Eligibility Terms

Actively at Work: For PEIA coverage or a change in coverage to be effective, the employee must be actively at work. To be considered "actively at work," he or she must:

1. perform the normal tasks for their job on a full-time basis on the day their coverage is to begin; and
2. perform such tasks at one of their normal places of business or at a location to which they must travel to do their job; and
3. not be absent from work because of leave of absence or temporary layoff.

If an employee does not meet these requirements, coverage will begin on the next day on which the requirements are met.

Eligible employees: All elected and permanent full-time employees of the state of West Virginia, county boards of education, counties, cities or towns, and other individuals of government bodies so specified in the West Virginia State Code, Chapter 5, Article 16 are eligible for enrollment in PEIA insurance plans. Long-term substitute teachers and school service personnel are eligible for coverage. Other temporary, substitute and part-time employees are not eligible unless eligible as defined under the Affordable Care Act.

Full-time employee: a permanent employee who is considered full-time by the participating agency and works at least twenty hours per week, or 1,040 hours per year in that position, unless otherwise exempt from this requirement by the West Virginia State Code.

Eligible dependents: The following constitute the eligible dependents for all coverage offered by PEIA:

a. your legal spouse;
b. your biological or adopted children under age 26;
c. stepchildren under age 26;

children for whom you are a court appointed guardian under age 18 who are members of your household and fully dependent upon you for support and maintenance (documentation substantiating the policyholder's legal guardianship of the dependent is required)

Event Enrollment Period: the enrollment period created by an eligibility event or a qualifying event. This period consists of the month of the eligibility event (marriage, birth, etc.) and the two following calendar months. The qualifying event of divorce is the exception. It is required that the divorce is reported the month of the final decree.

Disabled Dependent Child: A child may continue to be covered after reaching age 26 if he or she is incapable of self-support because of mental or physical disability. To be eligible:

- the disabling condition must have begun before age 26.
- The child must have been covered by PEIA upon reaching age 26; and
- The child must be incapable of self-sustaining employment and chiefly dependent

on the policyholder for support and maintenance.

To continue this coverage the policyholder should contact PEIA for an application. The policyholder will be asked to provide documentation when the child reaches age 26 and periodically thereafter.

Documentation: paperwork required from each policyholder who is attempting to enroll dependents for coverage, or to make a status change in the middle of a plan year. Mid-year status changes require a qualifying event. The list of qualifying events and the documentation required to substantiate each change is printed later in this section.

Handicap: A mental or physical impairment which substantially limits one or more of a person's major life activities. The term "major life activities" includes functions such as care for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working. "Substantially limits" means interferes with or affects over a substantial period. Minor, temporary ailments or injuries shall not be considered physical or mental impairments which substantially limit a person's major life activities. "Physical or mental impairment" includes such diseases and conditions as orthopedic, visual, speech and hearing impairments; cerebral palsy; epilepsy; muscular dystrophy; autism; multiple sclerosis and diabetes. The term "disability" does not include excessive use or abuse of alcohol, drugs or tobacco.

Initial Enrollment Period: the month an employee is hired and the following two calendar months.

Qualifying Event: a personal change in status which may allow the policyholder to change benefit elections during a plan year. Examples of qualifying events include, but are not limited to, the following:

1. Change in legal marital status – marriage, or divorce of policyholder or dependent
2. Change in number of dependents – birth, death, adoption, placement for adoption, award of legal guardianship
3. Change in employment status of the employee's spouse or employee's dependent switching from part-time to full-time employment status or from full-time to part-time, termination or commencement of employment, a strike or lockout, commencement of or return from an unpaid leave of absence which results in employee/dependent becoming ineligible for coverage
4. Dependent satisfies or ceases to satisfy eligibility requirements

Eligibility Events

New Employee

All eligible new employees must be offered the opportunity to enroll for health and life insurance benefits with the Public Employees Insurance Agency.

Participation in any of the PEIA benefit plans is not automatic; employees must enroll online through the Manage My Benefits site or complete the proper enrollment forms. Completion of the enrollment process gives your agency the authorization to deduct the premiums for the selected coverage from their salary.

