Continuation of Coverage

(Approved Leave, Separation, and Transfers)

Chapter 5

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Introduction

This manual is intended for use as a training document only. The purpose of this manual is to assist you with understanding the eligibility rules for employees and their dependents. If there is any inconsistency between information in this manual and the Revised Code of Washington (RCW) and Washington Administrative Code (WAC), RCW and WAC take precedence. If you have any questions about eligibility rules, please contact:

PEBB Outreach and Training
1-800-700-1555
HCA Support

Continuation of Coverage Options

There are four options for continuation of coverage for PEBB enrollees:

- COBRA
- PEBB Extension of Coverage
- Leave Without Pay (LWOP)
- PEBB Retiree Coverage

COBRA

COBRA is a temporary continuation of PEBB medical and/or dental coverage that may be available if certain circumstances occur that would otherwise end health coverage for the employee and their family. COBRA coverage may be available for employees, spouses (not registered domestic partners), dependent children, and retirees during the following qualifying events:

COBRA Qualifying Event	Qualified Participants	Maximum Length of COBRA Coverage
Employee's hours of employment are reduced to the extent of losing eligibility*	Employee and covered dependents	Up to 18 months
Employee terminates employment for reasons other than gross misconduct*	Employee and covered dependents	Up to 18 months
Death of Employee**	Covered dependents	Up to 36 months
Divorce or legal separation from employee	Covered dependents	Up to 36 months
Child is no longer eligible	Covered child	Up to 36 months
Employer group terminates PEBB plan participation	Retiree and their dependents	Up to 18 months
Retiree no longer considered disabled by DRS	Retiree and their dependents	Up to 18 months

*The employee and all qualified dependents may be entitled to receive up to 11 months of additional continuation of coverage, for a total of 29 months, if Social Security Administration determines the employee or a qualified dependent is disabled. See the *PEBB Continuation of Coverage Election Notice* booklet for details.

**In the event of the employee's death, surviving dependents may be eligible to continue coverage under a retiree plan. The dependent should contact PEBB for more information.

Each person who loses coverage has an independent right to elect COBRA on a self-pay basis. Each person has the option of electing medical coverage only, dental coverage only, or both medical and dental coverage.

The event that triggers eligibility for COBRA creates a special open enrollment (SOE), giving the employee and/or their dependents the opportunity to change plans when enrolling in

COBRA. Unless the employee and their dependents make separate elections, all family members will be enrolled in the same plans.

To elect COBRA coverage, the employee and dependents must return the *COBRA Continuation of Coverage Election/Change* form to PEBB no later than 60 days after the mailing date on the *PEBB Continuation of Coverage Election Notice*.

For additional information about the COBRA law and qualifying events, contact PEBB through HCA Support.

PEBB Extension of Coverage

PEBB Extension of Coverage is an alternative coverage created for PEBB enrollees who are not eligible for COBRA under federal law (registered domestic partners). PEBB Extension of Coverage provides a temporary continuation of PEBB medical and/or dental coverage.

Dependents enrolled in PEBB coverage who are not a qualified beneficiary under federal law are not eligible for COBRA. However, the dependent may be eligible to continue coverage under PEBB Extension of Coverage.

PEBB Extension of Coverage may be available for registered domestic partners, children of a registered domestic partner, stepchildren and other dependent children who are not biological children of the employee, or retirees during the following qualifying events:

PEBB Extension of Coverage Qualifying Event	Qualified Participants	Maximum Length of Coverage
Dissolution of a state-registered domestic partnership	Registered domestic partners and their dependents	Up to 36 months
Employee's hours are reduced to the extent of losing coverage	Registered domestic partners and their dependents	Up to 18 months
Employee termination for any reason other than gross misconduct	Registered domestic partners and their dependents	Up to 18 months
Registered domestic partner's dependent child* is no longer eligible	Registered domestic partners and their dependents	Up to 36 months
Employee or retiree dies, and dependents do not qualify for surviving dependent coverage**	Registered domestic partners and their dependents	Up to 36 months
Employer group terminates PEBB plan participation	Retiree and their dependents	Up to 18 months
Retiree no longer considered disabled by DRS	Retiree and their dependents	Up to 18 months

* As defined in WAC 182-12-260

** As defined in WAC 182-12-265

Each person who loses coverage will have an independent right to elect PEBB Extension of Coverage on a self-pay basis. Each person has the option of electing medical coverage only, dental coverage only, or both medical and dental coverage.

