

# Chapter 5



*Separation,  
FMLA, and  
Loss of  
Eligibility*

*Employer Groups*

## Separation, FMLA, and Loss of Eligibility

|  |           |
|--|-----------|
| <b>Termination</b> .....   | <b>3</b>  |
| <b>Layoff</b> .....  | <b>4</b>  |
| <b>Report Eligibility Status when Employee is on Self-Pay</b> .....  | <b>5</b>  |
| Procedure .....  | 5         |
| <b>Leave Without Pay (LWOP)</b> .....  | <b>6</b>  |
| Insurance system updates: .....  | 6         |
| Reminders: .....   | 7         |
| <b>Family Medical Leave Act (FMLA)</b> .....   | <b>7</b>  |
| Procedure .....  | 7         |
| Reminders .....  | 7         |
| <b>Terminating an Employee</b> .....   | <b>7</b>  |
| <b>Terminating Ineligible Spouse/Partner</b> .....   | <b>8</b>  |
| Divorce, Dissolution of Partnership, or Death.....   | 8         |
| <i>Keying divorce, dissolution of the partnership, or death and the loss of eligibility date</i><br><i>is within lower limit date:</i> ..... | 8         |
| <i>Keying the divorce, dissolution of the partnership, or death outside the lower limit</i><br><i>date:</i> .....                            | 9         |
| <b>Terminating Ineligible Dependent</b> .....  | <b>10</b> |
| Loss of Eligibility .....  | 10        |
| <b>Reinstatement</b> .....   | <b>11</b> |
| Reinstatement after Layoff .....   | 13        |
| Reinstatement after LWOP .....   | 15        |
| <b>Transfers</b> .....   | <b>18</b> |
| Transferring Employee between State Agencies, Higher Education Institutions, and<br>PEBB-Participating Employer Groups .....                 | 18        |
| Losing Agency .....  | 18        |
| Gaining Agency .....   | 18        |
| <b>Resources</b> .....   | <b>19</b> |

## Termination

When an employee is terminating employment, the employee should be advised of the following:

1. The employee's medical and dental will end on the last day of the month in which the employee is in pay status eight or more hours, or if affected by rescission, the termination date entered in the insurance system, whichever is later. (*Refer to Policy 19-1, Addendum 19-1A for termination dates due to loss of eligibility before ending coverage in the PAY1 insurance system.*)
2. Basic life insurance will terminate the earliest of the last day of the month in which the employee is eligible for the employer contribution. Supplemental life insurance will terminate the earliest of the last day of the month in which employee premiums were withheld. Basic long-term disability (LTD) ends automatically on the earliest of the date the employee loses eligibility for the employer contribution. Optional LTD ends automatically on the earliest of the date the last period ends for which a premium contribution was made. When the employee is terminated in the insurance system, PEBB will send a *Continuation of Coverage Election Notice*. If enrolling, the subscriber must submit the COBRA enrollment form no later than **60 days** after the postmark date on the *Continuation of Coverage Election Notice*.
3. The employee and their dependents may elect a different medical and dental plan when they enroll in COBRA or PEBB continuation of coverage.
4. The employee may continue any combination of medical and dental on a self-pay basis for up to 18 months.
5. The employee may choose to apply to continue their life insurance through portability (individual term life) or conversion (individual whole life policy) within 31 days of employer-sponsored benefits ending.
6. If the spouse or registered domestic partner of the terminating employee is also enrolled in PEBB benefits, the employee may transfer any in-force employee supplemental to the spouse or registered domestic partner's spouse supplemental life insurance. The amount may not exceed one-half of the spouse's total of employee supplemental coverage. In addition, any spouse supplemental coverage the terminating employee has in force may be transferred to the spouse or registered domestic partner's employee supplemental, up to the allowable maximum. The transfer must be completed no later than 31 days after the termination date.

7. If the employee or a covered dependent dies within 31 days of the employee's termination date, life insurance benefits will be paid.

**Insurance system updates:**

- In the insurance system, change eligibility code, enter the termination date, and the termination reason code.
- Untimely keying of terminations can affect employee options and employer financial responsibility. Refer to Policy 19-1, Addendum 19-1A for termination date.

**Reminders:**

- Employees who terminate owe a full month's premium for their benefits. Make certain you deduct the correct premium amount from the employee's last paycheck.