All employees have an initial enrollment period in which to make their benefit choices. It consists of the month of hire and the following two calendar months. Coverage becomes effective on the first day of the month following the date of employment or enrollment, whichever is later, provided that the employee is actively at work on the day coverage becomes effective. If an employee is being hired on the first day of a month, the benefits will not be effective until the first of the following month, even if forms are signed before employment begins. For example, if you are hiring a person on September 1, and the person comes into your office on August 28 to complete paperwork, coverage cannot begin until October 1.

A new employee packet should contain the following information:

a) Summary Plan Description

b) Shopper's Guide

c) PEIA Life Insurance Benefits Booklet

d) Mountaineer Flexible Benefits Enrollment Packet (if you are a participating employer.)

e) Instructions to view the Summary of Benefits & Coverage

f) Documentation Checklist found in the Manage My Benefit section of the Benefit Coordinator Reference Manual. A copy of the chart showing what documentation is required for dependent(s) coverage to be effective. You can find this in the Forms section.

g) Instructions for registering and enrolling online, found in the How to Manage My Benefits section of the Benefit Coordinator Reference Manual

Health Benefits

Employees and their eligible dependents may enroll for health coverage in the PPB Plan or a Managed Care Plan (if they live in the enrollment area of a plan) during the initial enrollment period. Details of the benefits available in these plans are outlined in the Shopper's Guide.

Managed Care Plans. New employees are eligible to enroll in a managed care plan if they and their dependents live within the enrollment area of a plan. The enrollment areas which include all Wet Virginia counties, and some bordering counties are defined in the Shopper's Guide. When enrolling in an HMO, the employee must contact the HMO to name a primary care physician for each family member.

Family with Employee Spouse:

Two public employees who are married to each other, and who are both eligible for benefits under the PEIA may elect to enroll as follows:

1) Family with Employee Spouse in any plan

2) "Employee Only" and "Employee and Child(ren)" in two different plans (remember they'll have two deductibles and two out-of-pocket maximums this way)

3) "Employee Only" and "Employee and Child(ren)" in the PPB Plan

4) "Employee Only" and "Employee and Child(ren)" in the same managed care plan.

All children must be enrolled under the same policyholder. **To qualify for the Family with Employee Spouse premium for health coverage, both employees MUST have basic life insurance**. Both employees are eligible to enroll for the basic life policy, as well as for optional and dependent life insurance.

See page 2 of the Premium Accounts section for details of premium calculations for this coverage type.

Leave of Absence

It is the employer's responsibility to make the determination regarding an employee's eligibility for a leave of absence. It is important to note that a leave of absence is intended for an employee who is expected to return to work and for whom the employer maintains an open position. It is not intended to extend medical benefits for individuals who are not eligible to retire and not able to return to work, or for whom a position is not being held open. Such a person is not an employee, and it is improper to continue his or her health coverage as if he or she were still an employee.

Employers are reminded that under State law it is a felony to misrepresent any material fact to obtain PEIA benefits to which a person is not entitled (W.Va. Code §5-16-12). PEIA is required by law to report all violations of state or federal law to the authorities having jurisdiction. Return from a leave of absence does not constitute a qualifying event which would allow the member to change plans during the plan year.

Reporting LOA

It is the responsibility of the Benefit Coordinator to report an employee's leave of absence to PEIA. This is done in the PEIA online enrollment system under the Benefit Coordinator role.

- Choose "BC Data Entry".
- Enter the member's SSN.
- Begin BC Data Entry.
- Choose the "Agree" button.
- Choose "Leave of Absence".
- Choose a reason for the Leave of Absence.
- Choose a beginning and end date for the leave. Dates cannot be farther than one year apart.
- Choose "Submit".
- If anything changes, you can change the date in the portal but no longer than one year apart.

Life Insurance

The new employee may also enroll in Basic, Optional and/or Dependent Life insurance coverage. Both the Basic and Optional insurance policies are decreasing term insurance coverage. The premiums for these policies increase with age, and the amount of coverage drops.

Basic

The Basic coverage is a $10,000 decreasing term policy with reductions in coverage amounts at specified ages and at retirement. Typically, the employer pays the premium for this coverage. The employee must enroll for Basic life insurance to be eligible to enroll in Optional or Dependent life insurance coverage. During the initial enrollment period, the Basic life insurance is guaranteed issue, meaning that the coverage will be provided without any Evidence of Insurability.

