SEPTEMBER 2005

PLANNING FOR OPTION TRANSFER

For New York State Employees, the Legislature, and the Unified Court System

Thinking about changing your health insurance option? Need help choosing a plan?

In October, your agency Health Benefits Administrator (HBA) will receive *Choices 2006*, your guide to New York State Health Insurance Program (NYSHIP) health insurance options. If you are thinking about changing your option, read the descriptions of plans in your area and compare and contrast the benefits important to you and your family.

The checklist in *Choices* will assist in your decision process. If you have questions, call the plan directly at phone numbers listed in *Choices*.

When rates are approved, information about the cost of each option will be sent to your agency and your home, and will be posted at www.cs.state.ny.us in the Employee Benefits section. You will have 30 days from the date your agency receives the rates to change your option. If you no longer live or work in the NYSHIP service area of the HMO in which you are enrolled now, you must change to another plan.

! No action is required to keep your current health insurance option.

Depending on your group and eligibility, the upcoming months may be a time for you to make important decisions about your benefits related to the Flex Spending Account, Pre-Tax Contribution Program (PTCP), or Productivity Enhancement Program (PEP). The calendar and articles in this guide provide more information about deadlines and other benefits.

Option Transfer Period

During the Option Transfer Period you may change your health insurance option for the next calendar year:

- from an HMO to The Empire Plan,
- from The Empire Plan to an HMO that is accepting new members, or
- from one HMO to another HMO that is accepting new members and has a NYSHIP service area in the area where you live or work.

NYSHIP New York State Health Insurance Program

IMPORTANT DATES

OCTOBER

- NYSHIP *Choices* for Active Employees is sent to agencies. See your HBA for a copy.

NOVEMBER

- Flex Spending Account (Health Care Spending Account or Dependent Care Advantage Account) open enrollment/**September 26 to November 10**.

  Note: Ask your agency Health Benefits Administrator if you are eligible for this benefit. If you are currently enrolled in HCSAccount or DCAAccount, you must reenroll to continue your benefits in 2006.
- PEP enrollment/**October 31 to November 25.**
- PTCP enrollment/**November 1 to November 30**.
- *NYSHIP Rates & Deadlines* is mailed to homes when rates are approved.
- Option Transfer information is posted at www.cs.state.ny.us. Click Employee Benefits, and then Choosing a Health Plan?

DECEMBER

- Option Transfer Period deadline as announced in *NYSHIP Rates & Deadlines*.
- Some new health insurance option effective dates as announced in *NYSHIP Rates & Deadlines*.

JANUARY

- Flex Spending Account begins **January 1, 2006**.
- PEP begins **January 1, 2006**.
- Some new health insurance option effective dates as announced in *NYSHIP Rates & Deadlines*.

Pre-Tax Contribution Program

Under the Pre-Tax Contribution Program (PTCP), your share of the health insurance premium may be deducted from your wages *before* taxes are withheld, which may lower your taxes.

You were automatically enrolled in PTCP when you became eligible for health insurance, unless you declined. Your paycheck shows whether you are enrolled in PTCP.

- If you are enrolled in PTCP, your paycheck stub shows *Regular Before Tax Health* in the Before Tax Deductions column.
- If you are not enrolled in PTCP, your paycheck stub shows *Regular After Tax Health* in the After Tax Deductions column. Your health insurance premium is deducted from your wages after taxes are withheld.

PTCP and Domestic Partners

If you have elected pre-tax and have a non-federally qualified domestic partner, *Regular Before Tax Health* will appear in the Before Tax Deductions column; *Regular After Tax Health* will appear in the After Tax Deductions column. Under federal law, a domestic partner's premium cannot be deducted before taxes are withheld.

If you wish to change your pre-tax selection for 2006, see your agency Health Benefits Administrator and complete a health insurance transaction form by November 30, 2005. Under Internal Revenue Service (IRS) rules, you may change your health insurance deduction during the tax year only after one of the following PTCP qualifying events:

- You have a change in family status (e.g., marriage, birth, death, legal separation, divorce, only dependent child attains the maximum age for coverage).
- You no longer live or work within the Health Maintenance Organization's service area, and you must choose another HMO or The Empire Plan.
- Your spouse loses coverage due to termination of employment and you apply for coverage for your spouse under NYSHIP.
- You first become eligible for health insurance coverage after the beginning of the tax year.
- Your employment with the State terminates or you retire.
- Your spouse has a change in employment status, which results in acquiring or losing eligibility for health insurance coverage.