## Layoff

When an employee is laid off due to the employer's lack of funds or an organizational change, the employee should be advised of the following:

1. The employee's medical and dental will end on the last day of the month in which the employee is in pay status eight or more hours, or if affected by rescission, the termination date entered in the insurance system, whichever is later. (*Refer to Policy 19-1, Addendum 19-1A for termination dates due to loss of eligibility.*)
2. Basic life insurance will terminate the earliest of the last day of the month in which the employee is eligible for the employer contribution. Supplemental life insurance will terminate the earliest of the last day of the month in which employee premiums were withheld. Basic long-term disability (LTD) ends automatically on the earliest of the date the employee loses eligibility for the employer contribution. Optional LTD ends automatically on the earliest of the date the last period ends for which a premium contribution was made.
3. PEBB will send a *Continuation of Coverage Election Notice* to the employee. If enrolling, the employee must enroll in leave without pay coverage no later than **60 days** after the postmark date on the *Continuation of Coverage Election Notice*.
4. The employee may select a different medical and dental plan when they enroll in Leave Without Pay (LWOP) coverage.

5. Employees may continue any combination of medical, dental, and life insurance that was in place on the day before the layoff on a self-pay basis for up to 29 months.
6. If the employee returns to any position (eligible or ineligible) within 24 months, the employee is not required to re-establish eligibility. The employee will regain eligibility for the employer contribution for each month the employee is in pay status at least eight hours. It is the employee's responsibility to notify the employer of eligibility for PEBB benefits under WAC 182-12-129.
7. After the 24<sup>th</sup> month (from the original layoff date) the employee must re-establish eligibility under WAC 182-12-114.

**Insurance system updates:**

- In the insurance system, change eligibility code, enter the layoff date, and the layoff reason code.

**Reminders:**

- Employees who terminate owe a full month's premium for their benefits. Make certain you deduct the correct premium amount from the employee's last paycheck.

## Report Eligibility Status when Employee is on Self-Pay

Notify PEBB immediately if the employee:

- Returns to work in an eligible position
- Terminates or resigns
- Files for disability retirement
- Receives final decision on an appeal

### *Procedure*

1. Contact HCA through FUZE to terminate the employee's self-pay coverage on the last day of the month prior to the return-to-work date. HCA will reimburse the employee any overpayment of self-pay premiums.
2. Re-enroll the employee in the insurance system. The effective date would be the first of the month the employee returns to work with at least eight hours of pay status. Employer groups without access to the PAY1 insurance system should forward the enrollment form to PEBB for keying.

## Leave Without Pay (LWOP)

If the employee will maintain their eligibility for the employer contribution while on LWOP, leave the employee enrolled in the PAY1 insurance system for each month in which they are in pay status eight or more hours per month.

If the employee does **not** maintain their eligibility for the employer contribution while on LWOP, advise the employee of the following:

1. The employee's medical and dental will end on the last day of the month in which the employee is in pay status eight or more hours, or if affected by rescission, the termination date entered in the insurance system, whichever is later. (*Refer to Policy 19-1, Addendum 19-1A for termination dates due to loss of eligibility before ending coverage in the PAY1 insurance system.*)
2. Basic life insurance will terminate the earliest of the last day of the month in which the employee is eligible for the employer contribution. Supplemental life insurance will terminate the earliest of the last day of the month in which employee premiums were withheld.
3. Basic long-term disability (LTD) ends automatically on the earliest of the date the employee loses eligibility for the employer contribution. Optional LTD ends automatically on the earliest of the date the last period ends for which a premium contribution was made.
4. When the employee is terminated in the insurance system, PEBB will send a *Continuation of Coverage Election Notice*. If enrolling, the subscriber must submit the *LWOP Election/Change* form no later than **60 days** after the postmark date on the *Continuation of Coverage Election Notice*.
5. The employee may continue any combination of medical, dental, life insurance, and LTD insurance on a self-pay basis for up to 29 months. (Only employees on approved educational leave or military leave are eligible to self-pay LTD while on LWOP).

### *Insurance system updates:*

- In the insurance system, change eligibility code, enter the termination date, and the termination reason code.
- Untimely keying of terminations can affect employee options and employer financial responsibility. Refer to Policy 19-1, Addendum 19-1A for termination date.