Optional

The employee can buy up to $100,000 of optional life insurance coverage with no medical information required during the initial enrollment period. Plans of up to $500,000 of optional life insurance coverage are available if the employee submits the Evidence of Insurability Application for Coverage and is approved by the life insurance carrier. The plans are listed on the Optional Life Insurance enrollment form. If the new employee applies for more than $100,000 of optional life insurance coverage, the coverage will not become effective until the

first day of the month following the date of approval by the life insurance carrier. If the new employee applies for more than $100,000 in coverage during the initial enrollment period and is declined by the life insurance carrier, the $100,000 guaranteed issue amount of coverage will be provided, since it is the most the employee can have without approval from the life insurance carrier. For more details, see the Life Insurance section of this book.

Dependent

Five levels of dependent life insurance coverage are available. Dependent life insurance is term coverage, but it does NOT decrease with age. The five levels of coverage are:

Plan 1 $5,000 on the spouse/$2,000 on each child

Plan 2 $10,000 on the spouse/$4,000 on each child

Plan 3 $15,000 on the spouse/$7,000 on each child

Plan 4 $20,000 on the spouse/$10,000 on each child

Plan 5 $40,000 on the spouse/$15,000 on each child

If the policyholder enrolls for this coverage during the initial enrollment period, no medical information is required up to Plan 4. This is a package policy; the premium is the same regardless of the number of dependents enrolled in the plan. The policyholder is the beneficiary of this coverage.

Enrolling for Benefits

PEIA's preferred enrollment method is the Manage My Benefits website. Instructions for using the site, as well as an instructional handout for employees, can be found in the Using the Manage My Benefits Website section of the Benefit Coordinator Reference Manual.

If an employee is unable or unwilling to use the website, PEIA will still accept paper forms. To enroll for benefits using paper forms, the new employee must complete and submit the Basic Health Insurance Enrollment form. Eligible dependents must be listed on the form and the policyholder must provide documentation for them to be covered.

The new employee should be furnished the following forms to enroll:

a. Basic Life Insurance Enrollment Form

b. Health Benefits Enrollment Form

c. Optional and Dependent Life Insurance Enrollment Form

d. Mountaineer Flexible Benefits Form

When the employee submits paper forms, it is your responsibility to ensure that all appropriate areas of the forms have been completed, and to complete the "Agency" section of the form. Instructions for completing the agency section of each form can be found in the Forms section of this book.

All forms **except** the Mountaineer Flexible Benefits enrollment form should be mailed to PEIA. The address is:

PEIA 601 57th St., SE, Suite 2
Charleston, WV 25304-2345

Mountaineer Flexible Benefits

The new employee may enroll in the Mountaineer Flexible Benefits plan during the initial enrollment period if his or her employer participates in the plan. If you are not sure if your agency participates in this plan, see the Mountaineer Flexible Benefits section of this book for a list of participating employers.

The Mountaineer Flexible Benefits plan is an IRS-approved cafeteria plan that allows employees to purchase optional additional benefits on a pre-tax basis.

There are numerous benefit choices available under this plan including dental plans, a vision plan, long- and short-term disability insurance, medical flexible spending accounts, dependent care flexible spending accounts, and a pre-paid legal services plan. Details of the benefits and premiums are provided in the Mountaineer Flexible Benefits enrollment packet.

To enroll for coverage, the employee must complete and submit the Mountaineer Flexible Benefits enrollment form to the benefit coordinator.

When you've finished your portion of the form, the Mountaineer Flexible Benefits enrollment form should be mailed directly to the plan administrator, Fringe Benefits Management Company. The address is:

Active enrollment forms:

FBMC
P.O. Box 1878
Tallahassee, FL 32302
Retiree enrollment forms:

FBMC
Retiree Direct Bill
P.O. Box 10789
Tallahassee, FL 32302

Premium Conversion Plan

If your agency participates in the PEIA Premium Conversion Plan, new employees are enrolled in the plan automatically at the time of enrollment. The Premium Conversion Plan allows employees to pay their share of health and life insurance premiums on a pre-tax basis, thus lowering their taxable income. New employees should be made aware of the plan and may "opt out" by checking the box 'No' on the Health Benefits Enrollment Form or by checking 'Yes' when asked online in Manage My Benefits.

