

**Employee Q&A's**  
**New Benefit Eligibility Criteria: Averaging Qualifying Months for Nonpermanent,  
Career Seasonal, and Instructional Year Employees**  
**3/26/2008**

**1. Why did the rules change?**

The Health Care Authority (HCA) is a defendant in a class action lawsuit, *Moore v. HCA*. The plaintiffs in this case are seasonal and part-time state employees who claim they were wrongfully denied Public Employees' Benefits Board (PEBB) insurance benefits. In December, the court ruled that the HCA's 2006 rule change relating to career seasonal employees, which clarified that half-time for career seasonal employees was to be determined "per month," was void. The court also ruled that the pre-2006 career seasonal employee rule remains in effect and requires averaging of work hours over nine-month seasons.

In light of that ruling, and to minimize the state's potential liability in the litigation going forward, the HCA determined that agencies and institutions of higher education should begin averaging nonpermanent, career seasonal, and instructional year employee work hours in determining their eligibility for PEBB health insurance benefits.

**2. When do the new rules go into affect?**

Eligibility will be calculated as of February 1, 2008. Actual benefit enrollment for employees that are found eligible begins no earlier than March 1, 2008.

**3. What types of employees will be affected by the change in eligibility criteria?**

- Nonpermanent employees – Those who work at least half-time and are *expected* to work for no more than six calendar months, but ultimately work more than six calendar months. Employees where there is no expectation as to the duration of work fall into this category as well.
- Career seasonal employees – Those who work half-time or more on a nine or more month seasonal basis.
- Instructional Year employees – Those who work half-time or more on an instructional or school year basis.

Permanent employees, part-time faculty, part-time academic employees, appointed and elected officials, judges, and seasonal employees will NOT be affected by the change in eligibility criteria. (Seasonal employees are not the same as "career seasonal employees." "Seasonal employees" work a minimum of 3 but less than 9 calendar months while "career seasonal employees" work nine calendar months.)

**NOTE:** PEBB's descriptions of employee categories do not necessarily match the job definitions for your specific agency. In other words, regardless of how an employer defines an employee for hiring purposes, PEBB will consider the employee's eligibility depending on the definition the employee fits according to WAC.

**4. I've worked at my employer more than 6 months – why don't you consider time prior to the past six months in determining eligibility?**

The HCA has determined that PEBB health insurance enrollment under the new criteria can occur no earlier than March 1, 2008.

**5. How do you define half time?**

The HCA has authorized agencies and institutions to adopt one of the following three methods to determine the monthly equivalent of half-time employment:

- (1) Use a generic 174 hours divided by 2;
- (2) Add up the actual work hours available during the particular month and divide by 2; or
- (3) Use 80 hours as 50% of a month.

Under the new averaging criteria, half-time is determined by totaling hours worked over the relevant time period (6 months for nonpermanent employees, and 9 or more months for career seasonal and instructional year employees, depending on the length of the season/instructional year) and dividing the total by the number of months in that period. If the resulting figure equals or exceeds the monthly half-time equivalent your agency or institution adopted (one of the 3 listed above), the employee is half-time for purposes of PEBB benefit eligibility.

**6. If I am eligible, when does my enrollment in benefits become effective?**

Nonpermanent employees: Enrollment becomes effective on the first day of the seventh month of half-time or more employment.

Career seasonal employees:

- Employees *expected* to work an average of half-time or more over a 9 + month season receive benefits during the season. This decision is made at the beginning of the seasonal appointment and, therefore, is based on expected work hours. Enrollment becomes effective on the first day of the month following the date of employment. If the date of employment is the 1<sup>st</sup> working day of a month, insurance coverage begins on the date of employment.

- For employees who are found to qualify through a retrospective review of their hours at the end of the season, enrollment becomes effective on the first day of the month after you are assessed to have met the criteria.

Instructional year employees:

- Employees *expected* to work an average of half-time or more over an instructional year receive benefits during the instructional year. This decision is made at the beginning of the instructional year appointment and, therefore, is based on expected work hours. Enrollment becomes effective on the first day of the month following the date of employment. If the date of employment is the 1<sup>st</sup> working day of a month, insurance coverage begins on the date of employment.
- For employees who are found to qualify through a retrospective review of their hours at the end of the instructional year, enrollment becomes effective on the first day of the month after you are assessed to have met the criteria.

**7. Once I become eligible for employer provided insurance while I am in this position, how many hours do I need to work each month to stay eligible?**

- Nonpermanent employees: Once eligible, you must be paid for at least 8 hours a month in order to maintain benefits. If you, as a nonpermanent employee, fall below eight hours of pay status in any given month, then you become ineligible for benefits and must start the six-month qualifying count again.
- Career Seasonal employees: During the season, an employee who works or otherwise is in pay status fewer than 8 hours in a month does not receive the employer contribution for that month. If you return the following month, and are paid for at least 8 hours, then your benefits return that following month. You do not have to work or take leave during the off-season to receive those benefits (i.e., the 8-hour rule does not apply).
- Instructional year employees: During the instructional year, an employee who works or otherwise is in pay status fewer than 8 hours in a month does not receive the employer contribution for that month. If you return the following month, and are paid for at least 8 hours, then your benefits return that following month. You do not have to work or take leave during the off-season to receive those benefits (i.e., the 8-hour rule does not apply).

## **8. When does my employer provided insurance end?**

Your employer provided insurance ends when you fail to maintain your eligibility. This occurs when you voluntarily move to a non-eligible position or are not in pay status at least 8 hours in a month. See question #7 for a more detailed answer depending on your eligibility status.