### *Reminders:*

Employees who terminate owe a full month's premium for their benefits. Make certain you deduct the correct premium amount from the employee's last paycheck.

## Family Medical Leave Act (FMLA)

### *Procedure*

1. Advise employees of their requirement to pay their medical plan premium.
2. Advise employees that if they choose to keep supplemental life and optional LTD coverage in force during the FMLA period, they are responsible for paying the premium. If they choose to discontinue supplemental life and optional LTD coverage during the FMLA period:
  - a. This coverage will not be in effect until the employee returns from FMLA leave with at least eight hours of pay status.
  - b. Evidence of insurability and carrier approval is not required to re-enroll in the same life or LTD coverage upon return from FMLA leave.
3. Make arrangements to collect any employee premiums during FMLA. Refer to the premium payment plan (IRC Section 125) payroll rules for procedures for handling delinquent premium payments during FMLA.

### *Reminders*

- All coverage should remain in the insurance system.
- When collecting optional LTD coverage, the **premium should be based on the last month in which the employee was in full pay status prior to the employee going on FMLA leave.**
- If the employee does not return at the end of the FMLA period, update the insurance system immediately so the employee will receive a *Continuation of Coverage Election Notice* from PEBB.
- If the employee does not return at the end of the FMLA period, they must continue supplemental life insurance coverage under the LWOP continuation provision in order to reinstate their coverage without providing evidence of insurability upon returning to work as an active employee.

## Termining an Employee

The following procedures includes termination of employment, death of employee, authorized leave without pay, layoff due to a lack of funds or an organizational change, retirement, loss of eligibility, and employer group who left PEBB coverage.

1. Log into the PAY1 system.
2. Access the employee's record.
3. On the command line, enter A.41 in the Next Function screen. Enter "U" in the Type field. Select Enter. The A.41 screen displays in update mode.
4. Tab to the Eligibility Code field. Enter "N."
5. Enter the effective date of termination. (*Refer to Policy 19-1, Addendum 19-1A for termination dates due to loss of eligibility.*)
6. Enter the termination code in the Eligibility Reason field. Valid codes are available in [chapter 1](#) (page 26).
7. If termination is due to death (reason code 35), enter the date of death in the Deceased Date field. **Note:** *This date is required when reason code 35 Death is entered.*
8. On the command line, enter A.41 in the Next Function Field. Enter "I" in the Type field. Select F10 to update. Verify the changes are accepted. **Note:** *Employees who terminate, decease, or retire owe a full month's premium for their medical, life, and LTD. Remember to deduct the full premium from their last paycheck.*
9. Current changes and changes retroactive to the lower limit date will be updated immediately. Future date changes will move to the Pending fields until the future effective date equals the current process period.

## Termining Ineligible Spouse/Partner

### *Divorce, Dissolution of Partnership, or Death*

Use Policy 19-1, Addendum 19-1A to determine the effective date of termination.

*Keying divorce, dissolution of the partnership, or death and the loss of eligibility date is within lower limit date:*

1. Log into the PAY1 system.

2. Access the employee's record.
3. On the command line, enter A.41 in the Next Function field. Enter "U" in the Type field. Select Enter. The A.41 screen displays in Update mode.
4. Tab to the Marital Status field. Change the status to "S" (single).
5. Tab to the Spouse/Partner Divorce/Dissolution/Deceased Date field. Enter the divorce date or date of death.
6. Tab to the Term Reason field. Enter a reason code. Valid codes are:
  - 35 Spouse/Partner Death
  - 42 Spouse/Partner Divorced/Dissolution
7. On the command line, enter A.41 in the Next Function field. Enter "I" in the Type field. Select F10 to update. Verify the changes are accepted.

*Note: If you entered Reason code 42, the following prompt will display: "Employee notified you within 60 days of loss of eligibility? (Y/N)." (This is 60 days from the end of the month in which the event occurred.) The Reason code 42 Divorce or Dissolution will disappear from the A.41 screen and display on the A.43 screen in the Reason field.*

The spouse record will automatically reflect a change in the relationship code from "s" spouse to ex-spouse and terminate coverage the end of the month in which the death or divorce occurred. Any spouse basic or spouse supplemental life insurance will automatically terminate on the A.45 screen the end of the month in which the death or divorce occurred.

