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TO: New York State Agency Health Benefits Administrators
FROM: Employee Benefits Division
SUBJECT: Annual Option Transfer and Pretax Selection for the 2012 Plan Year
DATE: November 16, 2011

This memo includes items specific to the 2012 option transfer period. Refer to Chapter Five of the HBA Manual for general issues to be considered during each annual option transfer period.

2012 Annual Option Transfer Period Date

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

Visit NYSHIP Online at <https://www.cs.ny.gov> for up-to-date information on Option Transfer and the 2012 rates.

New Opt-out Program for 2012

The Opt-out Program will be available to employees affected by recently ratified agreements between CSEA and PEF and the State – this includes Executive branch MC employees and employees represented by CSEA and PEF, employees of the Legislature, and employees of the Unified Court System. You will receive a separate memo describing this new option, the eligibility requirements and the corresponding NYBEAS transactions to enroll.

MyNYSHIP for Annual Option Transfers for 2012 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. Additionally, enrollment in the Opt-out Program will not be available through MyNYSHIP.

2012 Benefit Plan Effective Dates

The effective dates for Benefit Plan changes are:

- **January 5, 2012** for employees on the Administration Payroll
- **December 29, 2011** for employees on the Institution Payroll

In order to avoid retroactive premium adjustments, Benefit Plan Change transactions must be entered by agencies according to the scheduled below, organized by payroll:

Transaction Type During Option Transfer	Date of Request = Signature Date on PS 404	Transaction Effective Date
Benefit Plan Change Action Reason (PLN/CHG)	11/1/2011 to 11/30/2011 Note: If rates are not approved by 11/1/2011, Enrollees will have 30 days from the date rates are approved to submit a change request.	For Administration: January 5, 2012 For Institution: December 29, 2011

Payroll	Wed Admin Thurs Institution First Paycheck Date	NYBEAS Transaction Effective Date	Keying Window	To avoid retroactivity key by
Administration Lag	1/4/2012	1/5/2012	11/1/2011 – 1/11/2012	12/20/2011
Admin Lag Exempt	12/21/2011	1/5/2012	11/1/2011 – 1/11/2012	12/6/2011
Admin Extra Lag	1/12/2012	12/29/2011	11/1/2011 – 1/11/2012	12/13/2011
Institution Lag	12/29/2011	12/29/2011	11/1/2011 – 1/11/2012	12/13/2011
Institution Lag Exempt	12/15/2011	12/29/2011	11/1/2011 – 1/11/2012	11/29/2011

HMO Changes

Effective January 1, 2012, all Empire BlueCross BlueShield HMO plans will be Medicare Advantage plans for Medicare primary enrollees and/or dependents.

Change in Health Insurance Coverage During Annual Option Transfer 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, 2011. You must enter the CCO/OPN or CAN/OPN on NYBEAS using the date of request on the PS-404.

Remember – If the coverage is being changed between two NYSHIP enrollees, the effective dates must be coordinated between the two agencies' HBAs, before the transactions are processed.

In order to avoid retroactive premium adjustments, Change of Coverage transactions must be entered by agencies according to the schedule below, organized by payroll:

Transaction Type During Option Transfer	Date of Request = Signature Date on PS 404	Transaction Effective Date
Benefit Plan Change Action Reason (CCO/OPN) or Voluntary Cancel (CAN/OPN)	11/1/2011 to 11/30/2011 Note: Enrollees will have 30 days from the date rates are approved.	For Administration: January 5, 2012 For Institution: December 29, 2011

Payroll	Wed Admin Thurs Institution First Paycheck Date	NYBEAS Transaction Effective Date	Keying Window	To avoid retroactivity key by
Administration Lag	1/4/2012	1/5/2012	11/1/2011 – 1/11/2012	12/20/2011
Admin Lag Exempt	12/21/2011	1/5/2012	11/1/2011 – 1/11/2012	12/6/2011
Admin Extra Lag	1/12/2012	12/29/2011	11/1/2011 – 1/11/2012	12/13/2011
Institution Lag	12/29/2011	12/29/2011	11/1/2011 – 1/11/2012	12/13/2011
Institution Lag Exempt	12/15/2011	12/29/2011	11/1/2011 – 1/11/2012	11/29/2011

Pre-Tax Contribution Program (PTCP) 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 2011 Plan Year and wishes to opt out of the PTCP for the 2012 Plan Year, or is not enrolled in PTCP and wishes to opt in for Plan Year 2012, the enrollee must complete a PS-404 and return it to the HBA, postmarked no later than November 30, 2011. 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 PRE-TAX by November 30, 2011. If you send forms to EBD after November 30, 2011, 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, 2011). Submission of this form will effect a change in the PTCP status for the 2012 Plan Year. **These changes are to be keyed by EBD only.**

The requested changes in PTCP status (pre-tax or after-tax) will impact the first payroll deduction for the 2012 Plan Year.

- **January 4, 2012** for employees on the Administration Payroll
- **December 29, 2011** for employees on the Institution Payroll

Payroll	Wed Admin Thurs Institution First Paycheck Date	NYBEAS Transaction Effective Date	Keying Window	Employee Request Date = Signature Date
Administration	1/4/2012	1/5/2012	12/1/2011 – 12/21/2011	11/1/2011 – 11/30/2011
Institution	12/29/2011	12/29/2011	12/2/2011 – 12/23/2011	11/1/2011 – 11/30/2011

Please note, an enrollee's election to opt-out of the PTCP for the 2012 Plan Year is not to be confused with the Health Insurance Enrollment Opt-Out Program which provides incentive payments to eligible employees with other qualifying coverage who elect to opt out of NYSHIP coverage.

Open Enrollment for the Young Adult Option (YAO)

The Open Enrollment period for the YAO will coincide with the Annual Option Transfer Period. 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. The YAO is coverage available to children of NYSHIP enrollees up to age 30; it is individual enrollment with the enrollee responsible for the full premium.