



Department of Civil Service

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Governor

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TO: New York State Agency Employee Health Benefit Administrators

FROM: Employee Benefits Division

SUBJECT: Policy Memo #143: the Pre-Tax Contribution Program (PTCP) and other rules affecting changes in enrollee coverage and/or premium deductions

DATE: April 27, 2016

The New York State Health Insurance Program (NYSHIP) provides benefits to New York State employees pursuant to Civil Service Law, the President's Regulations, and collective bargaining agreements. Mandates on both the State and Federal level, such as the Emergency Services and Surprise Bills Law, the Health Insurance Portability and Accountability Act (HIPAA) and the Patient Protection and Affordable Care Act, also impact how benefits must be provided.

In addition, the State offers the Pre-Tax Contribution Program (PTCP) for employees who wish to take advantage of health insurance premium deductions taken on a pre-tax basis. For those employees who elect to participate in the PTCP, the State is required to comply with the rules regarding changes in pre-tax deductions under Section 125 of the Internal Revenue Code (IRC) that governs cafeteria plans.

The Employee Benefits Division recently reviewed its practices regarding PTCP election and changes in enrollee coverage, most specifically changes in option and changes between individual and family coverage. As a result of that review, the newly issued Policy Memo #143 updates and clarifies NYSHIP rules related to PTCP election and provides a comprehensive explanation of permissible changes in coverage and/or changes in premium deductions under the PTCP.