Changes made with an effective date prior to the lower limit date require PEBB approval and must be submitted in writing for review. Do **not** proceed with changes using an incorrect effective date. On the command line, enter A.41 in the Next Function field. Enter "I" in the Type field. Select F4 to cancel.

*Keying the divorce, dissolution of the partnership, or death outside the lower limit date:*

1. Log into the PAY1 system.
2. Access the employee's record.
3. On the command line, enter A.43 in the Next Function field. Enter "U" in the Type field. Select Enter. If there is more than one dependent the A.42 screen will display, if there is only one dependent, the A.43 screen will display.
4. If the A.42 screen displays, enter a "U" next to the dependent to be removed from coverage. Select Enter. The A.43 screen will display for that dependent.

5. Tab to the Health "ENR" field and enter an "N" if enrolled and the effective date of the termination in the Effective Date field. (*Refer to Policy 19-1, Addendum 19-1A for termination dates due to loss of eligibility.*)
6. Tab to the Term Reason field. Enter a reason code. Valid codes are:
  - 35 Spouse/Partner Death
  - 42 Spouse/Partner Divorced/Dissolution
7. Repeat steps for Dental coverage, if enrolled.
8. On the command line, enter A.43 in the Next Function field. Enter "I" in the Type field. Select F10 to update. Verify the changes are accepted.

*Note: If you entered Reason code 42, the following prompt will display: "Employee notified you within 60 days of loss of eligibility? (Y/N)." (This is 60 days from the end of the month in which the event occurred.) Enter an "N." This will automatically terminate the health/dental coverage on the A.43 screen effective the end of the month as required in Policy 19-1, Addendum 19-1A.*

Contact HCA through FUZE indicating the correct divorce/dissolution date to be entered on the A.41 screen. HCA will update the A.41 screen. Any spouse basic or spouse supplemental life insurance will automatically terminate on the A.45 screen the end of the month in which the death or divorce occurred. HCA will allow up to three months of accounting adjustments. See WAC 182-08-180 for more information.

## Termining Ineligible Dependent

### *Loss of Eligibility*

*Note: Submit terminations for dependents with disabilities and extended dependents to PEBB for processing.*

Refer to Policy 19-1, Addendum 19-1A for termination dates due to loss of eligibility.

1. Log into the PAY1 system.
2. Access the employee's record.
3. On the command line, enter A.42 in the Next Function field. Enter "I" in the Type field. Select Enter. If there is more than one dependent, the A.42 screen will display. If there is only one dependent, the A.43 screen will display.
4. If the A.42 screen displays, enter a "U" next to the dependent to be removed from coverage. Select Enter. The A.43 screen will display for that dependent.

5. Tab to the Current Enrolled Health field. Enter an "N."
6. Enter the date the coverage is to be terminated in the Effective Date field. (*Refer to Policy 19-1, Addendum 19-1A for termination dates due to loss of eligibility.*)
7. Enter code **41** (Dependent Loses Eligibility) in the Reason field.
8. Enter an "N" in the Dental field.
9. Enter the date the coverage is to be terminated in the Effective Date field. (*Refer to Policy 19-1, Addendum 19-1A for termination dates due to loss of eligibility.*)
10. Enter code **41** (Dependent Loses Eligibility) in the Reason field.
11. On the command line, enter A.43 in the Next Function field. Enter "I" in the Type field. Select F10 to update. Verify the changes are accepted.

If you entered Reason code 41, the following prompt will display: "Employee notified you within 60 days of loss of eligibility? (Y/N)." (This is 60 days from the end of the month in which the event occurred.) Current changes and changes retroactive back to the lower limit date will be updated immediately. Future date changes will move to the Pending fields until the future effective date equals the current process period.

Changes made with an effective date prior to the lower limit date require HCA approval and must be submitted in writing for review. **Do not** proceed with changes using an incorrect effective date. On the command line, enter A.41 in the Next Function field. Enter "I" in the Type field. Select F4 to cancel. Notify HCA through FUZE.

## Reinstatement

- Employees regain eligibility for the employer contribution when they return to work from approved LWOP, approved educational leave, layoff, time-loss benefits under workers' compensation, and active military duty with eight or more hours of pay status in a month.
- Seasonal employees who work less than nine months regain eligibility for the employer contribution when they return for the next season with at least eight hours of pay status in a month.