- You become divorced or legally separated and are required by court order to provide health insurance coverage for your eligible dependent children and/or legally separated spouse.
- There is a significant change in your or your spouse's health coverage, related to employment.

No action is required to keep your current status.

Delays may be expensive. For example, if you qualify to change from Family to Individual coverage in June, but miss the 28-day deadline, you must keep Family coverage through December. For most options, the extra six months of Family coverage may cost you more than $450.

Changes in coverage because of these qualifying events must be made within 28 days of the event (30 days for a change of coverage because of the birth of a child). Changes not related to a qualifying event are defined by IRS as arbitrary health insurance coverage changes and will not change your pre-tax insurance deduction.

Your deduction will stay the same after the amount is set for the tax year.

NYSHIP enrollees in PTCP can make the following changes, in November only:

- A change from Family to Individual coverage while your dependents are still eligible, unless the change stems from a qualifying event, or
- Voluntary cancellation of your coverage while you are still eligible for coverage, unless the change stems from a qualifying event.

These limitations apply only to changes made when there is no qualifying event during the tax year.

Productivity Enhancement Program (PEP)*†

For eligible employees of the State of New York Executive and Judicial Branches who are Management/Confidential or represented by CSEA, PEF, DC-37; Unified Court System; Legislature.

Eligible full- and part-time employees may exchange previously accrued vacation credits and/or personal leave in return for a credit to be applied toward the employee share of their NYSHIP premium.

Full-time employees who enroll in the program during 2006 will forfeit a total of three days (22.5 or 24 hours for 37.5 and 40 hour workweeks, respectively)** of annual and/or personal leave standing to their credit at the time of enrollment. In return, they receive a credit of up to $400 to be applied toward the employee share of NYSHIP premiums.

Eligible part-time employees will be allowed to participate on a prorated basis each year the Program is offered. Between October 31 and November 25, 2005, you may choose this option for the 2006 calendar year. Ask your agency personnel office for details and an application.

If you are currently enrolled in PEP, you must reenroll to continue your benefits in 2006.

Flex Spending Account

For eligible employees of the State of New York Executive Branch who are Management/Confidential or represented by CSEA, PEF, UUP, NYSCOPBA, Council 82, DC-37, PIA, PBA; Unified Court System; Legislature.

The Flex Spending Account saves you money by allowing you to pay for certain expenses with pre-tax dollars. Under this program, you can choose two benefits:

- The Health Care Spending Account (HCSAccount) lets you set aside up to $3,000 in pre-tax salary to pay for health-related expenses not reimbursed by your health insurance or any other benefit plan.
- The Dependent Care Advantage Account (DCAAccount) allows you to set aside up to $5,000 in pre-tax salary for eligible child care, elder care or disabled dependent care expenses.

If you are currently enrolled in the Flex Spending Account, you must reenroll to continue your benefits in 2006.

* This benefit is known as the Health Option Program (HOP) for eligible employees of the Judicial Branch.

† This benefit is known as the Productivity Improvement Program (PIP) for eligible employees represented by UUP and SUNY M/Cs.

** Eligible full-time Institution Teachers represented by PEF will forfeit one, two or three days.

www.cs.state.ny.us

NYS OnLine answers many questions for NYSHIP enrollees. You Should Know… announces when publications and important benefit information are available. You can select your group and view current health insurance information. The site has useful phone numbers and a link to The Empire Plan Participating Provider Directory. *Choices* and other Option Transfer publications are available online as soon as they are approved for printing. Rates are also posted promptly upon approval. NYS OnLine meets universal accessibility standards adopted by New York State for NYS Agency web sites, and has been honored for excellence in health benefits presentation by WWW Health Awards and APEX Awards, among others.

It is the policy of the State of New York Department of Civil Service to provide reasonable accommodation in benefits publications to individuals with disabilities, to ensure effective communication. These publications are available on the Employee Benefits Division web site **(www.cs.state.ny.us)**, which meets universal accessibility standards adopted by New York State for NYS agency web sites. If you need an auxiliary aid or service to make benefits information available to you, please contact your agency Health Benefits Administrator. COBRA Enrollees: Contact the Employee Benefits Division at **518-457-5754** (Albany area) or **1-800-833-4344** (U.S., Canada, Puerto Rico, and the Virgin Islands).

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New York State Health Insurance Program

NYSHIP Information for the Enrollee, Enrolled Spouse/Domestic Partner and Other Enrolled Dependents

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