

September 2010

Planning for Option Transfer

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

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



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Need help choosing a plan?

In October, your agency Health Benefits Administrator (HBA) will receive *Choices for 2011*, 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 2011 rates are approved, information about the cost of each option will be sent to your agency, your home and will be posted at <https://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.

Also, the upcoming months are the time for you to make important decisions about your benefits related to the Pre-tax Contribution Program (PTCP) and, if eligible, the Flex Spending Account and the Productivity Enhancement Program. The calendar and articles in this guide provide more information about deadlines and other benefits.

Pre-tax Contribution Program

Under the Pre-tax Contribution Program (PTCP), your share of the health insurance premium is 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 or not you are enrolled in PTCP.

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

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

If you wish to change your pre-tax selection for 2011, see your agency Health Benefits Administrator and complete a health insurance transaction form (PS-404) by November 30, 2010.

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, domestic partnership begins or terminates, 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 The Empire Plan or another NYSHIP HMO.
- Your spouse/domestic partner 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/domestic partner'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
- Opt out of PTCP

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

Flex Spending Account

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

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.

Recent changes to federal law have affected some of the rules under which the HCSAccount operates. Before you enroll, carefully review the information on the Flex Spending Account web site concerning restrictions on over-the-counter drug reimbursement, as this may affect the amount of money you wish to contribute to your account.

The open enrollment period for the Flex Spending Account is September 20, 2010 through November 15, 2010. If you are currently enrolled in the Flex Spending Account, you must reenroll by November 15, 2010 to continue your participation in 2011. Eligible employees may get more information and enroll online at www.flexspend.ny.gov or by calling toll free 1-800-358-7202.

If you are a new State employee hired on or after November 1, 2010, you may enroll for the 2011 plan year by either completing an Open Enrollment application by the November 15 deadline or submitting a Change in Status application within 60 days of your hire date. Or, if you experience a valid change in status on or after November 16, 2010 or during the 2011 plan year, you may be eligible to enroll by submitting a Change in Status application. Review the 2011 Change in Status information on the Flex Spending Account web site at www.flexspend.ny.gov to determine if your situation qualifies you to enroll during the plan year. Change in Status requests will be accepted until November 6, 2011.

Productivity Enhancement Program (PEP)¹

For eligible employees of the State of New York Executive and Judicial Branches who are Management/Confidential² or represented by CSEA, DC-37, PEF or UUP; Legislature; Unified Court System

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 2011 will forfeit a total of three days (22.5 or 24 hours for 37.5- and 40-hour workweeks, respectively)³ of annual and/or personal leave standing to their credit at the time of enrollment. In return, they receive a credit of up to \$500 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 25 and November 26, 2010, you may choose this option for the 2011 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 2011.

- ¹ This benefit is known as the Health Option Program (HOP) for eligible employees of the State of New York Judicial Branch.
- ² SUNY Management/Confidential employees: Ask your agency HBA, usually located in your personnel office, for Program availability and details.
- ³ Eligible full-time Institution Teachers represented by PEF will forfeit one, two or three days. See your agency HBA for the maximum credit to be applied.

Coverage for Your Young Adult Children

As the result of federal health care reform legislation, your young adult child under age 26 who is not eligible for health insurance through his or her own employer may be eligible to be enrolled as a dependent under your NYSHIP family coverage effective January 1, 2011, regardless of his or her student status or marital status.

Watch your mailbox this fall for a *NYSHIP Special Report* with details on eligibility requirements, enrollment instructions and the special enrollment period for young adult children that will begin on November 1, 2010. This *Special Report* will also provide you with information on the NYSHIP Young Adult Option coverage available to your children up to age 30.

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.

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

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**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 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 (<https://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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Important Dates

September 2010

- Flex Spending Account (Health Care Spending Account or Dependent Care Advantage Account) open enrollment: September 20, 2010 to November 15, 2010. **Note:** Ask your agency HBA if you are eligible for this benefit. If you are currently enrolled in the HCSAccount or DCAAccount, you must reenroll to continue your participation in 2011.

October 2010

- NYSHIP *Choices* for active employees is sent to agencies. See your agency HBA for a copy.
- PEP enrollment: October 25, 2010 to November 26, 2010. **Note:** Ask your agency HBA if you are eligible for this benefit.

November 2010

- Open enrollment for young adult coverage begins November 1, 2010.
- PTCP enrollment: November 1 to November 30, 2010.
- Deadline for enrolling in the Flex Spending Account: November 15, 2010.
- *NYSHIP Rates & Deadlines* is mailed to homes when rates are approved and posted online.

- Option Transfer information is posted at <https://www.cs.state.ny.us>. Online option transfer is also available through MyNYSHIP.
- Deadline for enrolling in PEP: November 26, 2010.

December 2010

- 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*.
- Enrollment deadline for young adults under the Young Adult Option.
- Enrollment deadline for young adult dependents as announced in *NYSHIP Rates & Deadlines*.

January 2011

- Flex Spending Account begins January 1, 2011.
- PEP begins January 1, 2011.
- New health insurance option effective date for Institution Payroll employees as announced in *NYSHIP Rates & Deadlines*.