

For Executive Branch and Unified Court System employees represented by Civil Service Employees Association (CSEA), their Dependents and Young Adult Option Enrollees.

Thinking about changing your health insurance option?

During the Option Transfer Period, you may change your health insurance option for the next plan 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,
- from a NYSHIP health plan to the Opt-out Program, or
- from the Opt-out Program to a NYSHIP health plan.

If you currently participate in the Opt-out Program for 2012 and wish to continue to receive incentive payments, you must elect to opt out for 2013 by submitting a completed Opt-out Attestation Form (PS-409) and a NYS Health Insurance Transaction Form (PS-404) to your HBA during the Option Transfer Period.

NO ACTION IS REQUIRED IF YOU WISH TO KEEP YOUR CURRENT HEALTH INSURANCE OPTION AND STILL QUALIFY FOR THAT PLAN.

Need help choosing a plan?

In November, your agency will receive *Choices for 2013*, your guide to New York State Health Insurance Program (NYSHIP) health insurance options. If you are thinking about changing your option, ask your HBA for a copy and read the descriptions of plans in your area to compare and contrast the benefits that are 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*. When 2013 rates are approved, information about the cost of each option will

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New York State Department of Civil Service
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be sent to your agency, your home and will be posted at <https://www.cs.ny.gov>. From the homepage, 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.

The upcoming months also are the time for you to make important decisions about your benefits related to the Pre-Tax Contribution Program (PTCP) and, if eligible, the Productivity Enhancement Program (PEP). This guide provides more information about deadlines and other benefits. **Note:** Young Adult Option enrollees are not eligible for these programs.



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.

If you wish to change your PTCP selection for 2013, see your Agency Health Benefits Administrator and complete a health insurance transaction form (PS-404) by November 30, 2012.

NO ACTION IS REQUIRED TO KEEP YOUR CURRENT PTCP STATUS.

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:

- Change in employee's marital status
- Change in employee's number of dependents

- Change in employment status of employee, spouse, or dependent that affects eligibility
- Dependent satisfies or ceases to satisfy eligibility requirements
- Change in place of residence or worksite of the employee, spouse or dependent
- Change in coverage under other employers' plan
- COBRA events
- Judgment, decree or order
- Medicare or Medicaid eligibility
- Leaves of absences
- HIPAA special enrollment rights

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 PTCP insurance deduction will not change.

Changes in coverage because of these qualifying events must be made within 30 days of the event (or within the waiting period if newly eligible), and delays may be expensive.

Note: A change in coverage is treated differently than a change in your pre-tax election. For example, if your only covered dependent became ineligible for coverage in June and notice of this qualifying event was not provided to your HBA until August (not within 30 days), the dependent will be removed retroactive to when first ineligible for benefits in June. Deductions will be changed to Individual only as of August and no refund will be issued.

In November, NYSHIP enrollees in PTCP can make the following changes to their PTCP election/premium for the next plan year:

- Change your PTCP election
- Change from Family to Individual coverage, while your dependents are still eligible, when there is no qualifying event
- Change from Individual to Family coverage without a qualifying event (late enrollment provisions will be applied)
- Voluntarily cancel your coverage, while you are still eligible for coverage, when there is no qualifying event
- Enroll for coverage without a qualifying event (late enrollment provisions will be applied)



Opt-out Program for 2013

In 2013, NYSHIP will continue to offer the Opt-out Program, which allows 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 opting out of Individual coverage or \$3,000 for opting out of Family coverage on an annual basis. **Note:** If you are a CSEA enrollee covered as a dependent through your spouse/domestic partner who also is a State employee and you elect to opt out, you will receive \$1,000, whether you opted out of Individual or Family coverage. (Both employees must have been enrolled in a State plan by April 1, 2012 to elect the Opt-out Program for calendar year 2013. See your HBA for details.) The incentive payments are prorated and reimbursed through your biweekly paycheck throughout the year (payable only when an employee is on the payroll). **Note:** The payments are taxable income.

Eligibility Requirements

To be eligible for the Opt-out Program you must have been enrolled in NYSHIP by April 1, 2012 (or your first date of NYSHIP eligibility if that date is later than April 1), and remain enrolled through the end of 2012.

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 receive only the Individual payment starting at that time.

Electing to Opt Out

If you currently participate in the Opt-out Program and wish to continue for 2013, or you are currently enrolled in NYSHIP coverage 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 2013 Opt-out Attestation Form (PS-409) and a NYS Health Insurance Transaction Form (PS-404). If you are currently enrolled in NYSHIP coverage, 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 2013 Opt-out Attestation Form (PS-409).

