS).

Under H. B. 151, the two-month re-employment penalty for PERS retirants has been increased to six months. This penalty will apply even if the retirant waives the salary for the six-month period and will apply to all retirants hired into a position covered by PERS on or after February 9, 1994. Additionally, H.B. 151 requires that retirants who meet certain conditions must have health insurance coverage offered by the state.

### ***SR-6 FORM, NOTICE OF RE-EMPLOYMENT OF A PERS RETIRANT***

Attached is a sample of the revised SR-6 form, *Notice of Re-Employment of A PERS Retirant*, which you should begin using **February 9, 1994**.

All re-employed PERS retirants must elect on a SR-6 form to either:

- receive compensation, continue to receive their retirement allowance, and make contributions toward a money purchase annuity; (A money purchase annuity is based on the calculation of the sum of the employee contributions received for the re-employment period, plus allowable interest, multiplied by two) or
- receive compensation, have their retirement allowance suspended during the re-employment period, and make contributions toward a supplemental formula benefit.

The agency must complete **Sections II and III** on the revised SR-6 form and return it to PERS by **February 18** for each employee who meets all of the following conditions:

- is still employed by you on **February 9, 1994** and is re-employed in a position covered by PERS
- retired from a PERS position and
- receives both a salary from the state and a retirement allowance

The **entire** SR-6 form must be submitted to PERS by the end of the first month when you hire an employee after **February 9** who meets the following conditions:

- retired from a PERS position and is re-employed in a position covered by PERS
- receives both a salary from the state and a retirement allowance

If a retirant is re-employed within the last 10 days of a month, notify the PERS pension maintenance department immediately to prevent an overpayment of a pension. Confirmation must then be made on a SR-6 form within 10 days. An agency's failure to give PERS timely notice of re-employment will result in agency liability for overpaid benefits

### ***HEALTH CARE COVERAGE FOR PERS RETIRANTS***

Employees who meet all of the following conditions must enroll in a health care plan offered by the state:

- retired from a PERS position and is re-employed in a position covered by PERS
- receives both a salary from the state and a retirement allowance
- appointed as a full-time permanent (appointment code 1), part-time permanent (appointment code 4), full or part-time internal interim full or part-time (appointment codes 11 and 13), 11, 12 interim (appointment code 16), or established term regular (appointment code 17) employee

Enrollment must occur within 31 days of the effective date of H.B. 151, March 11, for employees who meet the above criteria and were hired prior to February 9, 1994. Enrollment must occur within 31 days of the date of hire for employees who meet the above criteria and are hired on or after February 9, 1994. Coverage will become effective on the first day of the month following the month in which employees enroll. As an example, retirants who enroll in February will have March coverage while retirants who enroll in March will have April coverage. Retirants who fail to enroll within the 31 day time frame date must wait until the next open enrollment period to choose a health plan. Employees who fail to enroll in a health plan offered by the state and who have no other insurance will have their claims reduced by PERS by those amounts provided or available under the state's health plans.

A retirant may waive health care coverage only if that employee has coverage from another health plan other than thru the State or PERS. The state health care coverage, either Ohio Med or an HMO, will be primary. PERS health care coverage will be secondary.

Attached please find a listing of all employees who have been coded as "A" retirees who are presently employed in a PERS position. Please note that you will only need to complete a SR-6 form for those employees who retired from a PERS position and are now in a PERS position.

Should you have any questions, please feel free to contact Sybil R. Griffin at 752-5393.

SRG/kch

Attachment

{TO OBTAIN A COPY OF THE SR-6 FORM REFERRED TO IN THIS PAYROLL LETTER, PLEASE CONTACT THE PAYROLL SYSTEMS OFFICE AT 614-466-6915.}