

Continuing Benefits after Layoff

General Information and Requirements

Applicable to:

- Employees and their covered dependents when the employee is laid off due to an employer's lack of funds or an organizational change.

Relevant rules:

- When an employee is no longer eligible for the employer contribution toward benefits due to layoff, insurance coverage may be continued by self-paying the full premium set by the Health Care Authority (HCA), with no contribution from the employer (see [WAC 182-12-133](#)).
- Public Employees Benefits Board (PEBB) medical, dental, and basic life insurance will end at midnight on the last day of the month in which the employee is eligible for the employer contribution for benefits (see [WAC 182-12-131](#)).
 - Supplemental life insurance ends the earlier of (1) the last day of the month in which employment is terminated, or (2) the last day of the month in which the employee is eligible for the employer contribution or employee premiums were withheld, whichever is later.
- Basic long-term disability (LTD) insurance ends at midnight on the date the employee loses eligibility for the employer contribution for benefits.
 - Optional LTD coverage ends the last day of the month in which the employee terminates or the last day in which a premium payment was made.
- Employees who are laid off and eligible to retire may choose to elect PEBB retiree coverage (see [WAC 182-12-171](#)).
- Employees who return to another state agency position within 24 months may be eligible for the employer contribution toward benefits for each month that the employee is in pay status for at least eight hours per month (see [WAC 182-12-129](#) and [WAC 182-12-131](#)). The employee, upon hire, must notify the employing agency that he or she may be potentially eligible under [WAC 182-12-129](#).

The PEBB Program will mail the [Continuation of Coverage Election Notice](#) to the employee after coverage is terminated. (The mailing can take up to 14 days.)

In cases of layoff, employees may use the [Leave Without Pay \(LWOP\) Election/Change form](#). This allows employees to continue their medical, dental, and life insurance on a self-pay basis for up to 29 months. This provides 11 more months of coverage than if the employee elects COBRA.

Employees applying for self-pay must...	...no later than...	...or this will happen
Complete the Leave Without Pay (LWOP) Election/Change form	60 days after the postmark date of the Continuation of Coverage Election Notice	PEBB insurance coverage will end on the last day of the month in which the employee loses eligibility for the employer contribution.
Mail, hand-deliver, or fax the Leave Without Pay (LWOP) Election/Change form to the PEBB Program	60 days after the postmark date of the Continuation of Coverage Election Notice	Employee will lose the right to continue coverage.
Choose whether to continue any supplemental life coverage that was in force as an employee and pay the premium	60 days after the postmark date of the Continuation of Coverage Election Notice	Carrier approval may be required to reinstate coverage that was reduced or not self-paid upon return to work.
Submit the first full premium payment to HCA	45 days after the date coverage is elected	Employee will lose the right to continue coverage.

Additional Information

Employees who have...	...may...	...no later than
A spouse or state-registered domestic partner eligible for employer-paid PEBB benefits as the primary subscriber	Enroll under the spouse or state-registered domestic partner's medical and /or dental coverage as a dependent	60 days after the date the employee loses eligibility for the employer contribution.
A Medical Flexible Spending Arrangement* (FSA) through the PEBB Program	Apply for continuous coverage through Medical FSA administrator to extend the period of coverage, so that employee can claim expenses incurred after employment ends	60 days after the date the employee loses eligibility for the employer contribution.
Employees who have...	...the employee or spouse/qualified tax dependent may...	...no later than
A spouse or Internal Revenue Code Section 152 qualified tax dependent eligible for PEBB benefits as a primary subscriber	Enroll in or change their election through the Medical FSA administrator	60 days from the date Medical FSA administrator provides notice of continuation rights.

**Enrollment in a PEBB Medical FSA is available to state agency and higher education institution employees only.*

Employees applying for PEBB retiree coverage must...	... no later than...	...or this will happen
Complete the Retiree Coverage Election/Change form to enroll in or defer retiree coverage	60 days after employer-paid or COBRA coverage ends	PEBB coverage will end on the last day of the month in which employment ends.
Mail, hand-deliver, or fax the Retiree Coverage Election/Change form to the PEBB Program	60 days after employer-paid or COBRA coverage ends	Employee will lose future right to enroll in PEBB retiree coverage unless he or she regains eligibility.
Submit the first full premium payment (if not electing pension deduction from DRS)	45 days after electing coverage	Employee will lose future right to enroll in PEBB retiree coverage unless he or she regains eligibility as an employee.

Guidance Resources

- Employees retiring under plans administered by the Department of Retirement Systems (DRS) must contact DRS about retirement eligibility. Call toll-free 1-800-547-6657 or visit www.drs.wa.gov
- Employees may contact the PEBB Program at 1-800-200-1004 to request a [Retiree Enrollment Guide](#) or view details and enrollment forms at [Preparing for Retirement](#).
- [Continuation of Coverage Election Notice](#)
- [Medical Flexible Spending Arrangement Enrollment Guide](#)
- [MetLife insurance Certificate of Coverage Washington residents 2017](#)
- [MetLife insurance Certificate of Coverage non-Washington residents 2017](#)
- [Long-Term Disability Program Book 2017](#)

Forms

- [Leave Without Pay \(LWOP\) Election/Change form](#)
- [Employee Enrollment/Change form](#) (if enrolling on spouse or state-registered domestic partner's coverage)
- [Retiree Coverage Election/Change form](#)

WAC References

- [182-08-180](#) - Premium payments and refunds
- [182-08-190](#) - The employer contribution for all eligible employees
- [182-08-198](#) - When may a subscriber change health plans?
- [182-08-200](#) - Employer contribution when changing agency employment
- [182-12-113](#) - Obligations of state agency in employee eligibility
- [182-12-129](#) - What happens when an employee changes positions but loses eligibility due to layoff?
- [182-12-131](#) - How eligible employees maintain the employer contribution toward insurance coverage?
- [182-12-133](#) - Options for continuing coverage eligible when on certain types of leave or layoff
- [182-12-141](#) - Revert from an eligible position to another position
- [182-12-171](#) - Retiree eligibility