Employee Benefits Division Policy Memorandum

Number: Policy Memo 6r4
Date Issued: September 28, 2023
Subject: Waiting Period for COBRA or Vested Enrollees Who Return to Active New York State Employment

PURPOSE:

Determine whether a NYSHIP COBRA or vested enrollee must satisfy the new employee waiting period when he or she becomes newly reemployed with an employer that participates in NYSHIP.

BACKGROUND:

An employee who has terminated employment is eligible to continue health insurance coverage under COBRA for up to 36 months by paying both the employee and employer share of premium, along with a two percent administration fee.

A NYSHIP enrollee who leaves employment before he or she is eligible for health insurance coverage as a retiree may vest and maintain continuous NYSHIP coverage by paying both the employee and employer share of premium until he or she is eligible to collect a pension.

When a COBRA or vested enrollee becomes reemployed during a COBRA continuation of coverage period or while vested, the following policy applies.

POLICY:

Upon reemployment, the employee must satisfy the appropriate waiting period for his or her bargaining unit before coverage as an active employee becomes effective. If the employee wishes to maintain COBRA or Vestee coverage during the new employee waiting period, it will be his or her responsibility to make the necessary payments to ensure a break in coverage does not occur.

The "15-day rule" will apply to continuation coverage payments as described in Policy Memo 76r1.

Example: An enrollee in continuation coverage was rehired on May 15. Coverage as an active employee became effective June 13 at the conclusion of the new employee waiting period. Since the enrollee carried COBRA coverage for fewer than 15 days out of the month, the enrollee did not owe continuation coverage payment for June. Had the enrollee carried COBRA coverage for more than 15 days of the month, the enrollee would owe a continuation coverage payment for the month of June to maintain continuity of coverage.