Reenrollment in NYSHIP

Once you elect to participate in the Opt-out Program, you may not reenroll in a NYSHIP health plan until the next annual Option Transfer Period, unless you experience a qualifying event like a change in family status (e.g., marriage, birth, death or divorce) or loss of coverage. To avoid a waiting period, the request for enrollment must be made within 30 days of the qualifying event. See the *NYSHIP General Information Book* for more details.



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 Opt-out 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 2013, a CSEA enrollee covered as a dependent through their spouse/domestic partner who also is a State employee, may elect to opt out and receive \$1,000, whether the coverage opted out of was Individual or Family. (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.** If I am enrolled in the Opt-out Program, 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 will stop.

Q. If I currently participate in the Opt-out Program and do not elect to reenroll for 2013, will I automatically be enrolled for NYSHIP coverage?

A. No, enrollment in coverage is not automatic. The incentive payment credited to your paycheck will stop and you will not be enrolled in coverage unless you complete a PS-404 requesting enrollment in a NYSHIP health plan.

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.

Q. If my spouse's or 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 or dependent drops coverage under his or her employer plan during Option Transfer, the employee can be permitted to enroll the spouse or dependent 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 or domestic partner's employer will permit you to be enrolled 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, and you cannot elect pre-tax health insurance deductions until the following plan 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. 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. It is considered taxable income.

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, 2012, 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, 2012 and the end of 2012 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 at the time you retire satisfies the requirement of enrollment in NYSHIP at the time of your retirement.



Productivity Enhancement Program

Important Dates

October 2012

- Flex Spending Account (FSA) enrollment: October 9 to November 9, 2012. Visit www.flexspend.ny.gov to enroll online, or call 1-800-358-7202 for more information.
- PEP enrollment: October 22 to November 30, 2012. **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 2013.

November 2012

- PTCP enrollment: November 1 to November 30, 2012.
- Deadline for enrolling in FSA: November 9, 2012.
- Deadline for enrolling in PEP: November 30, 2012.
- NYSHIP *Choices* for active employees is sent to agencies. See your agency HBA for a copy of the *Choices* booklet that is applicable to your group or visit <https://www.cs.ny.gov>.
- Option Transfer information is posted at <https://www.cs.ny.gov>. Online Option Transfer is also available through MyNYSHIP.

December 2012

- Option Transfer Period deadline as announced in *NYSHIP Rates & Deadlines*.
- Young Adult Option open enrollment period.
- *NYSHIP Rates & Deadlines* is mailed to homes when rates are approved and posted online.
- New health insurance option effective date for Institution Payroll employees as announced in *NYSHIP Rates & Deadlines*.

January 2013

- FSA begins January 1, 2013.
- New health insurance option effective date for Administration Payroll employees as announced in *NYSHIP Rates & Deadlines*.

Under the Productivity Enhancement Program (PEP), eligible full- and part-time employees may exchange previously accrued annual and/or personal leave in return for a credit to be applied toward the employee share of their NYSHIP premium. The credit will be included in your biweekly paychecks and divided evenly during the plan year.

To elect PEP for 2013, you must apply between October 22 and November 30, 2012. Ask your agency HBA for details and an application.

IF YOU ARE CURRENTLY ENROLLED IN PEP, YOU MUST REENROLL TO CONTINUE YOUR BENEFITS IN 2013.

At the time of enrollment, eligible full-time employees in positions at or equated to Salary Grade 17 or below who enroll in PEP for 2013 will forfeit annual and/or personal leave totaling:

- Three days (22.5 or 24 hours for 37.5 and 40-hour workweeks, respectively) 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) in exchange for a \$1,000 credit to be applied toward the employee share of their NYSHIP premiums.

At the time of enrollment, eligible full-time employees in positions at or equated to Salary Grade 18 through 24 who enroll in PEP for 2013 will forfeit annual and/or personal leave totaling:

- 2.25 days (17 or 18 hours for 37.5 and 40-hour workweeks, respectively) in exchange for a \$500 credit to be applied toward the employee share of their NYSHIP premiums; or
- 4.5 days (33.75 or 36 hours for 37.5 and 40-hour workweeks, respectively) in exchange for a \$1,000 credit to be applied toward the employee share of their NYSHIP premiums.

Eligible part-time employees can participate on a prorated basis. Contact your agency HBA with any questions or to see if you are eligible.

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

Planning for Option Transfer CSEA – October 2012

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).

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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.