The event that triggers the eligibility for PEBB Extension of Coverage also triggers a special open enrollment (SOE), giving the employee and their dependents the opportunity to change plans when enrolling in PEBB Extension of Coverage. Unless the employee and their dependents make separate elections, all family members will be enrolled in the same plans.

To elect PEBB Extension of Coverage, the employee and dependents must submit the *PEBB Extension of Coverage Election/Change* form to PEBB or the employee's personnel, payroll, or benefits office no later than 60 days after the mailing date on the *PEBB Continuation of Coverage Election Notice*.

For additional information about PEBB Extension of Coverage and qualifying events, contact PEBB at 1-800-200-1004.

Leave Without Pay (LWOP)

Leave Without Pay (LWOP) is an approved, temporary absence from the job in a non-pay status. LWOP coverage is a temporary continuation of PEBB medical, dental, life insurance, and LTD insurance (if applicable).

An employee may maintain eligibility for the employer contribution while on LWOP by being in pay status for at least 8 hours during each month of leave (WAC 182-12-131). If an employee is unable to physically work and/or submit paid leave for 8 hours in each month, they can self-pay the full contribution (employee + employer contribution) amount while on LWOP.

LWOP may be available to employees and their dependents (through maintaining eligibility or on a self-pay basis) during the following qualifying events:

LWOP Qualifying Event	Qualified Participants	Maximum Length of Coverage
Authorized LWOP	Employee and eligible dependents	29 months 12 months for part-time faculty 12 months for seasonal employees
Layoff/Reduction in Force (RIF)	Employee and eligible dependents	29 months 12 months for part-time faculty
Receiving time-loss benefits under worker's compensation	Employee and eligible dependents	29 months 12 months for part-time faculty
Application for disability retirement	Employee and eligible dependents	29 months 12 months for part-time faculty

Active military duty	Employee and eligible dependents	29 months medical/dental/life/LTD 12 months for part-time faculty
Approved educational leave	Employee and eligible dependents	29 months medical/dental/life/LTD 12 months for part-time faculty
Employee awaiting a hearing for a dismissal action	Employee and eligible dependents	Midnight at the end of the month the hearing decision is made

The employee may elect to continue medical and dental coverage, (including dental only or medical only), life insurance, and LTD insurance (if on educational leave or active military duty). Employees who discontinue life and LTD insurance while on LWOP must receive carrier approval to reinstate previous coverage upon returning to work.

The event that triggers the eligibility for LWOP also triggers a special open enrollment (SOE), giving the employee the opportunity to change plans when enrolling in LWOP coverage. To elect LWOP coverage, the employee and dependents must submit the *LWOP Enrollment/Change* form to PEBB or the employee's personnel, payroll, or benefits office no later than 60 days after the mailing date on the *Continuation of Coverage Election Notice*.

Employees may self-pay for up to 29 months; part-time faculty between periods of eligibility for up to 12 months. Refer to WAC 182-12-133 and WAC 182-12-142 for more details.

Under PEBB rules, employees awaiting a hearing for a dismissal action are eligible to continue insurance coverage on a self-pay basis under the same terms as an employee under LWOP coverage or to midnight of the end of the month in which a hearing decision has been made.

See WAC 182-12-133 and WAC 182-12-142 for more details or view the PAY1 Manual.

PEBB Retiree Coverage

PEBB retiree coverage is available to employees who meet procedural and substantive eligibility requirements described in WAC 182-12-171.

An employee may change their plan when enrolling in retiree coverage. If eligible dependents are enrolling, they must be covered under the same medical and dental plan as the retiree with the exceptions specified for Medicare Supplement Plan F.

Retirees and permanently disabled employees of employer groups who discontinue participation with PEBB may be eligible for PEBB Extension of Coverage on a self-pay basis for up to 18 months.

