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NY12-40

TO: New York State Agency Health Benefits Administrators
FROM: Employee Benefits Division
SUBJECT: Annual Option Transfer Period and Pretax Selection for 2013 Plan Year
DATE: November 15, 2012

This memo includes items specific to the 2013 Annual Option Transfer Period. Refer to Chapter Five of the HBA Manual for general issues to be considered during each annual option transfer period.

2013 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 2013 rates.

Opt-out Program for 2013

The Opt-out Program will be available to employees of the State of New York who are unrepresented or in Negotiating Units that have agreements/awards with New York State effective October 1, 2011 or later. You will receive a separate memo describing the Opt-out Program, the eligibility requirements and the corresponding NYBEAS transactions to enroll.

MyNYSHIP for Annual Option Transfers for 2013 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.

2013 Benefit Plan Effective Dates

The effective dates for Benefit Plan changes are:

- **January 3, 2013** for employees on the Administration Payroll
- **December 27, 2012** 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)	11/1/2012 to 11/30/2012 Note: If rates are not approved by 11/1/2012, Enrollees will have 30 days from the date rates are approved to submit a change request.	For Administration: January 3, 2013 For Institution: December 27, 2012

Payroll	Wed Admin Thurs Institution First Paycheck Date	NYBEAS Transaction Effective Date	Keying Window	To avoid retroactivity key by
Administration Lag	1/2/2013	1/3/2013	11/15/2012 – 1/11/2013	12/18/2012
Admin Lag Exempt	12/19/2012	1/3/2013	11/15/2012 – 1/11/2013	12/4/2012
Admin Triple Lag	1/10/2013	12/27/2012	11/15/2012 – 1/11/2013	12/24/2012
Institution Lag	12/27/2012	12/27/2012	11/15/2012 – 1/11/2013	12/11/2012
Institution Lag Exempt	12/13/2012	12/27/2012	11/15/2012 – 1/11/2013	11/27/2012

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
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Benefit Plan Change Action Reason (CCO/OPN) or Voluntary Cancel (CAN/OPN)	11/1/2012 to 11/30/2012 Note: Enrollees will have 30 days from the date rates are approved.	For Administration: January 3, 2013 For Institution: December 27, 2012
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Payroll	Wed Admin Thurs Institution First Paycheck Date	NYBEAS Transaction Effective Date	Keying Window	To avoid retroactivity key by
Administration Lag	1/2/2013	1/3/2013	11/15/2012 – 1/11/2013	12/18/2012
Admin Lag Exempt	12/19/2012	1/3/2013	11/15/2012 – 1/11/2013	12/4/2012
Admin Triple Lag	1/10/2013	12/27/2012	11/15/2012 – 1/11/2013	12/24/2012
Institution Lag	12/27/2012	12/27/2012	11/15/2012 – 1/11/2013	12/11/2012
Institution Lag Exempt	12/13/2012	12/27/2012	11/15/2012 – 1/11/2013	11/27/2012

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 2012 Plan Year and wishes to opt out of the PTCP for the 2013 Plan Year, or is not enrolled in PTCP and wishes to opt in for Plan Year 2013, the enrollee must complete a PS-404 and return it to the HBA, postmarked no later than November 30, 2012. 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, 2012. If you send forms to EBD after November 30, 2012, 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, 2012). 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 2013 Plan Year.

- **January 2, 2013** for employees on the Administration Payroll
- **January 10, 2013** for employees on the Institution Payroll

Payroll	Wed Admin	NYBEAS Transaction Effective Date	Keying Window	Employee Request Date = Signature Date
	Thurs Institution First Paycheck Date			
Administration	1/2/2013	1/3/2013	11/15/2012 – 1/11/2013	11/1/2012 – 11/30/2012
Institution	1/10/2013	1/10/2013	11/15/2012 – 1/11/2013	11/1/2012 – 11/30/2012

Please note, an enrollee's election to opt-out of the PTCP for the 2013 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.

ATTACHMENT A

Pre-Tax Contribution Program (PTCP) Fact Sheet For Active NYS Employees Enrolled in NYSHIP (Please post this information prominently)

Under the Pre-Tax Contribution Program (PTCP), your share of the health insurance premium is deducted from your wages before taxes are withheld, which may lower your taxes.

You were automatically enrolled in PTCP when you became eligible for health insurance, unless you declined. Your paycheck shows whether or not you are enrolled in PTCP.

If you are enrolled in PTCP, your paycheck stub shows Regular Before-Tax Health in the Before-Tax Deductions section.

If you are not enrolled in PTCP, your paycheck stub shows Regular After-Tax Health in the After-Tax Deductions section. Your health insurance premium is deducted from your wages after taxes are withheld.

If you wish to change your PTCP selection for 2013, see your Agency Health Benefits Administrator and complete a health insurance transaction form (PS-404) by November 30, 2012.

Changes Permitted for PTCP Enrollees Outside the November Election Period

Under Internal Revenue Service (IRS) rules, if you are enrolled in PTCP, you may change your health insurance deduction during the tax year only after one of the following PTCP-qualifying events:

- Change in employee's marital status
- Change in employee's number of dependents
- Change in employment status of employee, spouse, or dependent that affects eligibility
- Dependent satisfies or ceases to satisfy eligibility requirements
- Change in place of residence or worksite of the employee, spouse or dependent
- Change in coverage under other employers' plan
- COBRA events
- Judgment, decree or order
- Medicare or Medicaid eligibility
- Leaves of absences
- HIPAA special enrollment rights

Changes to coverage due to the above status changes must be consistent with the change in your family or employment. If you make a change in coverage not related to a qualifying event, your PTCP insurance deduction will not change.

Changes of coverage because of these qualifying events must be made within 30 days of the event (or within the waiting period if newly eligible), and delays may be expensive.

NOTE: A change in coverage is treated differently than a change in your pre-tax election. For example, if your only covered dependent became ineligible for coverage in June and notice of this qualifying event was not provided to your HBA until August (not within 30 days), the dependent will be removed retroactive to when first ineligible for benefits in June. Deductions will be changed to Individual only as of August and no refund will be issued.

In November, NYSHIP Enrollees in PTCP can make the following changes to their PTCP election/premium for the next plan year:

- Change your PTCP election
- Change from Family to Individual coverage, while your dependents are still eligible, when there is no qualifying event
- Change from Individual to Family coverage without a qualifying event (late enrollment provisions will be applied)
- Voluntarily cancel your coverage, while you are still eligible for coverage, when there is no qualifying event
- Enroll for coverage without a qualifying event (late enrollment provisions will be applied)