

Employee Benefits Division Policy Memorandum

Number: Policy Memo 41r1

Date Issued: May 11, 2018

Subject: Vested Employees Working Less than Half Time

PURPOSE:

Determine if a vested employee who moves from a full-time to a less than half-time position can remain eligible for health insurance if not specified by a union agreement.

BACKGROUND:

Under current procedures, if there is no union agreement covering less than half-time eligibility, a person who moves from a full to less than half-time work schedule loses eligibility for enrollment in NYSHIP and can only continue coverage in COBRA status. This presents a dilemma for active employees who have earned the right to vested status. If they continue to work, they must take COBRA coverage (at 102% of the full share cost) which lasts only 36 months. At the end of that time, health insurance ends, and they have no means to maintain NYSHIP coverage until retirement eligibility. We presently cannot allow them to continue in NYSHIP as vestees because a person can be considered a vestee for health insurance purposes only if the person terminates State service. If such people left State service, they could continue NYSHIP coverage in vested status.

POLICY:

Allow active employees who move from full-time to less than half-time positions, and who have ten or more years of service, to continue in NYSHIP vestee coverage by paying the full cost of coverage.