Retirement Requirements

Employees must be eligible to retire under a Washington State-sponsored retirement plan when the employee's employer-paid coverage or COBRA coverage ends.

DRS plan 1 and 2 members must immediately receive a monthly retirement plan payment or lump sum payment as allowed by the plan. DRS Plan 3 members are not required to receive a retirement plan or lump sum payment but must be at least age 55 and have at least 10 years of service under Plan 3.

Employees who are members of a Washington higher education retirement plan (i.e., TIAA-CREF) are eligible if they immediately begin to receive a monthly retirement plan payment, meet their plan's retirement eligibility criteria, or are at least age 55 with 10 years of service.

Employees not retiring under a Washington State-sponsored retirement plan must meet the same age and years of service had the person been employed as a member of either PERS Plan 1 or 2 for the same period of employment.

Employees who retire from local government or tribal government who participate in PEBB insurance coverage are eligible to continue PEBB insurance coverage as retirees if employees meet procedural and eligibility requirements under WAC 182-12-171.

A retiring employee of a Washington state school district or educational service district must immediately begin to receive a monthly retirement plan payment, except with exceptions described below:

i. A retiring employee who ends employment before October 1, 1993; or

ii. A retiring employee who receives a lump-sum payment instead of a monthly retirement plan payment is only eligible if the department of retirement systems offered the employee the choice between a lump sum actuarially equivalent payment and the ongoing monthly payment, as allowed by the plan, or the employee enrolled before 1995; or

iii. A retiring employee who is a member of a Plan 3 retirement system, also called a separated employee (defined in RCW 41.05.011(20)), must meet his or her Plan 3 retirement eligibility criteria; or

iv. An employee who retired as of September 30, 1993 and began receiving a monthly retirement plan payment from a Washington state-sponsored retirement system (as defined in chapters 41.32, 41.35 or 41.40 RCW) is eligible if he or she enrolled in a PEBB health plan no later than the health care authority's (HCA's) annual open enrollment period for the year beginning January 1, 1995.

PEBB retiree coverage is also available to:

- Elected and full-time appointed officials of the legislative and executive branches of state government who voluntarily or involuntarily leave public office and meet the procedural requirements, regardless if they received a retirement benefit from a state retirement system.
- The surviving spouse registered domestic partner, or dependent children of a deceased eligible employee or retiree.
- The surviving spouse or dependent children of an emergency service employee killed in the line of duty.

Each qualified dependent has a separate right to enroll in or defer retiree coverage. Coverage available to retirees includes the medical only or medical and dental. **There is no option for dental only coverage.**

Retirement

Before applying for retirement, employees should visit the PEBB website and view the *Retiree Enrollment Guide,* which contains insurance and premium information. (*Retiree Enrollment Guides* can also be ordered from the PersPay website from the employer.)

To enroll in or defer retiree coverage, the employee must submit a *Retiree Coverage Election/Change* form to PEBB no later than 60 days after the date active employment or COBRA coverage ends. Retirees may choose to enroll in medical, medical and dental, and/or retiree term life insurance (if eligible). Once the form is received, PEBB will verify eligibility and enroll the retiree.

Appointed and elected officials who leave office must enroll in or defer coverage no later than 60 days after the end of their term. Employees applying for disability retirement should contact PEBB at 1-800-200-1004 about continuation of benefits.

For questions on continuation of coverage options for retirees, contact PEBB through HCA Support. For a list of frequently asked questions, please refer to the *Retiree Enrollment Guide*.

Examples of Qualifying Events

PEBB-Sponsored Retiree Coverage Qualifying Event	Qualified Participants	Maximum Length of Coverage
Employee retiring from: • State agency • K-12 school district or ESD • Public higher education institution • PEBB employer group	Retirees and eligible dependents	Retiree and surviving spouse or domestic partner may be covered indefinitely, as long as premiums are paid in full. Dependent's coverage ends the last day of the month they cease to be eligible under PEBB rules.
Permanently disabled employee of: • State agency • K-12 school district or ESD • Public higher education institution • PEBB employer group	Retirees and eligible dependents	
Surviving dependents* of an employee from a: • State agency • K-12 school district or ESD • Public higher education institution • PEBB employer group	Surviving spouse or registered domestic partner and surviving eligible dependents	

*Surviving dependents must meet the eligibility requirements as stated in WAC 182-12-265.

