

## Employee Benefits Division Policy Memorandum

**Number: Policy Memo 104r2**

**Date Issued: May 11, 2018**

**Subject: Option Change Upon Return from Leave**

### PURPOSE:

Determine if State or Participating Employers' enrollees who have had health insurance canceled while on leave without pay (LWOP) may change options upon return to the payroll if they missed an option transfer period while on LWOP.

### BACKGROUND:

An enrollee returning from LWOP had coverage canceled for non-payment and upon return to the payroll wished to enroll in a different option.

### POLICY:

The rules under which an enrollee may change options upon return from leave differ, depending on whether the enrollee is enrolled in the Pre-Tax Contribution Program (PTCP). Under Internal Revenue Service rules, an enrollee who is enrolled in the PTCP may change his or her health insurance deduction during the tax year after a PTCP qualifying event. Since return from leave is a PTCP qualifying event, Employee Benefits Division (EBD) staff and Health Benefit Administrators (HBAs) shall permit an enrollee who is enrolled in the PTCP to change options upon return to the payroll, as long as the request is consistent with the event and is made within 30 days of the event (or within the waiting period if newly eligible). This provision applies regardless of whether the enrollee missed an option transfer period while on leave or returned from leave within the same plan year.

EBD staff and HBAs shall allow a post-tax enrollee, who had health insurance canceled while on LWOP, to change options within two pay periods (30 days for enrollees of monthly agencies) of the enrollee's return to the payroll if the enrollee missed an option transfer period while on LWOP. A post-tax enrollee, who had health insurance canceled while on LWOP, but did not miss an option transfer period may not change options upon return to the payroll.