

## Employee Benefits Division Policy Memorandum

**Number: Policy Memo 102r2**

**Date Issued: May 11, 2018**

**Subject: Reinstatement of Coverage After Disability Retirement has been Approved**

### PURPOSE:

Determine if health insurance can be reinstated for individuals who lose coverage due to non-payment of premiums and are subsequently granted a retroactive disability retirement by the New York State and Local Retirement System (NYSLRS) or the New York State Teachers' Retirement System (NYSTRS).

### BACKGROUND:

Section 73.1(e) of the President's Regulations states that a retiree is "a person who has become enrolled in the plan as an employee and whose coverage is being continued after his withdrawal from the active service of the employer under the eligibility privileges of the plan." This has always been interpreted to mean that an employee must be enrolled in NYSHIP on the date of retirement to be eligible for retiree coverage. Informational materials and procedures manuals all clearly state this as a requirement.

Occasionally, an illness or injury will necessitate that an employee be placed on leave or separate from State service. If the employee does not make timely NYSHIP premium payments the health insurance is canceled. The employee may have filed for retirement, but for a number of reasons, the Retirement System's decision is delayed. The retirement may be granted retroactive to the beginning of the leave, or sometimes to a later date depending on when the application was filed. In either case, the fact of retirement is not known until after the employee's coverage has been terminated.

### POLICY:

When an employee is approved for a disability retirement (or Social Security Disability Insurance [SSDI] award for members of the State University of New York [SUNY] Optional Retirement Program [ORP], with a plan sponsor such as Teachers' Insurance and Annuity Association [TIAA]) after health insurance has been canceled, the employee will be granted the opportunity to reenroll in NYSHIP if all other eligibility requirements are met. The employee may elect family or individual coverage for the retroactive enrollment period, and he or she must pay all outstanding premium up to the effective date of the disability retirement. For EBD to reinstate coverage, all payments must be made within 60 days of EBD's notice of eligibility to the enrollee. If an enrollee was previously awarded a waiver of premium, the waiver ends on the effective date of the disability retirement.

The enrollee has the option to enroll in retiree coverage retroactive to the date of retirement or effective the first day of the month following EBD's receipt of the documentation necessary to prove disability retirement eligibility. At the time of enrollment for retiree coverage, a retiree may choose any coverage, and/or any option if it has been at least one year since his or her last option change.

If the individual was enrolled in a NYSHIP HMO at the time of his or her cancellation, EBD staff should confirm with the HMO that retroactive enrollment is allowed. If the HMO will not allow

enrollment retroactive to the date of the original cancellation, EBD staff should offer the individual the option to retroactively enroll in the Empire Plan.

No application for reinstatement of coverage under this policy will be accepted more than one year from the date of the cover letter for the notice of determination issued by NYSLRS or NYSTRS.

Reinstatement of coverage for individuals granted a New York State disability retirement is only available through application to EBD.