Continuation of Coverage Procedure

When a qualifying event occurs (e.g., termination or retirement), update the insurance system immediately. Untimely keying of terminations can affect employee options and employer financial responsibility. See Addendum 19-1A for more details. Please refer to and follow the PEBB worksheet that best fits the employee's scenario.

PEBB will send the *Continuation of Coverage Election Notice* within 14 business days of the employee's termination in the insurance system.

Procedure Resources

See WAC 182-12-129, WAC 182-12-133, WAC 182-12-136, WAC 182-12-138, WAC 182-12-141, WAC 182-12-142, WAC 182-12-146, WAC 182-12-148, WAC 182-12-209, WAC 182-12-250, WAC 182-12-265, WAC 182-12-270, and Addendum 19-1A for more information.

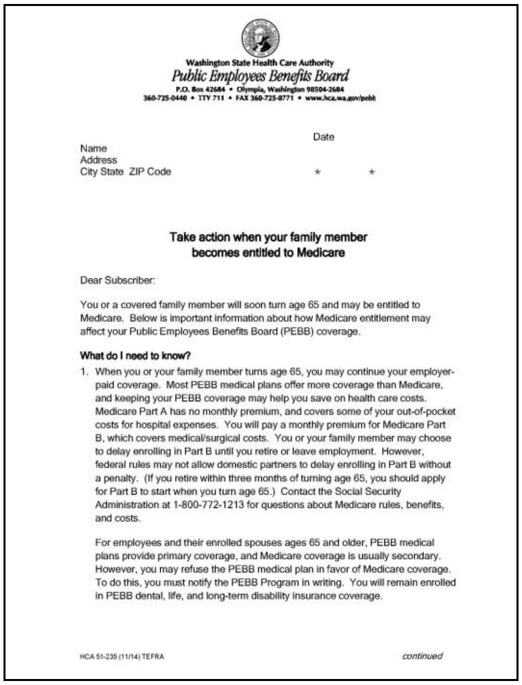
Tax Equity and Fiscal Responsibility Act (TEFRA)

When an employee reaches age 65 and continues employment, PEBB will send a letter advising the employee of his or her rights under the TEFRA law.

The employee should contact the nearest Social Security office to inquire about the advantages of immediate enrollment in or deferral of Medicare. In most situations, Medicare regulations allow deferral for employees and spouses who enroll in group coverage. Such deferral is allowed without penalty, up to the date the employee terminates or retires.

Upon retirement, the employee must enroll in and maintain both Medicare Parts A and B to continue PEBB retiree insurance. Questions may be directed to PEBB through HCA Support.

Sample TEFRA Letter



Washington State Health Care Authority
Public Employees Benefits Board
P.O. Box 42684 • Olympia, Washington 98504-2684
360-725-0440 • TTY 711 • FAX 360-725-0771 • www.hca.wa.gov/pebb

Date

Name
Address
City State ZIP Code

Take action when your family member becomes entitled to Medicare

Dear Subscriber:

You or a covered family member will soon turn age 65 and may be entitled to Medicare. Below is important information about how Medicare entitlement may affect your Public Employees Benefits Board (PEBB) coverage.

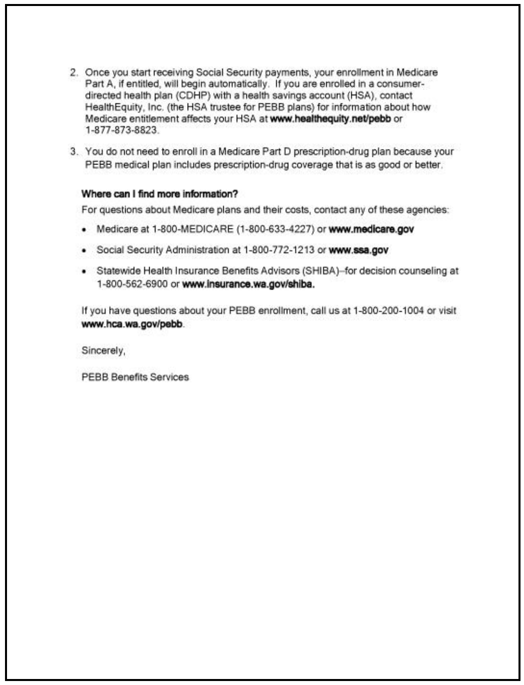
What do I need to know?