When an employee loses and later regains eligibility for the employer contribution for insurance coverage, the employee must complete and return the *Employee/Enrollment Change* form and *Life Insurance Enrollment/Change* form **no later than 31 days** after the date he/she regains eligibility. If the forms are not received

within 31 days, the employee must be defaulted to Uniform Medical Plan Classic, Uniform Dental Plan, basic life, and basic LTD insurance as a single subscriber (no dependents will be enrolled). In addition, the employee will incur the tobacco use premium surcharge.

Regaining eligibility for the employer contribution also triggers a special open enrollment event. The employee has **60 days** from the date he/she regains eligibility to make allowable changes. *Note: The 60 days for the special open enrollment event begins the same day the 31-day period begins, which gives the employee an additional 29 days (60 days total) to make changes. Changes made after the initial 31-day period are effective the first of the month following the day the employer receives the form. If the form is received on the first day of the month, the changes are effective that day.*

**Medical/Dental:** Refer to Policy 45-2, Addendum 45-2A for guidance on changes employees may make when they regain eligibility for the employer contribution for benefits. Employees who choose to make allowable changes must submit an *Employee Enrollment/Change* form no later than **60 days** after the date the employee returns to work with eight or more hours of pay status per month.

If the employee does not submit the form within their first **31 days** of gaining eligibility, they are defaulted (see above). However, employees who are defaulted have an additional 29 days (60 days total, which begins the same day as the 31-day period) to submit the form (including tobacco use premium surcharge attestation) and enroll themselves and/or eligible dependents in PEBB coverage. Plan changes and tobacco use attestation are effective the first of the month following receipt of the form.

**Life Insurance:** The employee is enrolled in basic coverage and the amount of supplemental life insurance that was self-paid. The employee must submit a *Life Insurance Enrollment/Change* form no later than **31 days** after the date the employee regains eligibility for the employer contribution—even if the employee is not making changes to the amount of life insurance.

If the employee does not submit the form within 31 days of gaining eligibility, they are defaulted to basic life and must submit an *Evidence of Insurability* form for carrier approval for any supplemental coverage.

**LTD Insurance:** Most employees who leave work on approved leave (and not using eight hours of pay status (5% of full-time for faculty) to maintain their benefits) are not eligible to continue LTD while on leave. However, there are two exceptions:

- Employees on approved educational leave
- Employees called to active military duty (USERRA leave)

These employees are eligible to continue their LTD insurance while on leave. If they do not self-pay coverage while on leave, they will be required to submit an *Evidence of Insurability* form for carrier approval in order to reinstate their optional LTD coverage upon return.

All other employees, including employees who self-paid their LTD coverage (if eligible) are enrolled in the same waiting period they had prior to leave, effective first of the month in which the employee has at least eight hours of pay status.

### *Reinstatement after Layoff*

These instructions are for reinstatements of an employee returning from layoff within 24 months of their original layoff date.

1. Log into the PAY1 system.
2. Access the employee's record.
3. On the command line, enter A.41 in the Next Function field. Enter "U" in the Type field. Select Enter. The A.41 screen displays in Update mode.
4. Tab to the Eligibility Code field and change the "N" to a "Y" or "X."
5. Enter the effective date in the Eligibility Effective Date field. The effective date is the first of the month in which the employee has eight or more hours of pay status.
6. Enter code **04** (Return from work from layoff) in the Eligibility Reason field.
7. On the command line, enter A.41 in the Next Function field. Enter "I" in the Type field. Select F10 to update. Verify changes are accepted.

**Note:** When an employee regains eligibility for the employer contribution for benefits, the A.44 screen will default to "Z" for the medical plan and "9" for the dental plan for all plans when a "Y" or "X" is entered on the A.41 screen. ("Y" is for composite groups;