Existing Employees

Existing employees may only make health coverage changes during open enrollment or when they experience a qualifying event. The qualifying events are as follows:

1. Change in legal marital status – marriage, divorce, or death of a spouse
2. Change in number of dependents – birth, death, adoption, placement for adoption, award of legal guardianship
3. Change in employment status of the employee's spouse or employee's dependent – switching from part-time to full-time employment status or from full-time to part-time, termination or commencement of employment, a strike or lockout, commencement of or return from an unpaid leave of absence which results in employee/dependent becoming ineligible for coverage
4. Dependent satisfies or ceases to satisfy eligibility requirement – marriage of a dependent or no longer satisfying the definition of 'qualifying child' or 'qualifying relative.'

Each qualifying event requires documentation as shown below:

Status Change Event	**Documentation Required**
Divorce ****This event does not have an extended period to make changes. It must be completed the month the divorce is final.	Provide a copy of the divorce decree showing that the divorce is final. Coverage for the ex-spouse will be terminated at the end of the month in which the divorce became final.
Marriage	Copy of valid marriage license or certificate
Birth of Child	Copy of child's birth certificate
Adoption	Copy of adoption papers
Adding coverage for a child who resides with the policyholder and for whom the policyholder is 100% financially responsible	Order of adoption or court-ordered guardianship papers
Open Enrollment under spouse's employer's benefit plan	A copy of printed material showing open enrollment dates and the employer's name
Death of spouse or dependent	A copy of the death certificate
Beginning of spouse's employment	A letter from the spouse's employer stating the hire date, effective date of insurance, what coverage was added, and what dependents are covered
End of spouse's employment	A letter from the spouse's employer stating the termination or retirement date, what coverage was lost, and dependents that were covered

Status Change Event	Documentation Required
Unpaid leave of absence by employee or spouse	A letter from your or your spouse's personnel office stating the date that you or your spouse went on unpaid leave or returned from unpaid leave
Significant Change in Health Coverage Attributable to Spouse's Employment	A letter from the spouse's insurance carrier indicating the change in insurance coverage, the effective date of that change, and dependents covered
Ineligibility of dependent child due to age	Copy of the dependent's birth certificate
Change from full-time to part-time employment or vice versa for employee or spouse	A letter from your or your spouse's employer stating the previous hours worked and the new hours worked and the effective date of the change

Life Insurance

Existing employees may increase their optional or dependent life insurance at any time by completing an Optional Life Insurance enrollment form or they can increase their coverage on the Manage My Benefits system at www.wvpeia.com. When PEIA receives notice of a life insurance request that member's information is sent to the life insurance carrier. The life insurance carrier sends out Evidence of Insurability packets weekly to employees who have requested life insurance. This packet includes login information for completing the medical questions online or employees have the option to complete the paper form provided and mail it directly back to the life insurance carrier. The Evidence of Insurability Application for Coverage must be approved by the life insurance carrier.

New or increased coverage is not effective until the first day of the month following approval by the life insurance carrier.

Existing employees may decrease their life insurance coverage at any time by completing an Optional Life Insurance form or they can make the change on the Manage My Benefits system at www.wvpeia.com, if they DO NOT participate in the Premium Conversion Plan. Participants in the Premium Conversion Plan must follow stricter rules defined by the IRS. See "Section 125 Administration" in the Premiums section of this book for details.

Mountaineer Flexible Benefits

Existing employees may not enroll in or make changes to their Mountaineer Flexible Benefits during the plan year without a qualifying event. To make changes to the Mountaineer Flexible Benefits plan, a member must fill out a Mountaineer Flexible Benefits Enrollment Form and fax or mail it into FBMC at the addresses previously mentioned in this section.

Transferring Employee

From time to time, you may have an employee who transfers from one participating agency to another. There are specific rules that apply to these individuals. Such a transfer does not create an event open enrollment period.

How to Transfer the Employee

The easiest way to make the transfer happen is for the benefit coordinator at either the new agency or the previous agency to go online and initiate the transfer process. When the transfer is completed online, the employee is not required to complete any paperwork for PEIA. If they are a Mountaineer Flexible Benefits participant, the member will need to fill out a Mountaineer Flexible Benefits Enrollment Form and check it with the benefits the member already has and turn it into the new Benefit Coordinator. The benefit coordinator who initiates the transfer causes the Manage My Benefits system to send an e-mail to the other benefit coordinator, who must then go online and approve the transfer. The benefit coordinator who is receiving the transferring employee must set the Index Code.

