

Vested Status

Eligibility While in Vested Status

1. An enrolled employee who terminates employment before retirement age is eligible to continue coverage under NYSHIP as a vestee if the enrollee:
 - a. is a member of a retirement system administered by and operated by the State of New York or a civil division thereof and has satisfied the minimum requirements established by the retirement system for vesting the right to a retirement allowance;

and

 - b. is a member of a class or category for which the employing agency either is required to provide coverage in retirement or has elected administratively or through collective negotiations to provide such coverage;

and

 - c. has met the employer's minimum service requirement, other than age, for continuation of health insurance coverage into retirement;

and

 - d. has terminated employment within five years of the date on which he or she is entitled to receive a retirement allowance, **if the employing agency has established administratively or through collective negotiations this additional requirement.**

Eligibility for Coverage as a Retiree

1. To retain eligibility for coverage as a retiree, a vestee must continue coverage under NYSHIP as an enrollee or a dependent of an enrollee while in vested status with **no lapse in NYSHIP coverage**. There are three ways to continue coverage while in vested status:
 - a. By paying the NYSHIP premium to the Participating Agency;
 - b. By maintaining NYSHIP coverage as a dependent (e.g., through spouse or domestic partner);
 - c. By maintaining NYSHIP coverage as an active employee through another Participating Agency or Participating Employer.

Note: A NYSHIP enrollee can maintain enrollment through different Participating Agencies as long as there is no lapse in coverage.

2. When an employee has established eligibility to continue health insurance coverage as a vestee through one Participating Agency, that eligibility is not impaired by subsequent employment and/or enrollment through another Participating Agency, except when the employee establishes eligibility for coverage under NYSHIP as a vestee or retiree through a second agency. In this situation, the first Participating Agency is released from its obligation to provide the vestee with coverage in retirement.

Important Note: A vestee whose coverage lapses will **not** be permitted to reinstate coverage, either during vested status or after retirement.

Cost of Coverage While in Vested Status

1. Eligible employees who continue coverage as enrollees in NYSHIP during vested status must pay the full monthly premium for their coverage for the following period of time:
 - a. The full share payment period begins with the month following the end of the month in which a separated employee's coverage would normally end. This may either be the first month or the second month following the month in which the employee terminates employment (See Section 3.9).

Example: A Participating Agency's policy is to provide employees who terminate employment with coverage through the end of the month following the month in which the termination occurs. An employee, eligible to continue coverage in vested status, terminates employment July 15. The full-share payment period begins September 1st.

- b. The full share payment period continues until the end of the month in which the vestee becomes entitled to a pension, whether or not he or she actually begins receiving the pension. After that date, the enrollee is considered retired for health insurance purposes and only responsible for the retiree share of NYSHIP premium payments, if any.
2. All required payments by the vestee must be made to his or her former employing agency. If an enrollee in vested status fails to remit the required health insurance payments, their coverage must be cancelled.

When a retiree starts collecting their pension, they may be eligible to have the required premium deducted from their pension. The retiree should contact the Health Benefits Administrator at the Participating Agency they retired from (See Section 3.7).