

Planning for

# OPTION Transfer

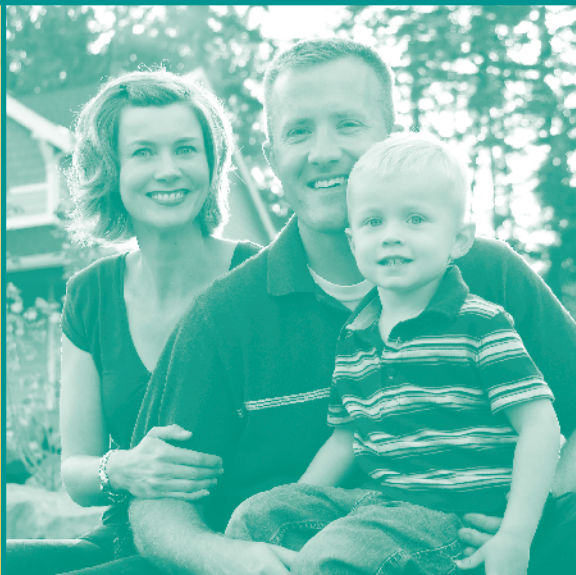
**Thinking about changing your health insurance option?**

For Executive Branch Employees represented by CSEA and  
Unified Court System (UCS) Employees represented by CSEA,  
their Dependents, COBRA Enrollees with their NYSHIP Benefits  
and Young Adult Option Enrollees



New York State Department of Civil Service  
Employee Benefits Division  
Alfred E. Smith State Office Building  
Albany, New York 12239  
<https://www.cs.ny.gov>

December 2011



## Need help choosing a plan?

In December, your agency Health Benefits Administrator (HBA) will receive *Choices for 2012*, 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 you in your decision. If you have questions, call the plan directly at the phone numbers listed in *Choices*. Information about the cost of each option will be sent to your agency, your home and will be posted at <https://www.cs.ny.gov>. From the home page, choose Benefit Programs then NYSHIP Online and select your group and plan, if prompted. Rate information is posted under Health Benefits & Option Transfer. You will have 30 days from the date your agency receives the rates to change your option.

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

- from a NYSHIP HMO to The Empire Plan,
- from The Empire Plan to a NYSHIP HMO,
- from one NYSHIP HMO to another NYSHIP HMO that has a NYSHIP service area where you live or work, or
- from a NYSHIP health plan to the Opt-out Program.

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

The upcoming month is the time for you to make important decisions about your benefits related to the Productivity Enhancement Program (PEP), if eligible.

**Note:** Young Adult Option enrollees are not eligible for these programs. The calendar and articles in this guide provide more information about deadlines and other benefits.

## Productivity Enhancement Program (PEP)

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.

At the time of enrollment, full-time employees who enroll in the Program for 2012 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 in exchange for a \$500 credit to be applied toward the employee share of their NYSHIP premiums; or
- Six days (45 or 48 hours for 37.5- and 40-hour workweeks, respectively) of annual and/or personal leave standing in exchange for a \$1,000 credit to be applied toward the employee share of their NYSHIP premiums.

If you are an eligible part-time employee, you will be allowed to participate on a prorated basis each year the Program is offered. Between December 5 and December 23, 2011, you may choose this option for the 2012 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 2012.**

# Opt-out Program Available for 2012

Effective January 1, 2012, NYSHIP will offer the Opt-out Program, which will allow eligible employees who have other employer-sponsored group health insurance, to opt out of their NYSHIP coverage in exchange for an incentive payment. The incentive payment is \$1,000 for waiving Individual coverage or \$3,000 for waiving Family coverage on an annual basis. The incentive payments will be prorated and reimbursed through your biweekly paycheck throughout the year (payable only when an employee is on the payroll). **Note:** The payments will be taxable income.

## Electing to Opt Out

If you are currently enrolled in NYSHIP and wish to participate in the Opt-out Program, you must elect to opt out during the annual Option Transfer Period and attest to having other employer-sponsored group health insurance each year. See your agency HBA and complete the 2012 Opt-out Attestation Form (PS-409). Your NYSHIP coverage will terminate at the end of the plan year and the incentive payments will begin after January 1 (the new plan year).