*“X” is for tiered groups.)*

8. On the command line, enter A.44 in the Next Function field. Enter “U” in the Type field. Select Enter. Screen A.44 displays in Update mode.
9. If the employee is enrolling in medical, go to the next step. If the employee is waiving medical, change the “Y” or “X” to a “D” in the Subscriber Enrolled field.
10. Enter the effective date in the Health Change Date field. The effective date is the first of the month in which the employee has eight or more hours of pay status.
11. If the employee is enrolling in medical, leave the Reason field blank. If the employee is waiving medical, enter reason code **40** (Employee Waives).
12. If the employee changed their tobacco use premium surcharge attestation, enter the new attestation.
13. To re-enroll the employee in dental coverage, tab to the Dental Change Date field. Enter the effective date, which is the first of the month in which the employee has eight or more hours of pay status.
14. If the employee has selected a different dental carrier, enter the code in the Dental Carrier field.
15. On the command line, enter A.44 on the Next Function field. Enter “I” in the Type field. Select F10 and update. Verify the changes are accepted.
16. On the command line, enter A.45 in the Next Function field. Enter “U” in the Type field. Select Enter. The A.45 screen displays in Update mode.
17. If the employee self-paid the supplemental life insurance, reinstate the amount the employee self-paid. The effective date is the first of the month following the month in which the employee was in pay status for eight hours or more. If the employee did not self-pay their life insurance, the employee must reapply for supplemental life insurance. Carrier approval will be required.
18. On the command line, enter A.45 in the Next Function field. Enter “I” in the Type field. Select F10 to update. Verify the changes are accepted.
19. On the command line, enter A.46 in the Next Function field. Enter “U” in the Type field. Select Enter. The A.46 screen displays in Update mode.
20. If the employee was previously enrolled in optional LTD, reinstate the coverage with the same waiting period the employee had prior to layoff. The effective date is the first of the month following the month in which the employee is in pay status for eight hours or more.

21. On the command line, enter A.46 in the Next Function field. Enter "I" in the Type field. Select F10 to update. Verify the changes are accepted.

Current changes and changes retroactive to the lower limit date will be updated immediately. The new carrier codes will show in the current carrier fields. Future date changes will move to the New Health Carrier and New Dental Carrier fields with the effective date in the New Effective Date field until the future effective date equals the current process period.

Changes made with an effective date prior to the lower limit date require HCA approval. Submit the request to HCA, in writing, for review. **Do not** proceed with changes using an incorrect effective date. On the command line, enter A.44 in the Next Function field. Enter "I" in the Type field. Select F4 to cancel.

### *Reinstatement after LWOP*

1. Log into the PAY1 system.
2. Access the employee's record.
3. On the command line, enter A.41 in the Next Function field. Enter "U" in the Type field. Select Enter. The A.41 screen displays in Update mode.
4. Tab to the Eligibility Code field and change the "N" to a "Y."
5. Enter the effective date in the Eligibility Effective Date field. The effective date will be the first of the month the employee returns to work.
6. Tab to the Eligibility Reason field and enter Reason code 05 (Return to work from LWOP).
7. On the command line, enter A.41 I the Next Function field. Enter "I" in the Type field. Select F10 to update. Verify changes were accepted.
  - a. **Note:** *When an employee regains eligibility for the employer contribution for benefits, the A.44 screen will default to "Z" for the medical plan and "9" for the dental plan for all plans when a "Y" or "X" is entered on the A.41 screen. ("Y" is for composite groups; "X" is for tiered groups.)*
8. On the command line, enter A.44 in the Next Function field. Enter "U" in the Type field. Select Enter. The A.44 screen displays in Update mode.
9. Enter the effective date in the Health Change Date field. The effective date is the first of the month the employee returns to work.

10. If the employee has selected a different health care carrier, enter the code in the Health Carrier field.
11. If the employee changed their tobacco use premium surcharge attestation, enter the new attestation.
12. To re-enroll the employee in dental coverage, tab to the Dental Change Date field and enter the effective date, which is the first of the month the employee returns to work.
13. If the employee has selected a different dental carrier, enter the code in the Dental Carrier field.
14. On the command line, enter A.44 in the Next Function field. Enter "I" in the Type field. Select F10 to update. Verify changes are accepted.
15. On the command line, enter A.45 in the Next Function field. Enter "U" in the Type field. Select Enter. The A.45 screen displays in Update mode.
16. If the employee self-paid life insurance, reinstate the self-paid life insurance amounts. The effective date is the first of the month the employee returns to work. If the employee did not self-pay the life insurance premiums, the employee must re-apply. The employee must submit an *Evidence of Insurability* (EOI) form to ReliaStar for approval. Key the effective date 90 days into the future so the life insurance will pend for approval. Send a copy of the change form to ReliaStar and remind the employee an EOI must be submitted to the carrier.
17. On the command line, enter A.45 in the Next Function field. Enter "I" in the Type field. Select F10 to update. Verify changes are accepted.
18. On the command line, enter A.46 in the Next Function field. Enter "U" in the Type field. Select Enter. The A.46 screen displays in Update mode.
19. Reinstate the employee's LTD coverage as follows:
  - a. Reinstate coverage for employees **not** eligible to continue LTD insurance while on leave:
    - i. **Basic LTD:** First of the month in which the employee has at least eight hours of pay status.
    - ii. **Optional LTD:** First of the month following the month in which the employee has at least eight hours of pay status.