If the transfer is completed on paper, rather than online, the transferring employee must complete a Change-in-Status form. In certain circumstances employees transferring between state agencies and non-state agencies may be granted the right to change plans if the premium increase creates a qualifying change in family status. A letter from the receiving Benefit Coordinator must be sent to PEIA with pertinent information regarding the reason for change in plans.

When to Transfer the Employee

No matter when the transfer occurs during the month, coverage from the previous employer will continue through the end of the month, and coverage with the new employer will begin on the first of the following month.

If the transfer is taking place at the end of the month, with the employee starting with the new employer on the first of the month with no lapse in employment, the policy varies depending on the type of transfer:

From a State agency to State agency: (including colleges, universities, and county boards of education) the new employer **must** pay its share of premium for the month the employee is hired and maintain continuous coverage for the employee.

From a State agency to non-State agency: The new employer ***may*** choose to pay its share of premium for the month the employee is hired to maintain continuous coverage for the employee. If the employer does not pay its share of the premium, the employee will be required to pick up COBRA coverage for that month or be without coverage for one month. This could affect the employee's ability to convert sick and annual leave for insurance premiums upon retirement and to receive subsidized health coverage premiums upon retirement.

From a non-State agency to State agency: The new employer ***may*** choose to pay its share of premium for the month the employee is hired to maintain continuous coverage for the employee. If the employer does not pay its share of the premium, the employee will be

required to pick up COBRA coverage for that month or be without coverage for one month. This could affect the employee's ability to convert sick and annual leave for insurance premiums upon retirement and to receive subsidized health coverage premiums upon retirement.

From a non-State agency to a non-State agency: The new employer ***may*** choose to pay its share of premium for the month the employee is hired to maintain continuous coverage for the employee. If the employer does not pay its share of the premium, the employee will be required to pick up COBRA coverage for that month or be without coverage for one month. This could affect the employee's ability to convert sick and annual leave for insurance premiums upon retirement and to receive subsidized health coverage premiums upon retirement.

Marriage

The marriage of an employee is an eligibility event, but it does not qualify the employee to change health care plans during a plan year. This eligibility event creates an enrollment period consisting of the month of the marriage and the two following calendar months. During this time, the employee may make the changes detailed below.

Health Coverage

The employee may add the new spouse and eligible dependents to existing health coverage using the Manage My Benefits system or by completing a Change-In-Status form. Coverage will be effective on the first day of the month following the date of enrollment.

The employee may enroll for health coverage if he or she had no health coverage prior to the marriage. Coverage will be effective on the first day of the month following the date of enrollment.

If any dependent (except a biological newborn) is in a hospital, nursing home or other health care facility on the date coverage would otherwise begin, the effective date of coverage is delayed until the date of discharge.

If the employee does not complete the change during the event enrollment period, he or she cannot make the change until the following open enrollment period.

Life Insurance

The employee may add the new spouse and eligible dependents to an existing dependent life insurance policy during this event enrollment period by completing an Optional and Dependent Life Insurance Enrollment form. Coverage will be effective on the first day of the month following enrollment. To increase the amount of dependent life insurance at this time, the employee can elect to enroll for coverage online at www.wvpeia.com and select Manage My Benefits. If no dependent life insurance coverage existed before the marriage, the employee may enroll for one of four levels of dependent life insurance during this event enrollment period by completing an Optional and Dependent Life Insurance Enrollment form or enroll for coverage online at www.wvpeia.com and select Manage My Benefits. Coverage will be effective on the first day of the month following enrollment. The levels of dependent life insurance are:

Plan 1 $5,000 on the spouse/$2,000 on each child

Plan 2 $10,000 on the spouse/$4,000 on each child

Plan 3 $15,000 on the spouse/$7,000 on each child

Plan 4 $20,000 on the spouse/$10,000 on each child

Plan 5 $40,000 on the spouse/$15,000 on each child

Eligible dependents for life insurance are the same as those listed in the definitions earlier in this chapter. The employee is the beneficiary of this coverage.

If any dependent (except a biological newborn) is in a hospital, nursing home or other health care facility on the date coverage would otherwise begin, the effective date of coverage

is delayed until the date of discharge.

Family with Employee Spouse

In the event that the marriage is between two benefit-eligible public employees, they may elect to enroll as follows:

1) Family with Employee Spouse in any plan

2) Two Employee Only coverages or as Employee Only and Employee and Child(ren) in two different plans

3) Two Employee Only coverages or as Employee Only and Employee and Child(ren) in the PPB Plan (remember they'll have two deductibles and two out-of-pocket maximums this way)

4) Two Employee Only coverages or as Employee Only and Employee and Child(ren) in the same managed care plan.