If you are a new hire or a newly benefits-eligible employee who has other employer-sponsored group health insurance and wish to participate in the Opt-out Program, you must make your election no later than the first date of your eligibility for NYSHIP. See your agency HBA and complete the NYS Health Insurance Transaction Form (PS-404) and the 2012 Opt-out Attestation Form (PS-409).

## Eligibility Requirements

To be eligible for the Program you must have been enrolled in NYSHIP by April 1, 2011, and remain enrolled through the end of the 2011 plan year, unless you became newly eligible for NYSHIP benefits after April 1.

Once you enroll in the Opt-out Program, during any period that your status changes and, as a result, you do not meet the requirements for the State contribution to the cost of your NYSHIP coverage, you are not eligible for the incentive payment. Also, if you are receiving the incentive for opting out of Family coverage and during the year your last dependent loses NYSHIP eligibility, you will be eligible for only the Individual payment.

## Reenrollment in NYSHIP

Employees who participate in the Opt-out Program may reenroll in NYSHIP during the next annual Option Transfer Period. To reenroll in NYSHIP coverage any other time, employees must experience a qualifying event like a change in family status (e.g.; marriage, birth, death or divorce) or loss in coverage. Employees must provide proof of the qualifying event within 30 days or any change in enrollment will be subject to NYSHIP's late enrollment rules. See the *NYSHIP General Information Book* for more details.

**See Opt-out Program Questions and Answers  
on pages 4 and 5.**

## NYSHIP's Young Adult Option

During the Option Transfer Period, eligible young adult children of NYSHIP enrollees can enroll in the Young Adult Option and current Young Adult Option enrollees will be able to switch plans. This option allows unmarried, young adult children, up to age 30 to purchase their own NYSHIP coverage. The premium is the full cost for Individual coverage for the NYSHIP option selected. For more information on the Young Adult Option, go to <https://www.cs.ny.gov/yao> and choose your group.

## Opt-out Program Questions and Answers

- Q.** What is considered other employer-sponsored group health insurance coverage for the purpose of qualifying for the Opt-out Program?
- A.** To qualify for the Program you must be covered under an employer-sponsored group health insurance plan through other employment of your own or a plan that your spouse, domestic partner or parent has as the result of his or her employment. The other coverage cannot be NYSHIP coverage provided through employment with the State of New York, except that for plan year 2012, a CSEA enrollee covered as a dependent through their spouse/domestic partner who is a State employee, may elect to opt out and receive \$1,000, whether the coverage opted out of was Individual or Family. Both employees must have been enrolled in a State Plan by April 1, 2011 to elect the Opt-out Program for calendar year 2012. See your HBA for details. Also, NYSHIP coverage through another employer such as a municipality, school district or public benefit corporation qualifies as other coverage.
- Q.** Will I qualify for Opt-out Program incentive payments if I change from Family to Individual coverage?
- A.** No. If you are enrolled for NYSHIP coverage you will not qualify for the incentive payment.
- Q.** If I elect the Opt-out Program for 2012, will I automatically be enrolled in the Program for the following plan year?
- A.** No. Unlike other NYSHIP options, you must elect the Opt-out Program on an annual basis. If you do not make an election for the next plan year, your enrollment in the Opt-out Program will end and the incentive payment credited to your paycheck check will stop.
- Q.** If I opt out and I find that I don't like my alternate coverage (for instance, my doctor does not participate) can I withdraw my enrollment in the Opt-out Program and reenroll in NYSHIP coverage?
- A.** No. This is not a qualifying event. During the year you can terminate your enrollment in the Opt-out Program and reenroll in NYSHIP benefits only if you experience a qualifying event (according to federal Internal Revenue Service (IRS) rules), such as a change in family status or loss of other coverage.

*Continued on page 5*

## Important Dates

### December 2011

- PEP enrollment: December 5, 2011 to December 23, 2011.  
**Note:** Ask your agency HBA if you are eligible for this benefit. If you are currently enrolled in PEP, you must reenroll to continue participation in 2012.
- NYSHIP *Choices* for active employees is sent to agencies. See your agency HBA for a copy or visit <https://www.cs.ny.gov>.
- NYSHIP *Rates & Deadlines* is mailed to homes when rates are approved and posted online.
- Option Transfer information is posted at <https://www.cs.ny.gov>. Online option transfer is also available through MyNYSHIP.
- Option Transfer Period deadline: December 30, 2011.
- Young Adult Option open enrollment period.
- New health insurance option effective date for Institution Payroll employees as announced in *NYSHIP Rates & Deadlines*.