- b. Employees on approved educational leave or called to active military duty (USERRA) **must** continue their optional LTD coverage while on leave to have optional LTD reinstated when they return.
  - i. Coverage for employees eligible to continue LTD insurance while on leave will be reinstated as follows:
  - ii. **Basic LTD:** First of the month in which the employee has at least eight hours of pay status
  - iii. **Optional LTD:** *If the employee self-paid their LTD while on leave*, the first of the month in which the employee has at least eight hours of pay status.
    - i. *If the employee did not self-pay their LTD while on leave*, the optional coverage cannot be reinstated without carrier approval. Advise the employee to submit a *Long-Term Disability (LTD) Enrollment/Change* form to the agency and *Evidence of Insurability* form to Standard Insurance Company for approval.

20. On the command line, enter A.46 in the Next Function field. Enter "I" in the Type field. Select F10 to update. Verify changes are accepted.

- a. Current changes and changes retroactive to the lower limit date will be updated immediately. The new carrier codes will show in the Current Carrier fields. Future date changes will move to the New Health Carrier and New Dental Carrier fields with the effective date in the New Effective Date field until the future effective date equals the current process period.
- b. Changes made with an effective date prior to the lower limit date require HCA approval. Submit the request to HCA, in writing, for review. **Do not** proceed with changes using an incorrect effective date. On the command line, enter A.44 in the Next Function field. Enter "I" in the Type field. Select F4 to cancel. Notify HCA through FUZE.

## Transfers

### *Transferring Employee between State Agencies, Higher Education Institutions, and PEBB-Participating Employer Groups*

#### *Losing Agency*

1. Log into the PAY1 system.
2. Access the subscriber's record.
3. On the command line, enter A.41 in the Next Function field. Enter "U" in the Type field. Select Enter. The A.41 screen displays in Update mode.
4. Tab to the Transfer Reason field and enter code **401**.
5. Enter the effective date in the Transfer Effective Date field. The effective date is the last day of the month in which the subscriber is transferring. *Note: When a transfer occurs at any time prior to the end of the month, the losing agency is responsible for paying the state share for the entire month.*
6. On the command line, enter A.41 in the Next Function field. Enter "I" in the Type field. Select F10 to update. Verify changes are accepted.
7. Notify the gaining agency the transfer has been completed in PAY1. View the [Agency Contact List](#) to determine who to contact at the subscriber's new agency or higher education institution and send them the employee file.

#### *Gaining Agency*

1. Log into the PAY1 system.
2. Access the employee's record.
3. On the command line, enter A.41 in the Next Function field. Enter "U" in the Type field. Select Enter. The A.41 screen displays in Update mode.
4. If the employee has not been transferred out of the losing agency, notify the agency that the transfer needs to be completed in PAY1. View the [Agency Contact List](#) to determine who to contact at the subscriber's agency or higher education institution.
5. Enter the code in the Home Agency field. If applicable, enter the new Home Sub Agency code.

6. In the Transfer Reason field, enter code **201**.
7. Enter the effective date in the Transfer Effective Date field. The transfer date should be the first day of the month following the transfer. *Note: Do not update any other fields at this time. Additional changes require a separate transaction.*
8. On the command line, enter A.41 in the Next Function field. Enter "1" in the Type field. Select F10 to update. Verify changes are accepted.

## Resources

- [FUZE](#)
- [Policy 19-1, Addendum 19-1A](#) (termination due to loss of eligibility matrix)
- [Policy 45-2, Addendum 45-2A](#) (special open enrollment matrix)