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NY10-43

TO: State Agency Health Benefits Administrators

FROM: Employee Benefits Division

SUBJECT: Option Transfer and Pretax Selection for the 2011 Plan Year

DATE: November 5, 2010

This memo includes items specific to this option transfer period. Refer to Chapter Five of the HBA Manual for general issues to be considered during each annual option transfer period.

2011 Option Transfer Period Dates

The Option Transfer Period for New York State employees will be established once NYSHIP rates are approved by the Division of the Budget; the Option Transfer Period will be at least 30 days. The dates will be communicated through a NYBEAS System Announcement and posted on both HBA Online and NYSHIP Online as soon as they are established.

Visit NYSHIP Online at <https://www.cs.state.ny.us> for up-to-date information on Option Transfer and the 2011 rates.

MyNYSHIP for Option Transfers for 2011 Plan Year

Active New York State employees can process requests for an Option Transfer online through MyNYSHIP. Refer to memo NY07-39. All other health insurance changes must be submitted to the agency HBA for processing.

2011 Benefit Plan Effective Dates

The effective dates for Benefit Plan changes are:

- **January 6, 2011** for employees on the Administration payroll
- **December 30, 2010** for employees on the Institution payroll

In order to avoid retroactive premium adjustments, Benefit Plan Change transactions must be entered by agencies on Administration Lag payrolls no later than 12/21/10. Institution Lag agencies must enter Benefit Plan Change transactions no later than 12/14/10.

To avoid retroactivity, Administration Lag Exempt agencies must enter Benefit Plan Change transactions no later than 12/07/10. Institution Lag Exempt agencies must enter Benefit Plan Change transactions no later than 11/30/10.

Transaction Type During Open Enrollment	Date of Request = Signature Date on PS 404	Transaction Effective Date
Benefit Plan Change Action/Reason (PLN/CHG)	11/1/10 to 11/30/10 Note: Enrollees will have 30 days from the date rates are approved.	For Administration: January 6, 2011 For Institution: December 30, 2010

Payroll	WED Adm --- THURS Inst --- (Paycheck #1)	NYBEAS Transaction Effective Date	Keying Window	To avoid retroactivity key by
Administration Lag	1/05/2011	1/06/2011	11/12/10 – 1/11/2011	12/21/2010
Admin Lag Exempt	12/22/2010	1/06/2011	11/12/10 – 1/11/2011	12/07/2010
Institution Lag	12/30/2010	12/30/2010	11/12/10 – 1/11/2011	12/14/2010
Institution Lag Exempt	12/16/2010	12/30/2010	11/12/10 – 1/11/2011	11/30/2010

HMO changes

Effective January 1, 2011, all MVP Healthcare plans, with the exception of option 360, will be Medicare Advantage plans for enrollees and dependents that are Medicare primary.

Change in Health Insurance Coverage during Open Enrollment Period

To make a health insurance coverage change between individual and family coverage for the following Pre-Tax Contribution Program (PTCP) Plan Year, enrollees currently participating in the PTCP must complete a PS-404 and submit it to their HBA prior to November 30, 2010.* You must enter the **CCO/OPN** or **CAN/OPN** on NYBEAS using the date of request on the PS 404.

Remember- If coverage is being changed between two NYSHIP enrollees, the effective dates must be coordinated between each agency's HBA, before the transactions are processed.

In order to avoid retroactive premium adjustments, change of coverage transactions must be entered by agencies no later than 12/21/10 for employees on Administration Lag payrolls, and no later than 12/14/10 for employees on Institution Lag payrolls.

In order to avoid retroactivity, Administration Lag Exempt agencies must enter change of coverage transactions no later than 12/7/10. Institution Lag Exempt agencies must enter change of coverage transactions no later than 11/30/10.

Transaction Type During Open Enrollment	Date of Request = Signature Date on PS 404	Transaction Effective Date
Change of Coverage to Individual (CCO/OPN) OR Voluntary Cancel (CAN/OPN)	11/1/10 to 11/30/10 Note: Enrollees will have 30 days from the date the rates are approved.	For Administration: January 6, 2011 For Institution: December 30, 2010

Payroll	WED Adm --- THURS Inst --- (Paycheck #1)	NYBEAS Transaction Effective Date	Keying Window	To avoid retroactivity key by
Administration Lag	1/05/2011	1/06/2011	11/12/10 – 1/11/2011	12/21/2010
Admin Lag Exempt	12/22/2010	1/06/2011	11/12/10 – 1/11/2011	12/7/2010
Institution Lag	12/30/2010	12/30/2010	11/12/10 – 1/11/2011	12/14/2010
Institution Lag Exempt	12/16/2010	12/30/2010	11/12/10 – 1/11/2011	11/30/2010

*** Note: Changes to family coverage (CCO) without a qualifying event are still subject to a late enrollment waiting period and should be keyed in the order of transaction effective dates.**

Pre-Tax Contribution Program (PCTP) Procedures

A designated fact sheet for employees, Attachment A, is included and should be posted at work sites. **Important!** IRS Regulations are very specific regarding changes in PTCP status.

Submitting Changes for Tax Status Election

If the NYSHIP enrollee is currently enrolled in PTCP for the 2010 Plan Year and wishes to opt out of PTCP for the 2011 Plan Year, or is not enrolled in PTCP and wishes to opt in for Plan Year 2011, the enrollee must complete a PS-404 and return it to the HBA, postmarked no later than November 30, 2010. Hand-delivered PS-404s should be date-stamped upon receipt.

Send a copy of the PS-404 to EBD clearly indicating your agency code and the word PRETAX by November 30, 2010. If you send forms to EBD after November 30, 2010, you must include proof that the enrollee submitted the request timely. (i.e. an envelope postmarked or form date-stamped on or before November 30, 2010). Submission of this form will effect a change in the PTCP status for the 2011 Plan Year. **These changes are to be keyed by EBD only.**

The requested changes in PTCP status (pretax or post tax) will impact the first payroll deduction for the 2011 Plan Year.

- **January 5, 2011** for employees on the Administration payroll
- **December 30, 2010** for employees on the Institution payroll

Payroll	WED Adm --- THURS Inst --- (Paycheck #1)	NYBEAS Transaction Effective Date	Keying Window	Employee Request Date = Signature Date
Admin	1/05/2011	1/06/2011	12/1/10 - 12/21/10 (EBD only)	11/1/10 -11/30/10
Inst	12/31/2010	12/31/2010	12/2/10- 12/14/10 (EBD only)	11/1/10 -11/30/10