### January 2012

- Flex Spending Account begins January 1, 2012.
- New health insurance option effective date for Administration Payroll employees as announced in *NYSHIP Rates & Deadlines*.



- Q.** If my spouse's (domestic partner's or parent's) employer has its open enrollment period (or option transfer period) at a different time of the year, how can I coordinate the effective date of my other coverage with the start of the Opt-out Program?
- A.** Under IRS rules, if an employee's spouse drops coverage under his or her employer plan during Option Transfer, the employee can be permitted to enroll the spouse mid-year in his or her employer plan, as long as the plans have different open enrollment periods. **You should check to see whether your spouse's employer will permit your spouse to enroll you as a dependent.** You are responsible for making sure your other coverage is in effect.
- Q.** What if I lose my other coverage and do not request enrollment for NYSHIP benefits with The Empire Plan or a NYSHIP HMO within 30 days of losing that coverage?
- A.** If you fail to make a timely request, you will be subject to NYSHIP's late enrollment waiting period, which is five biweekly pay periods. You will not be eligible for NYSHIP coverage during the waiting period.
- Q.** Can I get a lump sum payment if I elect the Opt-out Program?
- A.** No. The Opt-out Program incentive payment is prorated and reimbursed through your biweekly paycheck throughout the year.
- Q.** If I am eligible for health, dental and vision coverage as a State employee, do I have to opt out of all three benefits to receive the incentive payment?
- A.** No. The Opt-out Program incentive payment applies to health insurance coverage only. If you enroll in the Program, your eligibility for dental and vision coverage will not be affected.
- Q.** When I enroll in the Opt-out Program, what information will I need to provide about the other employer-sponsored group health coverage I will be covered by?
- A.** To enroll you must complete a PS-409. You will be required to attest that you are covered by other employer-sponsored group health coverage and provide information regarding the person that carries that coverage, as well as the name of the other employer and other health plan.
- Q.** I had Individual NYSHIP coverage prior to April 1, 2011, and changed to Family coverage when I got married in July. Will I qualify for the \$3,000 family incentive payment even though I did not have Family coverage as of April 1?
- A.** Employees who enrolled in Family coverage due to a qualifying event and did so on a timely basis between April 1, 2011 and the end of 2011 are eligible for the higher incentive payment. You will not be eligible for the higher incentive payment if you enrolled for Family coverage after April 1 and were subject to a late enrollment waiting period.
- Q.** Will participating in the Opt-out Program affect my eligibility for NYSHIP coverage in retirement?
- A.** No. Participation in the Opt-out Program satisfies the requirement of enrollment in NYSHIP at the time of your retirement.

New York State  
Department of Civil Service  
Employee Benefits Division  
P.O. Box 1068  
Schenectady, NY 12301-1068  
<https://www.cs.ny.gov>

Save this document



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

*Planning for Option Transfer CSEA – December 2011*

**Please do not send mail or  
correspondence to the return  
address above. See the front  
cover for address information.**

It is the policy of the New York State Department of Civil Service to provide reasonable accommodation to ensure effective communication of information in benefits publications to individuals with disabilities. These publications are also available on the Department of Civil Service web site (<https://www.cs.ny.gov>). Click on Benefit Programs then NYSHIP Online for timely information that 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 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

 *Planning for Option Transfer CSEA* was printed using recycled paper and environmentally sensitive inks.

NF0476



*Planning for OT CSEA/December 2011*

## Retirement Premium Contribution Rates

As permitted under Civil Service Law, the negotiated changes to the NYSHIP premium contribution rates are being extended to employees retiring from State service on or after January 1, 2012. Those who retire on or after January 1, 2012 from a Salary Grade 9 title or below or from a position equated to Salary Grade 9 or below will pay 12 percent of the cost of Individual coverage and 27 percent of the cost of dependent coverage. Those who retire on or after January 1, 2012 from a Salary Grade 10 title or above or from a position equated to Salary Grade 10 or above will pay 16 percent of the cost of Individual coverage and 31 percent of the cost of dependent coverage. The State's contribution to the cost of NYSHIP HMO coverage will continue to be capped based on the cost of Empire Plan coverage.