

Office of State Uniform Payroll
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

November 30, 2017

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2018-28

TO: LaGov HCM Paid Agency Human Resources
and Employee Administration Staff

FROM: Andrea P. Hubbard
Director

SUBJECT: OGB Deductions for Rehired Retirees
Update to [OSUP Memorandum #2009-27](#)

By rule, beginning January 1, 2018, the Office of Group Benefits (OGB) will require that full-time (benefit eligible) rehired retirees (rehired on or after 1/1/18) with OGB health insurance must have their premiums deducted from their LaGov HCM payroll check, and the hiring agency must pay the employer share. Since the premiums will be deducted through payroll, the Office of State Uniform Payroll (OSUP) will submit the employee and employer premiums to OGB, just as is the current procedure for active employees. For regular retirees receiving a pension check, premiums will continue to be handled as they are currently. This change provides two advantages to the rehired retiree employee: (1) convenience of premium payments and (2) premiums can be tax sheltered through the Flexible Benefits Plan.

The exact rule language published by OGB in the November 20, 2017 LA Register is below.

LAC 32:1.323

§323. Employer Responsibility

A. ...

B. A participating employer shall immediately inform OGB when a retiree with OGB coverage returns to benefit eligible employment. The enrollee shall be placed in the reemployed retiree category for premium calculation. The reemployed retiree premium classification applies to retirees with and without Medicare. The premium rates applicable to the re-employed retiree premium classification shall be identical to the premium rates applicable to the classification for retirees without Medicare. If the re-employed retiree suspends retirement benefits and returns to benefit-eligible employment with the agency from which the re-employed retiree originally retired, the employee portion of the premium shall be withheld by payroll deduction and the employing agency shall remain responsible for the employer portion of the premium. If the re-employed retiree

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suspends retirement benefits and returns to benefit-eligible employment with an OGB participating agency other than the agency from which the re-employed retiree originally retired, the employee portion of the premium shall be withheld by payroll deduction, and the employing agency shall be responsible for the employer portion of the premium throughout the duration of employment. If the re-employed retiree returns to benefit-eligible employment, yet does not suspend retirement benefits as allowed by law, the employee portion of the premium shall be withheld by payroll deduction, and the employing OGB participating agency shall be responsible for the employer portion of the premium throughout the duration of employment. When the reemployed retiree separates from employment with the OGB participating employer, the employer shall notify OGB of such separation within 30 days. After the re-employed retiree again separates from employment with an OGB participating employer, the agency from which the re-employed retiree originally retired shall again be responsible for the employer portion of the premium.

As a reminder, to assist OGB in identifying rehired retirees who are eligible to have premiums payroll deducted, the location code on the LaGov HCM IT1 (Organizational Assignment) must be changed to 92, and OGB must be notified. Also, the IT171 (General Benefits Information) OGB status should be set to F (full-time).

Questions regarding the rule change should be directed to Don Parker, OGB, at 225-342-9773. Questions regarding LaGov HCM system entry should be directed to the [LaGov HCM Help Desk](#). All other questions should be directed to a member of the OSUP Benefits and Financial Administration Unit at _DOA-OSUP-BFA@LA.GOV OR (225):

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