1. When you or your family member turns age 65, you may continue your employer-paid coverage. Most PEBB medical plans offer more coverage than Medicare, and keeping your PEBB coverage may help you save on health care costs. Medicare Part A has no monthly premium, and covers some of your out-of-pocket costs for hospital expenses. You will pay a monthly premium for Medicare Part B, which covers medical/surgical costs. You or your family member may choose to delay enrolling in Part B until you retire or leave employment. However, federal rules may not allow domestic partners to delay enrolling in Part B without a penalty. (If you retire within three months of turning age 65, you should apply for Part B to start when you turn age 65.) Contact the Social Security Administration at 1-800-772-1213 for questions about Medicare rules, benefits, and costs.

   For employees and their enrolled spouses ages 65 and older, PEBB medical plans provide primary coverage, and Medicare coverage is usually secondary. However, you may refuse the PEBB medical plan in favor of Medicare coverage. To do this, you must notify the PEBB Program in writing. You will remain enrolled in PEBB dental, life, and long-term disability insurance coverage.

HCA 51-235 (11/14) TEFRA

continued



2. Once you start receiving Social Security payments, your enrollment in Medicare Part A, if entitled, will begin automatically. If you are enrolled in a consumer-directed health plan (CDHP) with a health savings account (HSA), contact HealthEquity, Inc. (the HSA trustee for PEBB plans) for information about how Medicare entitlement affects your HSA at **www.healthequity.net/pebb** or 1-877-873-8823.
3. You do not need to enroll in a Medicare Part D prescription-drug plan because your PEBB medical plan includes prescription-drug coverage that is as good or better.

Where can I find more information?

For questions about Medicare plans and their costs, contact any of these agencies:

- Medicare at 1-800-MEDICARE (1-800-633-4227) or **www.medicare.gov**
- Social Security Administration at 1-800-772-1213 or **www.ssa.gov**
- Statewide Health Insurance Benefits Advisors (SHIBA)–for decision counseling at 1-800-562-6900 or **www.insurance.wa.gov/shiba.**

If you have questions about your PEBB enrollment, call us at 1-800-200-1004 or visit **www.hca.wa.gov/pebb**.

Sincerely,

PEBB Benefits Services

Family Medical Leave Act (FMLA)

Employees on approved FMLA are eligible to maintain employer-paid medical, dental, basic life, and employer-paid LTD coverage in accordance with the federal FMLA. The employee's employing agency is responsible for determining if the employee is eligible for leave under FMLA and the duration of such leave.

Employees are responsible for paying their medical plan premium while on FMLA. If the employee's contribution toward premiums is more than 60 days delinquent, insurance coverage will end as of the last day of the month for which a full premium was paid. ***Note:*** *The employer is required to provide the employee written notice at least 15 days in advance, advising coverage will cease if payment is not received.*

The employee can discontinue supplemental life and employee-paid LTD coverage during FMLA and is eligible to reinstate the same amount of coverage that was in effect prior to leave without providing evidence of insurability.

If the employee exhausts the period of leave approved under FMLA, insurance coverage may be continued by self-paying the full premium set by HCA, with no contribution from the employer under WAC 182-12-133(1).

For details on FMLA premium payments and delinquency notices, see Chapter 1 of the Eligibility Manual. For FMLA procedures and keying information, view the PAY1 Manual.

Military Leave

Employees in Active Military Service for Less Than 31 Days

Statute requires that employer-provided healthcare coverage is continued for employees called to active military service for less than 31 days. To comply with this rule, agencies must maintain employer-paid coverage until the end of the month in which the 31 days occurs.

For example, if the employee was called to active military service on September 15, employer-paid health coverage is maintained until October 31. See RCW 73.16.053 for more details.

