**Agency letterhead**

**DATE:**

**TO: Name:**

 **Employee’s Address:**

**FROM: Name:**

 **Benefits Specialist**

**SUBJECT:** **Self-paying your portion of your insurance premiums, optional insurances and voluntary deductions while on leave without pay**

*Keep this notice for your records.*

The Federal Family and Medical Leave Act (FMLA), Oregon Family Leave (OFLA), state workers’ compensation laws, state law relating to military leave and the Affordable Care Act (ACA) require an employer to continue to pay its premium share of an eligible employee’s monthly core insurances under certain circumstances. In order for the employee’s core benefits to continue, the employee is responsible for paying their monthly core benefit premium share percentage to the agency. Additionally, an employee in a leave without pay status, whether by choice or because they exhausted all accrued paid leave, remains responsible to pay any monthly plan year surcharges and if they chose to continue optional insurance, all monthly premium costs.

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| You are currently on or about to begin: [ ]  FMLA/OFLA [ ]  Workers’ Compensation Leave [ ]  Military Leave [ ]  Approved LWOP while in a ACA current benefit Stability Period Agency Payroll has been notified that beginning (date) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, you will be in a leave without pay (LWOP) status. *In order for you to continue your core benefit insurance and your optional insurances, you must continue your core benefit premium share percentage and any plan year surcharges* |

If you return to regular pay status after your protected leave ends as scheduled, your eligibility for insurance will continue/resume. If you do not return the day after your protected leave ends and you are not in a current ACA benefit eligible stability period, you are required to work at least 80 hours in the month that you return to qualify for core benefits the following month (medical, dental, vision, and employee-only basic life).

If you exhaust your protected leave and/or are no longer eligible to have the agency pay a portion of premiums, you will receive information about continued health and dental insurances through self-pay COBRA coverage. The Public Employee’s Benefit Board’s (PEBB) third-party administrator for COBRA will send you this information.

Included in this packet is:

* Information on payment options for core, optional and domestic partner benefits
* Optional Insurance Continuation chart
* Premium Payment Election form

***Please contact your agency payroll or human resource office with questions***.

**Payment Options for PEBB Core Benefit Plan Premiums and Surcharges**

In order to maintain continuous coverage core benefits while in leave without pay, the employee must choose and the agency must agree to one of the following(prepay cannot be the only option) options:

* Send a cashier’s check or money order to the agency each month including surcharges. This option is after tax.
* Pre-pay the employee portion of the premium, including surcharges, through payroll deduction prior to commencing leave without pay. This option is before tax.
* Make a private agreement with the agency. For example, the employee and the agency may agree that the insurance and surcharge premium payments will be taken out of the employee’s paycheck on a monthly basis following the date the employees returns to work.
* Elect to have insurance cancelled while on leave without pay.

**For FMLA/OFLA leave only:** The employee may choose to have the agency pay their portion of the core insurance premiums on their behalf during months FMLA and/or OFLA is used. Payments made by the agency are recoverable upon the first available paycheck(s) after the employee returns to work. If the employee fails to return to work, the employee is responsible for reimbursing the agency the amount paid on their behalf.

Attached is a Premium Payment Election form. Please sign the form and return it prior to commencing your leave or within 15 days of receipt of this letter.

Payments must be in the form of a cashier’s check or money order made payable to the agency. *(The agency decides whether it will accept a personal check from an employee.)* Send payment to the attention of (name/title of Payroll representative): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Payments are due: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

If the employee does not make timely insurance premium payments, insurance is subject to cancellation. However, we recognize situations may change. Employees should contact their agency should they need to negotiate different payment terms. Please notify the agency prior to the due date of the next premium payment. The employer has the right to recover the employee’s share of any premiums and/or surcharge payments the employer makes on the employee’s behalf. In addition, the employer has the right to recover the employer’s share of the premium payments under certain circumstances.

**Payment Choices for PEBB Optional Insurances**

Employees on leave without pay (LWOP) who want their optional PEBB insurances continued, may be able to self-pay premiums to the agency. The ***Optional Insurance Continuation Chart*** below provides a summary of the optional PEBB insurances and the LWOP types that allow employees to self-pay. ***Note: Only the insurances that are eligible as self-pay and were in effect before the start date of your LWOP status may be self-paid.***

If an employee is continuing core coverages, and the coverage includes a domestic partner and/or the partner’s eligible children, and they are not the employee’s tax dependents for the purpose of receiving pre-tax health benefits, the employee must continue paying federal and state taxes on the imputed value of the coverage. See the Optional Insurance Continuation Chart.

Employees may only self-pay any allowable optional insurance premiums up to 12 months. Some coverages may be converted for a longer period of coverage. Employees are encouraged to contact their insurance company.

**Self-Pay Premiums of Optional PEBB Benefits or Domestic Partner Insurance**

Employees who elect to continue their optional PEBB benefits or the domestic partner insurance, total monthly payment amount is $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Employees may pay for more than one month at a time. Please pay the exact amount.

The due date for payments is \_\_\_\_\_\_\_\_\_\_\_\_\_.

