What is an HIPB?

The ASRS provides a health insurance premium benefit (HIPB), also referred to as a "subsidy" or "reimbursement," to eligible retired and LTD participants to help cover a portion of the out-of-pocket cost of member insurance premiums. A percentage of all employer contributions are placed in a 401(a) Health Benefit Supplement account to provide funds for the HIPB.

The eligible amount of the HIPB is based on the member's years of service with the ASRS, the medical and/or dental plan election of either single or family coverage, and whether any covered family members are eligible for Medicare.

As ASRS Employers, you're responsible to keep the ASRS up to date on retiree or LTD recipient coverage changes in order to initiate, change, or stop the HIPB. To avoid potential financial impact to the employer or retirees, if you have any questions regarding the Health Insurance Premium Benefit Program, please contact the Employer Relations Department via Employer Secure Message. >> Read more about the HIPB and eligibility requirements for retirees and LTD recipients

"Return to Work" Employees & the Alternate Contribution Rate

When an ASRS retiree returns to work for an ASRS employer and meets active membership criteria, then active contributions must begin and the member’s pension is suspended. The member will not receive a pension benefit until they either terminate employment or reduce their hours and re-retire. However, there is an exception to this rule. Under very specific conditions, an ASRS retiree can qualify to remain retired while working for an ASRS employer. It is the responsibility of both the retiree and employer to ensure compliance.

A.R.S. §38-766 allows all retirees who have terminated employment return to work less than 20/20 after retirement without suspending their pension. However, a retiree’s pension will be suspended if any of the following conditions are met:

• Member did not reduce hours below 20/20
• Member worked some 20-or-more-hour-weeks prior to retirement and then, after retirement but in the same fiscal year works 20-or-more-hour weeks so that the total weeks of at least 20 hours worked before and after retirement equals or exceeds 20
• Member meets or exceeds 20/20 in any fiscal year after retirement without having attained normal retirement and having been terminated from employment for at least 365 days

>> Finish reading about Return To Work employees

Reminder:
Compensation Rules for New Members in 2020

This is a reminder that any new member whose ASRS membership began on or after January 1, 2020 fall under new compensation rules (A.R.S. 38-711). We have updated the Employer Manual on the ASRS website and we have created a quick reference guide to assist you in determining what is and what isn’t considered ASRS compensation.

Note: If assistance is needed in determining a member's eligibility, or if you have questions regarding the compensation rules, please contact the Employer Relations Department via an Employer Secure Message.

For Staff Who May Be Retiring
Help Make Our Conference Better
ASRS Basics for Employers

New Articles For Employers

Subscribe to our email list.