All children must be enrolled under the same policyholder.

To qualify for the Family with Employee Spouse premium, both employees must carry Basic Life insurance. Both employees are eligible to enroll for the optional and dependent life insurance, as well.

Mountaineer Flexible Benefits

The employee's marriage enables him or her to make changes in the Mountaineer Flexible Benefits coverage that are consistent with the event per the plan rules. The rules are spelled out in detail in the Mountaineer Flexible Benefits enrollment materials and in the Mountaineer Flexible Benefits section of this book. To make a change, the employee must fill out a Mountaineer Flexible Benefits Form and mark change in status.

Birth of a Child

The birth of the employee's biological child is an eligibility event, but it does not qualify the employee to change health care plans during a plan year. This eligibility event creates an enrollment period consisting of the month of birth and the two following calendar months.

Health Coverage

Policyholders must enroll a biological newborn child for health coverage during the event enrollment period using the Manage My Benefits system or by completing a Change-in-Status form. Coverage will be retroactive to the date of birth. If they do not complete the change within this timeframe, they cannot add the newborn child until the next open enrollment period.

Life Insurance

Newborns should be enrolled for dependent life insurance during the calendar month of or the two calendar months following the date of birth. Otherwise, to increase the amount of dependent life insurance at this time, or to add the newborn after the qualifying event time period has ended, the member may fill out an Optional and Dependent Life Insurance Enrollment Form or go to www.wvpeia.com and selecting Manage My Benefits for each dependent. The employee will receive an Evidence of Insurability Application for coverage for the child. After receiving the Evidence of Insurability, the life insurance carrier will deny or approve dependent life insurance coverage for the child.

If no dependent life insurance coverage existed before this eligibility event, the employee may enroll for one of five levels of dependent life insurance during this event enrollment period. Coverage will be effective on the first day of the month following enrollment. The levels of dependent life insurance are:

Plan 1 $5,000 on the spouse/$2,000 on each child

Plan 2 $10,000 on the spouse/$4,000 on each child

Plan 3 $15,000 on the spouse/$7,000 on each child

Plan 4 $20,000 on the spouse/$10,000 on each child

Plan 5 $40,000 on the spouse/&15,000 on each child

The employee is the beneficiary of this coverage.

Mountaineer Flexible Benefits

The birth of the employee's biological child enables him or her to make changes in the Mountaineer Flexible Benefits coverage that are consistent with this qualifying event per the plan rules. The rules are spelled out in detail in the Mountaineer Flexible Benefits enrollment materials and in the Mountaineer Flexible Benefits section of this book. To make a change, the employee must fill out a Mountaineer Flexible Benefits Form and mark change in status.

Adoption

The adoption of a child is an eligibility event, but it does not qualify the employee to change health care plans during a plan year. This eligibility event creates an enrollment period consisting of the month of placement in the home and the two following calendar months. During this time, the employee may make the following changes:

Health Coverage

Policyholders must enroll an adopted child for health coverage during the event enrollment period using the Manage My Benefits system or by completing a Change-in-Status form. Coverage will be made effective retroactive to the date of placement in the home. If they do not complete the change within this timeframe, they cannot add the adopted child until the next open enrollment period.

Coverage for an adopted infant will become effective the day the adoptive parents are legally and financially responsible for the medical expenses if bona fide legal documentation is presented to PEIA.

In the event of an international adoption, the child will be considered to have been "placed in the home" when the policyholder takes physical custody of the child and has legal documentation of his or her responsibility for the child.

Life Insurance

Adopted children should be enrolled for dependent life insurance during the calendar month of or the two calendar months following the date of birth. Otherwise, to increase the amount of dependent life insurance at this time, or to add the adopted child after the qualifying event time period has ended, the member may fill out an Optional and Dependent Life Insurance Enrollment Form or go to www.wvpeia.com and selecting Manage My Benefits for each dependent. The employee will receive an Evidence of Insurability Application for coverage for the child. After receiving the Evidence of Insurability, the life insurance carrier will deny or approve dependent life insurance coverage for the child.

