



Kentucky Public Pensions Authority

Employer Reporting, Compliance & Education School Board Team

Retired Reemployed & Insurance Reimbursement

Overview

In 2008, the General Assembly established rules about the requirements for members who retire and return to work in a regular full-time position on or after September 1, 2008. [Read more about the retired reemployed process.](#)

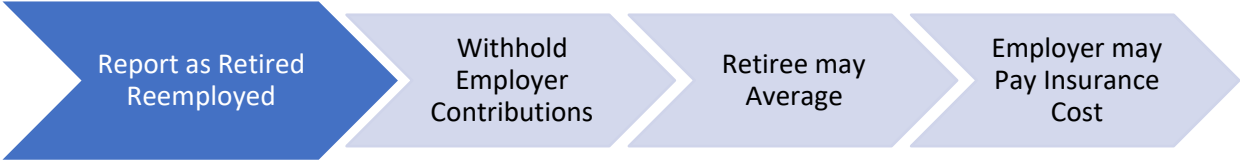
Potential Costs

Employers should be aware of the potential costs associated with retirees who return to work in a Retired Reemployed or Non-Participating status.

Depending on how much the retiree works, the employer may be responsible for insurance costs and/or employer contributions. Kentucky Public Pensions Authority (KPPA) does not restrict how many days or hours per day a retiree can work. The employer may choose to have a policy to restrict hours to avoid paying health insurance reimbursement costs and/or employer contributions.

Reporting Retirees

Example 1: A retiree is employed in a regular full-time position (Retired-Reemployed status).

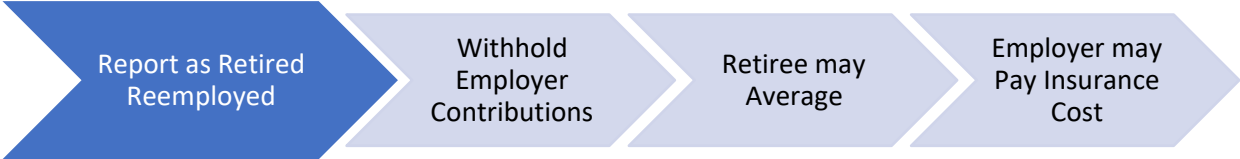


Example 2: A retiree is employed in a part-time position (Non-Participating status).



It is important to note that allowing a Non-Participating Part-Time employee to work more days than originally specified in his or her contract may result in an adjustment for that school year.

Example 3: A retiree is employed in a substitute position and works at least 4 hours per day.





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Example 4: A retiree is employed in a substitute position and works *less than 4 hours per day*.



It is important to note that you should report classified substitute employees as intermittent with no contract days.

When does the employer get billed for health insurance reimbursement?

An employer may be billed for the contribution KPPA pays toward the retiree’s single coverage for any months the retiree has insurance through KPPA during the fiscal year. KPPA determines whether or not an employer receives a Health Insurance Reimbursement Invoice by evaluating the following:

1. Did the retiree work 80 days or less within a fiscal year?

Effective July 1, 2015, if a retiree works 80 days or less during a fiscal year, health insurance reimbursement costs are not applicable.

2. Did the retiree work more than 80 days within a fiscal year?

If a retiree works more than 80 days during a fiscal year, health insurance reimbursement costs only apply if the retiree averages 80 hours over actual days worked or contract days. [Read more about the averaging calculation.](#)

Even though the retiree does not earn service credit, KPPA evaluates the number of months the school board could be billed for insurance using the service credit chart (below) if the retiree averages. The amount billed is limited to the months the retiree had insurance coverage through KPPA.

Actual Days Worked	Months Earned	Actual Days Worked	Months Earned
22 Days or Less	1 month	98 - 112 Days	7 months
23- 37 Days	2 months	113 - 127 Days	8 months
38 - 52 Days	3 months	128 - 142 Days	9 months
53 - 67 Days	4 months	143 - 157 Days	10 months
68- 82 Days	5 months	158 - 179 Days	11 months
83 - 97 Days	6 months	180 Days or More	12 months

If a retiree has more than one job with multiple participating agencies, and the employer should be billed for insurance, the cost would be split between the employers.



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Health Insurance Reimbursement Invoices for school boards are generated for the fiscal year in August, after the annual averaging process is complete. If the retiree was on an End of Year Report, those invoices would be generated after the agency's reports are processed.

What if the retiree wants to take health insurance through the school board?

The retiree needs to notify KPPA in writing indicating they wish to drop coverage and include the following:

- Name
- Address
- Member ID
- Effective date for coverage to be dropped
- Retiree signature and date

If faxing the statement, please retain the fax confirmation for your records.

Please keep in mind that if a retiree elects to take coverage from the school board, the employer may still be billed for insurance reimbursement for the month(s) the retiree took coverage through KPPA prior to the effective date of coverage with the school board.

For example, a bus driver is hired effective October 1st and is reported as Retired Reemployed. The retiree currently has insurance through KPPA. The school board cannot cover the retiree under the school board's insurance until November 1st. The retiree's written statement to KPPA should indicate they wish to drop coverage on October 31st and be on file with KPPA before the date coverage should be dropped. If the retiree works more than 80 days during the fiscal year and averages, the school board would receive a Health Insurance Reimbursement Invoice for the month of October.