

# Notification of Rehired Employee

Employers must complete this form to notify MSRS when you rehire a former employee who is a participant in the Health Care Savings Plan (HCSP). Please review the reverse side of this form to learn more about completing this form.

1. Information about rehired employee	
Employee name	Employee Account ID or SSN
Termination/retirement date	Date rehired by employer
Is position to which employee rehired eligible for employer-sponsored medical insurance coverage?  Please note: Respond "yes" even if employee waives medical coverage.   Yes  No	
2. Information about employer	
Employer name	
Contact name	Contact phone number
Contact email address	Is employer an educational organization?  — Yes — No
3. Employer signature	
I certify that the information provided on this form is true and correct to the best of my knowledge. I understand that data collected on this form will be used by MSRS staff to determine a rehired employee's eligibility to access funds in their Health Care Savings Plan (HCSP).	
Authorized signature	Date/ / Month Day Year
MSRS INTERNAL USE ONLY  Rehired employee	
Money source: ☐ Pre-1.1.2014 eligible to active source ☐ Post-1.1.2014 eligible to active source	

# Notification of Rehired Employee Guide

### **Assignment of Account Balance**

The Affordable Care Act (ACA) prohibits insurance providers from applying lifetime and annual dollar limits on essential health benefits. The Health Care Savings Plan (HCSP) is exempt from the ban on applying limits on coverage because reimbursements are only allowed after termination from service.

To maintain the HCSP's post-termination status, rehired employees generally cannot request reimbursements from their HCSP account.

The following exceptions apply:

- Expenses incurred after the original termination date but before the rehire date can be reimbursed.
- Expenses incurred since the rehire date can be reimbursed from funds credited to the HCSP account prior to January 1, 2014, if the position to which the employee is rehired is not eligible for employer-sponsored medical insurance. Funds credited to the account after December 31, 2013, cannot be accessed by a rehired employee.

### Rehired vs New Employee Rehired Employee

For the purpose of the HCSP, a rehired employee is defined as an HCSP participant:

- re-employed by a previous public employer that sponsored their HCSP; and
- whose status as a terminated employee of the sponsored employer lasted less than 13 consecutive weeks, or less than 26 consecutive weeks if employer is an educational organization.

A rehired employee can be a:

- full time, part time and seasonal employee (regardless of the number of hours worked)
- substitute teacher who returns to work with their former district (regardless of the number of days or hours worked)
- retiree who returns to work under the State of Minnesota post-retirement option (PRO) or PERA's phased retirement option.

Generally, a rehired employee is not eligible to request reimbursement of medical expenses incurred after they return to work. Exception: Participants may be reimbursed with funds credited to their HCSP account prior to January 1, 2014, provided they are rehired in a position that is not eligible for employer-sponsored medical insurance coverage.

#### **New Employee**

For the purpose of the HCSP, a new employee is defined as an HCSP participant who returns to work with:

- an employer they have not previously worked for (either public or private); or
- a previous employer that sponsored their HCSP and the period of absence with no earnings from that employer was 13 consecutive weeks or longer, or 26 consecutive weeks or longer, if employer is an educational organization.

A new employee may request reimbursement of eligible medical expenses from the account balance attributed to their previous employment. The account balance attributed to the new employment cannot be accessed until the participant terminates service.

## What happens when MSRS receives Notification of a Rehired Employee

- 1. If the employee's status for the purpose of the HCSP is considered to be "rehired" and their position is eligible for employer-sponsored medical coverage, the employee may not request reimbursements. If employee is set up on automatic ongoing reimbursements, MSRS will stop the payouts and notify the participants.
- 2. If the position to which the employee is rehired is not eligible for employer-sponsored medical coverage, funds credited to the account prior to January 1, 2014 will remain available for reimbursements. All funds credited to the account after December 31, 2013 will not be available for reimbursements until the employee ends employment.