An employee should enroll an adopted child for life insurance during the event enrollment period using the Manage My Benefits system or by completing an Optional and Dependent Life Insurance Enrollment form. If the child is not enrolled during this period, the employee must submit an Evidence of Insurability Application for Coverage and be approved by the life insurance carrier to obtain dependent life insurance coverage for the child. To increase the amount of dependent life insurance at this time, an Evidence of Insurability Application for Coverage must be completed for each dependent and approved by the life insurance carrier.

If no dependent life insurance coverage existed before this eligibility event, the employee may enroll for one of five levels of dependent life insurance during this event enrollment period. Coverage will be effective on the first day of the month following enrollment. The levels of dependent life insurance are:

Plan 1 $5,000 on the spouse/$2,000 on each child

Plan 2 $10,000 on the spouse/$4,000 on each child

Plan 3 $15,000 on the spouse/$7,000 on each child

Plan 4 $20,000 on the spouse/$10,000 on each child

Plan 5 $40,000 on the spouse/&15,000 on each child

The employee is the beneficiary of this coverage.

Mountaineer Flexible Benefits

The adoption of a child enables the employee to make changes in the Mountaineer Flexible Benefits coverage that are consistent with this qualifying event per the plan rules. The rules are spelled out in detail in the Mountaineer Flexible Benefits enrollment materials and in the Mountaineer Flexible Benefits section of this book. To make a change, the employee must fill out a Mountaineer Flexible Benefits Form and mark change in status.

Court Appointed Guardianship

A Court Appointed Guardianship is a legal relationship created when a person or institution is named by the Court to take care of minor children. Eligibility for guardianship requires an Order from a Court of Record. Notarized documents signed by parents assigning "guardianship" are not sufficient to establish eligibility. The term "guardian" may also refer to someone who is Court-appointed to care for and/or handle the affairs of a person who is incompetent or incapable of administering his/her affairs. Sometimes a separate person is appointed to handle the financial matters of the child(ren) or the adult and that relationship is called a conservatorship. The employee may enroll those Court Appointed children – stepchildren, grandchildren, nieces, nephews, or unrelated children. Documentation showing the employee's legal guardianship of the child is required.

Health Coverage

The policyholder may enroll children whom they have court appointed guardianship of during the plan year only as a result of a qualifying event. During the month of the qualifying event or the following two months, the policyholder may add the child to existing health coverage using the Manage My Benefits system or by completing a Change-in-Status form. Coverage will be effective on the first day of the month following the completion of the change.

Life Insurance

Court appointed children should be enrolled for dependent life insurance during the calendar month of or the two calendar months following the date of birth. Otherwise, to increase the amount of dependent life insurance at this time, or to add the child after the qualifying event time period has ended, the member may fill out an Optional and Dependent Life Insurance Enrollment Form or go to www.wvpeia.com and selecting Manage My Benefits for each dependent. The employee will receive an Evidence of Insurability Application for coverage for the child. After receiving the Evidence of Insurability, the life insurance carrier will deny or approve dependent life insurance coverage for the child.

Employees may also enroll for one of five levels of dependent life insurance if there is a qualifying event. If there is no qualifying event, coverage will be effective on the first day of the month following approval by the life insurance carrier. The levels of dependent life insurance are:

Plan 1 $5,000 on the spouse/$2,000 on each child

Plan 2 $10,000 on the spouse/$4,000 on each child

Plan 3 $15,000 on the spouse/$7,000 on each child

Plan 4 $20,000 on the spouse/$10,000 on each child

Plan 5 $40,000 on the spouse/&15,000 on each child

Eligible dependents for life insurance are the same as those listed earlier for health insurance. The employee is the beneficiary of this coverage.

Mountaineer Flexible Benefits

Other children may be added to Mountaineer Flexible Benefits only if they meet plan guidelines and are added in the event of a qualifying event. The employee may make changes in the Mountaineer Flexible Benefits that are consistent with this qualifying event per the plan rules. The rules are spelled out in detail in the Mountaineer Flexible Benefits enrollment materials and in the Mountaineer Flexible Benefits section of this book. To make a change, the employee must fill out a Mountaineer Flexible Benefits Form and mark change in status.

Divorce

The divorce of an employee is an eligibility event, but it does not qualify the employee to change health care plans during a plan year. This eligibility event creates an enrollment period consisting of the month the divorce is final.

