

Employee Benefits Division Policy Memorandum

Number: Policy Memo 61r2

Date Issued: September 28, 2023

Subject: Waiting Period for Employees Who are Terminated from a PE and are Hired at a State Agency

PURPOSE:

Require a waiting period for employees who are terminated from a Participating Employer (PE) and are hired at a State agency.

BACKGROUND:

Prior to negotiated agreements requiring a new employee waiting period for new State employees, procedures allowed employees who transfer from a PE to a State agency within one payroll period to have coverage as a State employee on the first day of the second payroll period following the payroll period in which the employee reported for work. This practice was the only exception for applying a waiting period for a new State employee.

POLICY:

Apply the new employee waiting period to new State employees who previously worked for PEs. When an employee leaves a PE and becomes a State employee, the enrollee should be treated the same as other new employees and be subject to the same waiting period before coverage as a State employee begins. This is the same procedure that is used when an employee terminates employment with a Participating Agency (PA) and is hired as a State employee. The enrollee may apply for COBRA coverage to ensure no lapse in coverage.