Employees in Active Military Service for 31 Days or More

Employees called to active military service for 31 days or more have a few options regarding their insurance benefits:

Option 1: Employee goes on LWOP and maintains benefits (and receives the employer contribution) by being in pay status for 8 hours or more each month during their approved military leave.

Option 2: Employee goes on LWOP and does not maintain eligibility. They lose the employer contribution and can self-pay the full contribution (employee + employer) amount to HCA. Agency should provide employees and their dependents with the *Leave without Pay Continuation Coverage Election* form.

Option 3: If the employee has a qualifying special open enrollment (SOE) event due to their military leave (e.g., will receive TRICARE coverage while serving in the military), they can waive their PEBB medical. An employee who waives medical must remain enrolled in PEBB dental, basic life, and employer-paid LTD. See Policy 45-2, Addendum 45-2A for a list of SOE events and allowable changes.

To waive PEBB coverage, the employee must submit an *Employee Enrollment/Change* form to their agency's personnel, payroll, or benefits office no later than 60 days after the event.

Termination

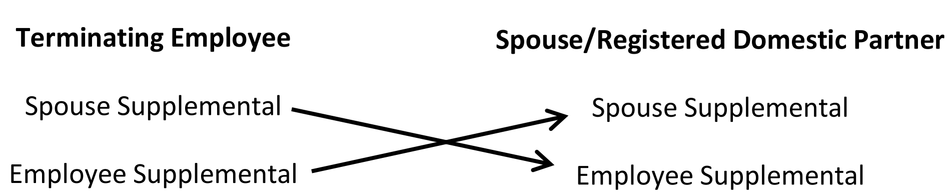
When the employee is terminated in the PAY1 insurance system, PEBB will send a *PEBB Continuation of Coverage Election Notice* to the employee within approximately 14 business days. If the employee chooses to enroll in COBRA, the employee must submit the *COBRA Election/Change* form no later than 60 days after the mailing date on the *PEBB Continuation of Coverage Election Notice.*

Transferring Life Insurance

When an employee and his or her spouse or registered domestic partner both receive PEBB benefits and one terminates coverage, any in-force *employee supplemental* life insurance can be transferred, without carrier approval, to the remaining insured employee's *spouse supplemental.* The combined spouse supplemental coverage cannot exceed the maximum limitation of half of the insured employee's supplemental coverage.

Likewise, any in-force *spouse supplemental* coverage can be transferred to the remaining *employee's supplemental* coverage, up to the maximum allowed.

Only the amount of terminated life coverage may be transferred no later than **31 days** after the date of termination. Any transfer of coverage must be immediate and without lapse in coverage. Spouse basic may be added without approval if spouse coverage is being transferred.



Employees also have the option to continue their group term life insurance on a self-pay basis by applying to ReliaStar for portability coverage. COBRA, PEBB Extension of Coverage, and retiree enrollees are not eligible to continue their group term life insurance through PEBB but can port or convert their coverage to an individual policy. See the *Life Insurance Administration Manual* for more details.

Reminders

Employees who terminate employment 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 an employer's lack of funds or organizational changes:

- PEBB will send a *PEBB Continuation of Coverage Election Notice* to the employee. If the employee chooses to enroll, the employee must submit the LWOP form no later than 60 days after the mailing date on the *PEBB Continuation of Coverage Election Notice.*
- Untimely keying of terminations can affect employee options and employer financial responsibility. Refer to Addendum 19-1A for termination date.
- The employee may select a different medical and dental plan if they enroll in LWOP. The employee may continue any life insurance in place on the day before the layoff.
- Employees may continue any combination of medical, dental, and life insurance on a self-pay basis for up to 29 months.

Return to Work After Layoff

If an employee moves from an eligible to an otherwise ineligible position due to layoff, the employee may regain and maintain eligibility for the employer contribution toward insurance coverage for each month the employee is in pay status for at least 8 hours.*

To regain eligibility after layoff, the employee must:

- Be hired into a position with a state agency or higher education institution within 24 months of the original eligible position ending.
- Upon hire, notify the employing agency that they are potentially eligible for benefits under WAC 182-12-129.
- After 24 months, the employee must re-establish eligibility under WAC 182-12-114.

