



Human Resources Benefits and You

OSU Retirees Returning to Employment at OSU

Retirement is viewed as a normal extension of the employment relationship. At OSU, retirees receive benefits and other privileges that acknowledge their longtime contribution. In addition, OSU has some provisions for employment on a periodic/temporary basis. As long as this appointment is for less than 0.5 FTE or no more than 1040 hours in a fiscal year, no conflict arises. However, when re-employment exceeds these parameters, additional guidelines are necessary.

OSU Retirement Criteria: To be considered an “OSU Retiree,” an employee must have at least 25 years of continuous, regular employment OR have reached age 62 with at least 10 years continuous, regular employment OR meet the applicable OTRS Rule of 80 or 90 (age plus years of OTRS membership). Employees who cease work even if they consider it retirement are not OSU retirees unless they meet at least one of the above criteria.

Retiree Returning to Work: An individual cannot be both a continuous, regular employee (with a benefits eligible job code) and a retiree. Different rights/benefits are accorded to the two different statuses.

Retirement income, a critical component of retirement, may consist of Social Security, OTRS, TIAA and other retirement income. Each program maintains its own rules and regulations. An employee may qualify for one or more programs. Oklahoma Teachers’ Retirement System has a limit on retirement earnings during the first three years after retirement; these limits are usually a consideration in re-employment decisions although they are not the only factors that should be considered.

Temporary/Periodic Employment While Retired: Most retirees who seek employment during retirement do so in a “temporary/periodic” status. Under OSU policy, a person is considered a temporary/periodic employee if appointed for less than six months or works less than 1040 hours (0.50 FTE) in a year. Emeriti faculty, for example, may teach a class for a semester. These arrangements are made each semester clearly reflecting a temporary status. Staff retirees also return to work for intermittent periods of time. Many work in different departments as long as the work is available and the retiree has a desire to work. These arrangements benefit the retiree and OSU. In these situations, the emeriti or retiree is placed in a temporary/periodic job code.

During temporary/periodic employment, the retiree may continue to receive retirement plan income, subject to individual plan limitations (e.g., Oklahoma Teachers’ Retirement earnings limits). Since the retiree is not in a benefits eligible position, the retiree is treated as any temporary/periodic employee. If retiree has OSU retiree health insurance, premiums will continue to be paid by the retiree through the Office of the Bursar.

Return to Continuous, Regular Employment: Although unusual, a retiree may seek to return to OSU continuous, regular employment. If this happens, the retiree suspends his/her OSU retirement status and any retiree and dependent benefits linked to that status. The retiree has 30 days from the return date to enroll in continuous, regular employment benefits. Upon separation, the retiree can resume retiree status.

If the retiree is appointed as a continuous, regular employee, benefits are the same as for other continuous, regular employees. For example, at 0.75-1.0 FTE, OSU will provide health insurance, and life insurance will increase from the retiree amount to two times annual salary up to \$200,000 subject to age reduction. OSU retirement plan enrollment (0.5 – 1.0 FTE) will depend on whether an OSU irrevocable (OTR/ARP) election was made prior to retirement. If the employee made the irrevocable election, that election will stand and if OTR was the election, the returning retiree with an appointment of 0.5 FTE or greater but less than 0.75 FTE

will have to pay his/her own contribution into OTR (7% of total compensation). If not, an OSU irrevocable election form must be completed at the point of return to select either OTRS or the Alternate Retirement Program (ARP). If ARP is elected, there is no requirement for employee contributions into retirement for the continuous, regular assignments.

OTRS retirees have earnings limits based on age and length of time in retirement. If this is your situation, you should consult with OTRS before making a decision to return to work. An OTRS retiree who returns to full-time (0.75 FTE or greater) employment may elect to continue OTRS monthly retirement benefits until reaching the annual earnings limit or elect to return to active OTRS contributing status. If the retiree chooses to return to active contributing status, monthly OTRS retirement benefits will be suspended while employed. OSU will make contributions to OTRS in the same manner as active members, and upon termination of employment, the monthly retirement will be increased to include credit for the additional service.

If the retiree elects not to return to active contributing status, OSU would not make any OTRS retirement contributions. In this situation, the retiree might wish to elect the ARP, assuming he/she had not previously executed an OTRS irrevocable election.

The retiree, and any dependents, must switch from retiree medical to employee medical to keep continuous coverage through OSU. However, if the spouse dependent is over age 65, it may be to your advantage to purchase an individual Medicare Supplement plan for medical and prescription coverage. With FTE less than 0.75, the employee is not eligible for employee health benefits, OSU-paid life insurance, or retirement contributions, regardless of job code. Upon a second separation, the retiree, and any covered dependents, can resume retiree status and retiree benefits if no disruption of those benefits has occurred.

While the above information is intended to be helpful to departments and retirees, individual circumstances may also need special consideration. For additional assistance, please contact OSU Benefits, (405) 744-5449.

OSU Human Resources developed this information for the convenience of OSU employees. It is a brief interpretation of more detailed and complex materials. If further clarification is needed, the actual law, policy, and contract should be consulted as the authoritative source. OSU continually monitors benefits, policy, and procedures and reserves the right to change, modify, amend, or terminate benefit programs at any time.