

Employment Ending (Termination/Separation)

8/21/15

General Information and Requirements

Applicable to: Employees and their covered dependents when the employee terminates employment.

Relevant rules:

- When an employee separates employment due to termination, the employee and his or her covered dependents are no longer eligible for employer-provided benefits (see [WAC 182-12-131](#)).
- 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 (see [Life Insurance booklet](#)).
- 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 (see [LTD booklet](#)).
- COBRA gives the employee and his or her covered dependents the right to continue coverage by self-paying premiums to Health Care Authority (HCA) ([WAC 182-12-131](#) and [WAC 182-12-146](#)).
- Retiring employees may choose to elect PEBB-sponsored retiree coverage, if eligible ([WAC 182-12-171](#)).

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.)

Employees applying for COBRA must...	...no later than...	...or this will happen
Complete the COBRA Continuation of Coverage or PEBB Extension of Coverage Election/Change form	60 days after the postmark date on 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 or hand-deliver the COBRA Continuation of Coverage or PEBB Extension of Coverage Election/Change form to the PEBB Program	60 days after the postmark date on the Continuation of Coverage Election Notice	Employee will lose right to continue coverage.
Make first payment for continuation of coverage	45 days after the date coverage is elected	Employee will lose right to continue coverage.

Additional Information:

Employees who have...	...may	...no later than
A spouse or registered domestic partner eligible for PEBB benefits as primary subscriber	Enroll under the spouse or 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.
PEBB life insurance	Apply for Group Life Portability Coverage or convert coverage to an individual term policy (if covered for five years or more)	31 days after the date the employee loses eligibility for the employer contribution or 60 days from the date the employee's employer coverage ends, if retiring.
A spouse or registered domestic partner also covered by PEBB benefits	Transfer a portion of their optional life insurance to the spouse or domestic partner's PEBB coverage, up to the eligible limits	31 days after the date the employee loses eligibility for the employer contribution.
A Medical Flexible Spending Account* (FSA) through the PEBB Program	Apply for continuation of coverage through the Medical FSA administrator to extend the period of coverage, so employee can claim expenses incurred after employment ends	60 days after the date the employee loses eligibility for the employer contribution.
A spouse or Internal Revenue Code Section 152 qualified dependent eligible for PEBB benefits as a primary subscriber	Enroll in or change their election through the Medical FSA administrator	60 days after the date the employee loses eligibility for the employer contribution.

*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 coverage	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 as an employee.
Mail, hand-deliver, or fax the Retiree Coverage Election/Change form to the PEBB Program (deliver to the address provided on the form)	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 as an employee.
Make the first full payment to HCA for continuation of coverage (if not electing pension deduction from DRS)	45 days after the date coverage is elected	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. For information, visit www.drs.wa.gov or call toll-free 1-800-547-6657.
- Employees may contact the PEBB Program at 1-800-200-1004 to request a [Retiree Enrollment Guide](#) or view details and enrollment forms from [Thinking about Retirement](#).
- [Continuation of Coverage Election Notice](#)
- [Medical Flexible Spending Arrangement Enrollment Guide](#)

Forms

- [COBRA Continuation of Coverage or PEBB Extension of Coverage Election/Change form](#)
- [Retiree Coverage Election/Change form](#)
- [Employee Enrollment/Change form](#) (if enrolling on spouse or registered domestic partner's coverage)
- [Declaration of Tax Status](#)
- [Life Insurance Enrollment/Change form](#) (for transferring life insurance to eligible spouse or registered domestic partner)
- Refer to your employer for the Group Life Portability Application

Premiums

- [COBRA](#)
- [Retiree](#) (applicable if set up by HCA as a retiree)
- Retiree term life insurance self-pay rate: \$7.78 per month
- [Employee](#) (if enrolling as a dependent under spouse or registered domestic partner's coverage)
- [Life insurance](#) (premium applicable after transferring coverage)

WAC References

- [182-08-198](#) - When may a subscriber change health plans?
- [182-12-131](#) - How eligible employees maintain the employer contribution toward insurance coverage?
- [182-12-146](#) -What options for continuation coverage are available under COBRA?
- [182-12-171](#) - Retiree eligibility
- [182-12-262](#) -When can a subscriber enroll or remove eligible dependents?