*Returning faculty regain eligibility for each month they are in pay status 5% of full-time.

Note: *This does not apply to employees with an anticipated end date. Refer to WAC 182-12-129 and WAC 182-12-131 for more information.*

Transfers

When an employee transfers to another state agency, state higher education institution, or PEBB-participating employer group, or moves to another position within the same agency, the employee will be treated as a transfer or new hire, depending on if the employee experienced a break in PEBB coverage between positions.

Break in PEBB Coverage:	One full calendar month in which the employee does not receive the employer contribution (i.e. June 1–30). When a break in PEBB coverage exists, an employee receives a new election period. If there is no break in PEBB coverage, an employee may not make changes to coverage. **Break in PEBB coverage = Employee is treated as new hire (receives new elections)** **No break in PEBB coverage = Employee is treated as a transfer (receives no new elections)**
New Hire:	When an employee is new to PEBB benefits or has a break in PEBB coverage when transferring or moving to another position within the same agency.
Transfer:	When an employee moves from one state agency, higher education institution, or PEBB-participating employer group to another with no break in PEBB coverage.
Same-Agency Move:	When an employee moves from one position to another within the same agency with no break in PEBB coverage.

When there is a **break in PEBB coverage**, an employee must re-establish eligibility under WAC 182-12-114 and receives a new election period. If there is **no break in PEBB coverage**, the employee must be treated as a transfer regardless if the employee previously terminated the employment relationship. ***Note:*** *Termination of the employment relationship (i.e. when an employee resigns or retires, the employee's contract ends, or the employee is terminated) does* ***not*** *make an employee eligible for a new election period upon transferring to another agency or moving to a different position in the same agency.*

If an employee transfers to a PEBB-participating employer group, do not use the PAY1 transfer fields to transfer the employee. The employee must be terminated on the A.41 screen because the rate structure is different than state agencies and higher education institutions.

Changes to Coverage

Employees transferring between state agencies, higher education institutions, and PEBB-participating employer groups that offer medical, dental, life, and LTD insurance cannot make changes to their coverage.

If a break in PEBB coverage exists, the employee can make changes to their medical, dental, and FSA/DCAP coverage, and add or drop dependents. (The FSA/DCAP benefit is only available for state agency and higher education institution employees.)

If an employee is transferring from a PEBB-participating employer group that offers medical only to an agency that offers full medical, the employee must enroll in dental, basic life, and employer-paid LTD, and may enroll in supplemental life insurance*, employee-paid LTD*, or FSA/DCAP coverage (if applicable). The employee may not make changes to their medical plan, add new dependents to coverage, or drop dependents from coverage.

*Life and LTD changes can be made at any time but may require carrier approval.

What changes can an employee make to coverage when transferring (with no break in PEBB coverage)?

TRANSFER TO

TRANSFER FROM	State Agency	Higher Ed	MEDICAL ONLY Employer Group	FULL MEDICAL Employer Group
State Agency	No changes	No changes	No changes (lose dental, life, LTD, and FSA/DCAP)	No changes (lose FSA/DCAP)
Higher Ed	No changes	No changes	No changes (lose dental, life, LTD, and FSA/DCAP)	No changes (lose FSA/DCAP)
MEDICAL ONLY Employer Group	Dental, life, LTD, FSA/DCAP	Dental, life, LTD, FSA/DCAP	No changes	Dental, life, LTD
FULL MEDICAL Employer Group	FSA/DCAP	FSA/DCAP	No changes (lose dental, life, and LTD)	No changes

Losing and Gaining Agency

- When an eligible employee's employment relationship terminates with an employing agency at any time (other than the end of the month for which a premium contribution is due) and the employee transfers to another agency, the losing agency is responsible for the payment of the employer contribution for that month.
- The receiving agency would not be liable for any employer contribution for that eligible employee until the month following the transfer.
- The losing agency should send the employee's insurance file to the gaining agency.

Refer to WAC 182-08-197 and WAC 182-08-200 for more details.

