

OCTOBER 2014

PLANNING FOR OPTION TRANSFER

For Employees of the State of New York who are unrepresented or in Negotiating Units that have agreements/awards with New York State effective October 1, 2011 or later, their enrolled 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.)

THINKING ABOUT CHANGING YOUR HEALTH INSURANCE OPTION?

During the Option Transfer Period, you may change your New York State Health Insurance Program (NYSHIP) option for the next plan year from:

- a NYSHIP HMO to The Empire Plan,
- The Empire Plan to a NYSHIP HMO,*
- one NYSHIP HMO to another NYSHIP HMO,*
- a NYSHIP health plan to the Opt-out Program, or
- the Opt-out Program to a NYSHIP health plan.

If you currently participate in the Opt-out Program for 2014 and wish to continue to receive incentive payments, **you must elect to opt out for 2015** by submitting a completed Opt-out Attestation Form (PS-409) and a NYS Health

Insurance Transaction Form (PS-404) to your agency Health Benefits Administrator (HBA) during the Option Transfer Period.

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

NEED HELP CHOOSING A PLAN?

In November, your agency will receive *2015 Health Insurance Choices*, your guide to NYSHIP options. If you are thinking about changing your option, ask your agency 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 process. If you have questions, call the plan directly at the phone numbers listed in *Choices*. When 2015 rates are approved, information about the cost of each option will be sent to your agency and your home and will

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* The HMO you wish to enroll in must have 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 is deducted from your wages before taxes are withheld, which may lower your tax liability.

New enrollees must elect whether or not to participate in PTCP when enrolling for NYSHIP coverage. No election will be made automatically on the enrollee's behalf.

Enrollees who are not timely when requesting enrollment in NYSHIP (if the request is after the initial 42- or 56-day waiting period, or more than 30 days from a qualifying event), will be subject to late enrollment and will not be able to enroll in PTCP until the next Option Transfer Period.

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 2015, see your agency HBA and complete a Health Insurance Transaction Form (PS-404) by November 30, 2014.

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 pre-tax payroll deduction for health benefits 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 for health benefits
- Dependent satisfies or ceases to satisfy eligibility requirements for health benefits

- Change in place of residence or worksite of the employee, spouse or dependent
- Significant change in health benefits and/or premium under NYSHIP
- Significant change in health benefits and/or premium under employee's or dependent's other employer's plan
- COBRA events
- Judgment, decree or order regarding health benefits
- Medicare or Medicaid eligibility
- Leaves of absence
- HIPAA special enrollment rights

A change in coverage due to a qualifying event must be requested within 30 days of the event (or within the waiting period if newly eligible), and delays may be expensive.

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)

During each Option Transfer Period, there are changes in coverage and premium under NYSHIP. These changes are considered to be PTCP qualifying events. Therefore, the same coverage changes permitted in November under IRS PTCP rules are also permitted during the Option Transfer Period.

OPT-OUT PROGRAM FOR 2015

In 2015, 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. The incentive payments are prorated and reimbursed through your biweekly paycheck throughout the year (payable only when an employee is eligible for NYSHIP coverage at the employee share of the premium). **Note:** Opt-out incentive payments are taxable income.

ELIGIBILITY REQUIREMENTS

To be eligible for the Opt-out Program you must have been enrolled in NYSHIP by April 1, 2014 (or your first date of NYSHIP eligibility if that date is later than April 1), and remain enrolled while eligible for the employee share of the premium through the end of 2014.

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 incentive payment starting at that time.

Need Help Choosing A Plan? *continued from page 1*

be posted at <https://www.cs.ny.gov>. From the homepage, choose Benefit Programs, then NYSHIP Online and follow the prompts to the NYSHIP Online homepage. 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 Option Transfer Period also is 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:** COBRA and Young Adult Option enrollees are not eligible for these programs.

ELECTING TO OPT OUT

If you currently participate in the Opt-out Program and wish to continue for 2015, 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, who will tell you when the annual Option Transfer Period will occur, and complete the 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, 2015.

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 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 your *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. (Enrollees represented by CSEA or PEF: Exceptions apply; see your agency HBA for additional information.) However, 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 2015, 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 NYS Health Insurance Transaction form (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 if the event satisfies the IRS consistency rule and the request is made timely.
- Q.** If my spouse's or domestic partner's or parent's employer has its open enrollment 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 an Opt-out Attestation Form (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 who 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, 2014, 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, 2014 and the end of 2014 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

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 2015, you must apply between October 27 and November 28, 2014. Ask your agency HBA for details and an application.

IF YOU ARE CURRENTLY ENROLLED IN PEP, YOU MUST REENROLL TO CONTINUE YOUR BENEFITS IN 2015.

At the time of enrollment, the amount of annual and/or personal leave that eligible full-time employees can forfeit and the corresponding NYSHIP premium credits for 2015 are shown in the tables on the following page. Eligible part-time employees can participate on a prorated basis.

Review this information carefully and contact your agency HBA, usually located in your personnel office, if you have any questions or to see if you are eligible for this benefit.

Full-time employees in positions at or equated to Salary Grade 17 and below:

EMPLOYEE GROUP	FORFEITED DAYS	NYSHIP CREDIT
CSEA, DC-37, Management/Confidential*; Legislature, and PEF Non-Teachers	3	\$500
	6	\$1,000
PEF Institution Teachers ¹	1	\$166.66
	2	\$333.32
	3	\$499.98
	4	\$666.64
	5	\$833.30
	6	\$999.96

Full-time employees in positions at or equated to Salary Grade 18 through 24:

EMPLOYEE GROUP	FORFEITED DAYS	NYSHIP CREDIT
CSEA, DC-37, Management/Confidential*; Legislature, and PEF Non-Teachers	2	\$500
	4	\$1,000
PEF Institution Teachers ¹	1	\$250
	2	\$500
	3	\$750
	4	\$1000

Unified Court System (UCS) full-time employees in the following positions:

EMPLOYEE GROUP	FORFEITED DAYS	NYSHIP CREDIT
Employees at or below Judicial Grade 16	3	\$500
	6	\$1000
Employees at and including Judicial Grades 17 through 23	2	\$500
	4	\$1000

United University Professions (UUP) full-time employees in the following positions:

EMPLOYEE GROUP	FORFEITED DAYS	NYSHIP CREDIT
Employees earning at or below \$62,998 annually ²	3	\$500
Employees earning above \$62,998 and below \$90,022 annually ¹	2	\$500

¹ PEF-represented teachers may only forfeit personal leave for their PEP credit.

² UUP employees may only forfeit annual leave for their PEP credit.

* SUNY Management/Confidential employees, see your agency HBA for additional information.

IMPORTANT DATES

OCTOBER 2014

- Flex Spending Account open enrollment: October 6 to November 7, 2014. Visit www.flexspend.ny.gov to enroll online, or call 1-800-358-7202 for more information or to enroll by telephone. **Note:** Ask your agency HBA if you are eligible for this benefit. If you are currently enrolled in the Flex Spending Account, you must reenroll to continue your participation in 2015.
- PEP enrollment: October 27 to November 28, 2014. **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 2015.

NOVEMBER 2014

- PTCP enrollment: November 1 to November 30, 2014.
- Deadline for enrolling in the Flex Spending Account: November 7, 2014.
- 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>.

DECEMBER 2014

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

JANUARY 2015

- Flex Spending Account begins January 1, 2015.
- Health insurance plan benefit year begins January 1, 2015.

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

Planning for Option Transfer (Settled) – October 2014

**! 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).

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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 allows unmarried, young adult children up to age 30 to purchase their own NYSHIP coverage. The premium will be 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.