

# Planning for Option Transfer

Thinking about changing  
your health insurance option?

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



## Need help choosing a plan?

In October, your agency Health Benefits Administrator (HBA) will receive *Choices 2009*, 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 the phone numbers listed in *Choices*. When rates are approved, information about the cost of each option will be sent to your agency and home and be posted at [www.cs.state.ny.us](http://www.cs.state.ny.us). From the home page, choose Benefit Programs then NYSHIP Online and select your group, 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.

## 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 and/or the Pre-Tax Contribution Program (PTCP). 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 a NYSHIP HMO to The Empire Plan,
- from The Empire Plan to a NYSHIP HMO, or
- from one NYSHIP HMO to another NYSHIP HMO that has a NYSHIP service area where you live or work.



## 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 PTCP and have a non-federally qualified domestic partner, you will have two deductions, one in the Before Tax Deductions column and one in the After Tax Deductions column. Under federal law, a domestic partner's premium cannot be deducted before taxes are withheld.

**No action is required to keep your current pre-tax status.**

If you wish to change your pre-tax selection for 2009, see your agency Health Benefits Administrator and complete a health insurance transaction form by November 30, 2008. Under Internal Revenue Service (IRS) rules, if you are enrolled in PTCP, 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 your Health Maintenance Organization's NYSHIP service area and you must choose another NYSHIP HMO or The Empire Plan.
- Your spouse loses coverage due to termination of employment and you apply for coverage for your spouse under NYSHIP.
- Your spouse has a change in employment status, which results in acquiring or losing eligibility for health insurance coverage.
- You first become eligible for health insurance coverage after the beginning of the tax year.
- Your employment with the State terminates or you retire.
- 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, due to employment status.

Changes to coverage due to the above status changes must be consistent with the change in your family or employment. If you make a change in coverage not related to a qualifying event, your pre-tax insurance deduction will not change.

Changes in coverage because of these qualifying events must be made within 30 days of the event.

*Delays may be expensive.* For example, if you are enrolled in PTCP and qualify to change from Family to Individual coverage in June, but miss the 30-day deadline, the cost of NYSHIP Family coverage will continue to be deducted from your paycheck through December. For most options, the extra six months of Family coverage may cost you more than \$450.

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 when there is no qualifying event,
- Voluntary cancellation of your coverage while you are still eligible for coverage when there is no qualifying event, or
- Opt out of PTCP.

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; Legislature, Unified Court System, or represented by CSEA, DC-37, PEF or UUP.*

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 2009 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 \$450 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 27 and November 28, 2008, you may choose this option for the 2009 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 2009.

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

# Important Dates

## September 2008

- Flex Spending Account (Health Care Spending Account or Dependent Care Advantage Account) open enrollment: September 22 to November 14  
Note: Ask your agency HBA if you are eligible for this benefit. If you are currently enrolled in HCSAccount or DCAAccount, you must reenroll to continue your participation in 2009.

## October 2008

- NYSHIP *Choices for Active Employees* is sent to agencies. See your agency Health Benefits Administrator for a copy.
- PEP enrollment: October 27 to November 28  
Note: Ask your agency HBA if you are eligible for this benefit.

## November 2008

- PTCP enrollment: November 1 to November 30
- Deadline for enrolling in the Flex Spending Account: November 14
- NYSHIP *Rates & Deadlines* is mailed to homes when rates are approved and posted online.
- Option Transfer information is posted at [www.cs.state.ny.us](http://www.cs.state.ny.us). Online option transfer is also available through MyNYSHIP.
- Deadline for enrolling in PEP: November 28

## December 2008

- Option Transfer Period deadline as announced in NYSHIP *Rates & Deadlines*.
- New health insurance option effective date for Administration Payroll employees as announced in NYSHIP *Rates & Deadlines*.

## January 2009

- Flex Spending Account begins January 1, 2009.
- PEP begins January 1, 2009.
- New health insurance option effective date for Institution Payroll employees as announced in NYSHIP *Rates & Deadlines*.

## Flex Spending Account

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

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 \$4,000 (\$100 minimum) 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 between September 22 and November 14, 2008 to continue your participation in 2009. Eligible employees may enroll online at [www.flexspend.state.ny.us](http://www.flexspend.state.ny.us) or by calling toll free 1-800-358-7202.

It is the policy of the State of New York 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 ([www.cs.state.ny.us](http://www.cs.state.ny.us)). 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 (Albany area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

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Employee Benefits Division  
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Change Service Requested

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

**Please do not send mail  
or correspondence to  
the return address above.**

**See page 1 for address  
information.**

Planning for Option Transfer – September 2008