Moving Within the Same Agency

If an employee voluntarily moves from one benefits-eligible position to another in the same agency with no break in PEBB coverage, they maintain eligibility for the employer contribution by consecutively stacking their hours (by moving from one position to another) under WAC 182-12-114. The employee may not make changes to their coverage, add new dependents to coverage, or drop dependents from coverage.*

If a break in PEBB coverage exists, the employee receives a new election period. The employee can make changes to their coverage and add or drop dependents.*

If an employee voluntarily moves from a benefits-eligible position to an ineligible position within the same agency, the employee loses benefits the last day of the month in which they are eligible for the employer contribution (WAC 182-12-131(7). An employee cannot consecutively stack hours in order to maintain benefits in the ineligible position. Therefore, benefits end when an employee voluntarily moves to a position that is not anticipated to be eligible for benefits under WAC 182-12-114.

*Life and LTD changes can be made at any time but may require carrier approval.

Note: *If the move to an ineligible position is* ***employer-initiated****, the employee maintains their benefits by being in pay status at least 8 hours each month (WAC 182-12-129).*

Death

Of the Employee

Surviving dependents will receive a *Continuation of Coverage Election Notice* upon notification of the employee's or retiree's death. Applications to enroll in or defer retiree coverage must be sent to PEBB no later than 60 days after the death of the employee or retiree.

If the employee is enrolled in life insurance while employed and dies within 31 days of the employee's termination date, life insurance benefits will be paid.

If the surviving registered domestic partner meets eligibility requirements as outlined in WAC 182-12-260, they may apply for retiree insurance benefits. Applications to enroll in or defer coverage in PEBB retiree surviving dependent coverage must be made no later than 60 days after the mailing date on the *Continuation of Coverage Election Notice*. The surviving partner should contact the PEBB program at 1-800-200-1004 to determine if eligible for retiree surviving dependent coverage.

Note: *The employee, spouse, registered domestic partner, or dependents must provide notice to PEBB no later than 60 days after a qualifying event occurs. Application for continuation of coverage must be made to PEBB no later than 60 days after the date the retiree's or dependent's coverage would otherwise end.*

Reminders

- Refer to Addendum 19-1A for termination date.
- Premium is due for the entire month of insurance coverage and is not pro-rated during the month of death.
- Eligible dependents may enroll in or defer PEBB health coverage as a survivor under the retiree insurance coverage, provided they immediately receive a monthly retirement benefit from a state-sponsored retirement system.
- If the dependent is not eligible for PEBB retiree coverage as a survivor, the dependent is eligible to continue coverage under COBRA or PEBB Extension of Coverage.
- The PEBB Program will send a *Continuation of Coverage Election Notice* to eligible dependents.
- To enroll in PEBB retiree coverage, COBRA, or PEBB Extension of Coverage, dependents must submit the form no later than 60 days after the mailing date on the *Continuation of Coverage Election Notice.*
- Survivors of an emergency service worker killed in the line of duty must enroll in or defer coverage no later than 180 days after the later of the:
    - Date of death of the emergency service worker
    - Date of the letter from DRS or the board of volunteer firefighters and reserve officers that informs the survivor they are determined to be an eligible survivor
    - Last day the dependent is covered under any health plan through the emergency service worker's employer
    - Last day the dependent was covered under COBRA coverage from the emergency worker's employer
- Refer to the Life Insurance Administration Manual for procedures on filing a death claim.

Of a Dependent

If the covered dependent is enrolled in life insurance while employee is employed and dies within 31 days of the employee's termination date, life insurance benefits will be paid.

Reminders

- Employee must submit an *Employee Enrollment/Change* form to remove the deceased dependent.
- The premium is due for the entire month of insurance coverage and is not pro-rated during the month of death.
- No more than three months of accounting adjustments will be refunded to any individual or agency.
- Refer to the Life Insurance Administration Manual for procedures on filing a death claim, if applicable.
- Employee should update their beneficiaries, if applicable.

Refer to WAC 182-08-180, WAC 182-12-250, and WAC 182-12-265 for more details.

Resources

- PEBB Rules and Policies webpage
- Chapter 182-08 WAC
- Chapter 182-12 WAC
- HCA Support
- PersPay website (for agencies only)
- PEBB website (for employees)
- Retirees website