To prevent a break in optional insurance coverage please make the premium payment to the agency.

Employees who choose to self-pay the above optional insurances, must send a cashier’s check or money order made payable to the agency. *(The agency decides whether it will accept a personal check from an employee.)*

Please send payment to the attention of (name/title of Payroll representative): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

When approved by Standard, employees with submitted short-term or long-term disability claims will have premiums refunded to them by the agency, from the claim filing date to approval date. .

**Deferred Compensation**

Employee who have a deferred compensation deduction, should contact the deferred compensation coordinator at 503-378-3730.

**(If applicable) Union Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Employees who have union deductions, should contact the union directly at: \_\_\_\_\_\_\_\_\_\_\_\_\_ for more information about self-paying these deductions to the union, or to request a waiver of payment.

**OPTIONAL INSURANCE CONTIUATION CHART**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Optional Insurance Plan** | **Protected LWOP****(FMLA, OFLA, CBIW, Military)****Self-pay premium available** | **Unprotected LWOP****(ACA Stability Period, or when approved by agency in advance of leave)****Self-pay premium****available** | **Length of Continuation** | **Current Monthly Premium Amount** |
| Optional Employee Life Insurance – conversion possible | Yes | Yes | 12 months |  |
| Optional Spouse or Domestic Partner LifeInsurance – conversion possible | Yes | Yes | 12 months |  |
| Optional Dependent Life Insurance – conversion possible | Yes | Yes | 12 months |  |
| Accidental Death & Dismemberment (AD&D) | Yes (Military – no benefit payable if loss is caused by act of war) | Yes (Military – no benefit payable if loss is caused by act of war) | 12 months |  |
| Short Term Disability (STD) | Yes (No for CBIW & Military) | No | 12 weeks |  |
| Long Term Disability (LTD) | Yes (No for CBIW & Military) | No | 12 weeks |  |
| Long Term Care (LTC) portability possible | Yes | Yes | 12 months |  |
| Flexible Spending Account (FSA) | Yes –**Health Care** prepay, pay as you go or catch up (must be in the same tax year)**Dependent Care Generally No** | No – **Health Care** COBRA post tax available only if FSA account has an account balance**No Dependent Care**  | Limited to current tax year enrollment |  |
| Imputed Value TaxDomestic Partner or Children’s Coverage | Yes | Yes | Current plan year rate |  |
| **Total Optional Insurances Premium Amount** |  |  $ |

**Key**

**LWOP** = Leave without pay **FMLA** = Family and Medical Leave Act (federal leave) **OFLA** = Oregon Family Leave Act **CBIW** = Continued Benefit of Injured Worker (workers’ compensation) **Military** = Military Leave

**Premium Payment Election Form**

**Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Employee Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** **Agency: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

***Please complete and return this form to the agency payroll office by within 15 days from the date of this letter:***

I understand in order for my insurance coverage to continue I am required to pay my portion of the premium for the core benefit plan (health, dental, vision, and $5,000 life insurance) plus any surcharges associated with my plan (HEM, tobacco, spouse). I understand if I am in a leave without pay status, whether by choice or because I have exhausted my accrued paid leave, I am still responsible to pay my portion of my insurance premiums and any surcharges associated with my plan.

Additionally, I understand that while in leave without pay I must make a payment each month, for those optional insurance deductions I elect to continue.

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| 1. **COVERAGE FOR CORE INSURANCE BENEFITS**

In order to maintain continuous coverage of my core insurance benefits (health, dental, vision, and $5,000 life insurance) while in leave without pay, I elect the following option: **(check one option)**\_\_\_\_ 1. I will send a cashier’s check or money order\* to the agency each month for my portion of the premium payment and surcharges. My premium payment and surcharges must be received by \_\_\_\_\_\_\_\_\_. *(Agency completes the date.)* \_\_\_\_ 2. I will pre-pay my portion of the premium, which includes surcharges, through payroll deduction prior to commencing leave without pay.\_\_\_\_ 3. I want to make a private agreement with the agency for how I will pay my insurance premium. I can be reached at (phone) \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (email) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.\_\_\_\_ 4. FMLA/OFLA Only – I choose to have the agency pay my portion of the premiums for months I am using FMLA and/or OFLA. I understand these premiums are recoverable upon my first available paycheck(s) when I return to work. If I fail to return to work, I am responsible for reimbursing the agency the amount paid on my behalf.\_\_\_\_ 5. I elect to have my insurance discontinued while I am on leave without pay. |

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| 1. **COVERAGE FOR OPTIONAL INSURANCE (I ELECT TO HAVE CONTINUED) (check one option)**

\_\_\_\_ 1. I will self-pay the premiums of my optional PEBB benefits/domestic partner insurance by sending a cashier’s check or money order\* to the agency. My payment must be received by \_\_\_\_\_\_\_\_.  *(Agency completes the date.)* Employees may pay for more than one month at a time. Please pay the exact amount. \_\_\_\_ 2. I elect to have my optional PEBB benefits/domestic partner insurance discontinued while I am on leave without pay.  |

\*An agency decides whether it will accept personal checks from an employee.

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(Employee’s Signature) (Date)