

Planning for

OPTION Transfer

Thinking about changing your health insurance option?

For Employees of the State of New York who are in Negotiating Units that do **not** have agreements/awards with New York State effective October 1, 2011 or later, their Dependents, COBRA Enrollees with their NYSHIP Benefits and Young Adult Option Enrollees (Check with your agency Health Benefits Administrator (HBA) or union if you are uncertain.)



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October 2011



Need help choosing a plan?

In November, 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 in your decision process. If you have questions, call the plan directly at the phone numbers listed in *Choices*. When 2012 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.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.

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

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. **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.

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 2012, see your agency HBA and complete a health insurance transaction form (PS-404) by November 30, 2011. 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 (HMO'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 or cost of coverage.

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 \$600.

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
- Elect After-Tax Deduction

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

Flex Spending Account

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.

The current DCAAccount Employer Contribution ends at the end of 2011. Future availability of the Employer Contribution depends on the outcome of negotiations between the State and the unions that participate in the program. For Employer Contribution updates please visit www.flexspend.ny.gov or call 1-800-358-7202.

The open enrollment period for the Flex Spending Account for 2012 is October 14, 2011 through November 14, 2011. If you are currently enrolled in the Flex Spending Account, you must reenroll by November 14, 2011 to continue your participation in 2012. Eligible employees may get more information and enroll online at www.flexspend.ny.gov or by calling toll free 1-800-358-7202.

*Only federally qualified dependents' health care expenses can be reimbursed through the HCSAccount.

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NYSHIP 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.

Important Dates

October 2011

- Flex Spending Account (HCSAccount or DCAAccount) open enrollment: October 14, 2011 to November 14, 2011.
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 2012.

November 2011

- NYSHIP *Choices* for active employees is sent to agencies. See your agency HBA for a copy.
- PTCP enrollment: November 1 to November 30, 2011.
- Deadline for enrolling in the Flex Spending Account: November 14, 2011.
- *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.

December 2011

- Option Transfer Period deadline as announced in *NYSHIP Rates & Deadlines*.
- 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*.

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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 the front
cover for address information.**

Planning for Option Transfer Unsettled – October 2011

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 (Albany area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

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Flex Spending Account, Continued

If you are a new State employee hired on or after November 1, 2011, you may enroll for the 2012 plan year by either completing an Open Enrollment application by the November 14 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 15, 2011 or during the 2012 plan year, you may be eligible to enroll by submitting a Change in Status application. Review the 2012 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 4, 2012.

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.

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.