## **9. Does the new eligibility criteria apply to people who teach at a college or university level?**

The answer depends on what category of PEBB eligible employees most closely describes your employment situation.

There are four categories of PEBB eligible employees that may pertain to people who teach at a college or university level. The only one of these that is affected by the new averaging criteria is the “instructional year employee:”

- Instructional year employees: Employees who work an average of half-time or more on an instructional (school) year. This does not include persons employed on a quarter-to-quarter or semester-to-semester contract basis.
- Part time faculty: Employees who are employed half-time or more on a quarter/semester to quarter/semester basis at one or more state institutions of higher education. See [WAC 182-12-115 \(5\)](#) for more information on this category.
- Part time academic employees: Employees who are employed half-time or more on a quarter/semester to quarter/semester basis at one or more state community or technical colleges. [See WAC 182-12-115 \(5\)](#) for more information on this category.
- Permanent employees: Those who work at least half-time per month and are expected to be employed for more than six months.

## **10. I pay for private insurance now, and I’m afraid to stop and go on employer provided insurance. What happens if I lose employer provided insurance? Can I get the other coverage back?**

This question would be best posed to your private insurer to determine its requirements for reenrollment in the event you lose employer provided insurance.

If you choose to go on employer provided insurance through PEBB, and later become ineligible for that insurance, you will be eligible for self-paid insurance for up to 18 months under COBRA.

You may also waive employer provided *medical* insurance if you have other comprehensive group coverage, though, if eligible, you have to accept employer provided *dental* insurance.

**11. I already have this coverage through my spouse/qualified domestic partner (QDP) as a state dependent. What should I do?**

The options to consider are:

- a. Drop yourself off your spouse's/QDP's insurance. If, at some future date, you lose insurance through your employer, you can re-enroll on your spouse's/QDP's insurance (assuming your spouse/QDP maintains coverage) if you've had no breaks in your insurance coverage.
- b. Waive medical coverage with your employer and stay on your spouse's/QDP's insurance. (You have to accept dental coverage through your employer.)

Please select the option that best fits your individual needs.

**12. What if my paycheck isn't enough to cover the premiums for my insurances?**

You will need to contact your agency's benefits/HRS/payroll office to coordinate a payment plan for the benefits you have selected. Premiums are due monthly, and to ensure your coverage is not canceled it's your responsibility to make sure premiums are paid timely.

You may also waive your medical coverage upon attesting that you have other health insurance coverage.

**13. Am I eligible to enroll in a Flexible Spending Account and Dependent Care Assistance?**

Once eligible, you have all the benefit options of a PEBB benefit eligible employee. However, Flexible Spending Accounts and Dependent Care Assistance are not available for K-12 or political subdivision employees.

If your paycheck isn't enough to cover your FSA or DCA deductions, Application Software, Inc (ASI), the company offering these benefits, will arrange payments with you. Please check with your employer and ASI about these arrangements.

**14. How do you calculate Long Term Disability premiums/benefits when my work hours change all the time?**

Premiums are calculated at a percentage of your earnings, dependent upon the waiting period selected.

To determine what benefit you may be eligible for, in the event of a disability, call Standard Insurance Company (1-800-368-2860) to discuss your particular case.

**15. As a nonpermanent with fluctuating hours, how do I figure out how much life insurance I can buy?**

For part-time employees scheduled to work half-time or more, maximum allowable Part C coverage shall be increased to the same amount as if the person was working full-time. For this purpose, monthly salary is determined by converting the part-time hourly rate or salary to the equivalent of full-time pay.<sup>1</sup>

For example, say you are paid \$15 an hour and your hours fluctuate. Converting that to full time would be \$15 X 40 (hours a week) X 52 (weeks in a year), or approx \$31,000 (assuming 40 hours a week = full time at your employing agency). Therefore, you can elect up to \$31,000 optional life insurance (Part C coverage).

**16. I am a retiree and have the state retiree insurance that I pay for myself. But I am working part time and, because of my hours, I am eligible for benefits as an employee. Should I be covered by my employee coverage? If so, when I stop working, will I be able to get the retiree coverage back?**

If you are eligible for PEBB benefits as an employee, then you must defer state retiree insurance. You will then be able to reenroll in the state retiree insurance when you become ineligible for employer contributed benefits.

We encourage you to be very diligent about doing the necessary paperwork to re-activate your retiree coverage when your active employment coverage ends.

Failure to do so within 60 days of the end of active employee coverage jeopardizes access to future retiree coverage.

---

<sup>1</sup> Term Life & Accidental Death & Dismemberment Insurance Program, ReliaStar Insurance Co., Revised January 1, 2008, page 28.

**17. I am a retiree on the HCA/PEBB plans and I have Medicare Part B now. What happens to that if I go back to employer provided coverage?**

Contact the Social Security Administration (1-800-772-1213 ) and Medicare 1-800-MEDICARE (1-800-633-4227) to discuss this issue. You can defer Medicare Part B while PEBB benefit eligible.

**18. I am a retiree who has returned to work and am now eligible for PEBB benefits. Do I need to buy optional long term disability (LTD)?**

As an eligible employee, you receive basic long term disability with the option to purchase additional coverage. Your retirement income may be considered an offset from any optional LTD benefit paid under our contract. Please call Standard Insurance Company (1-800-368-2860) to discuss your particular case and the impact of your retirement income on a potential claim.