The divorced spouse is no longer eligible for coverage as of the last day of the month in which the divorce is final. A copy of the divorce decree is required. The policyholder must remove the divorced spouse using the Manage My Benefits system or by completing a Change-in-Status form. Coverage will terminate on the last day of the month in which the divorce is final. If the employee does not report the divorce immediately, PEIA will terminate coverage retroactively to the date coverage should have ended and will pursue reimbursement for any claims paid on the ineligible spouse. The agency may seek reimbursement from the employee of any employer premiums paid in error.

In the event the policyholder is required by the court to maintain coverage on the ex-spouse, this coverage may only be provided through COBRA or an individual policy. The ex-spouse cannot remain on the employee's coverage, since he or she is NOT an eligible dependent once the divorce is final.

If you become aware of a situation in which a policyholder is divorced but refuses to report the divorce to PEIA and remove the ex-spouse from coverage, you must contact PEIA to report the situation.

Court-ordered Dependent Children (COD)

If a PEIA-insured employee and his or her spouse divorce, and the employee is not the custodial parent for the dependent child(ren), the employee may continue to provide medical benefits for the adopted or biological child(ren) through the PEIA plan. If the non-custodial parent is ordered by the court to provide medical benefits for the child(ren), the custodial parent may submit medical claims for the CODs, and benefits may be paid directly to the custodial parent. Special claim forms are required. The custodial parent will also receive Explanations of Benefits (EOBs) and medical ID cards for the CODs. To initiate this process, the custodial parent must put the request in writing to PEIA. Please refer custodial parents to PEIA for details.

Enrolling for Coverage Due to Divorce

If the employee loses coverage under another plan due to the divorce, the employee and

dependent children may enroll for health coverage using the Manage My Benefits system or by completing a Health Insurance Enrollment form. If the employee enrolls for coverage during the month the divorce becomes final or the two following months, coverage will be effective the first day of the month following the date of enrollment. If the employee does not complete the Change-in-Status form during the event enrollment period, he or she cannot enroll for health coverage until the next open enrollment.

If any dependent (except a biological newborn) is in a hospital, nursing home or other health care facility on the date coverage would otherwise begin, the effective date of coverage is delayed until the date of discharge.

Managed Care Plans

If the employee lost coverage under another plan due to the divorce, the employee and dependent children may enroll for managed care plan coverage by completing a Health Insurance Enrollment form. Coverage will be effective on the first day of the month following the date of enrollment. The employee must contact the managed care plan to specify a primary care physician for each new enrollee. If the employee does not complete the Change-in-Status form during the enrollment period, he or she cannot join a managed care plan until the next open enrollment.

If any dependent (except a biological newborn) is in a hospital, nursing home or other health care facility on the date coverage would otherwise begin, the effective date of coverage is delayed until the date of discharge.

Life Insurance

The employee must terminate dependent life insurance on the ex-spouse during this event enrollment period by completing a Change-in-Status form. If the ex-spouse is the only dependent on the dependent life insurance policy coverage will terminate at the end of the month.

If the employee loses coverage because of the divorce, employees may also enroll for one of five levels of dependent life insurance for any dependent children during this event enrollment period by completing an Optional and Dependent Life Insurance Enrollment form or enrolling online in the Manage My Benefits system. Coverage will be effective on the first day of the month following enrollment. The levels of dependent life insurance are:

Plan 1 $5,000 on the spouse/$2,000 on each child

Plan 2 $10,000 on the spouse/$4,000 on each child

Plan 3 $15,000 on the spouse/$7,000 on each child

Plan 4 $20,000 on the spouse/$10,000 on each child

Plan 5 $40,000 on the spouse/&15,000 on each child

Eligible dependents for life insurance are the same as those listed earlier for health insurance. The employee is the beneficiary of this coverage.

If any dependent (except a biological newborn) is in a hospital, nursing home or other health care facility on the date coverage would otherwise begin, the effective date of coverage is delayed until the date of discharge.

Mountaineer Flexible Benefits

The employee's divorce enables him or her to make changes in the Mountaineer Flexible Benefits coverage that are consistent with the event per the plan rules. The rules are spelled out in detail in the Mountaineer Flexible Benefits enrollment materials and in the Mountaineer Flexible Benefits section of this book. To make a change, the employee must fill out a Mountaineer Flexible Benefits Form and mark change in status.

Termination of Employment

If an active employee terminates employment, he or she must complete a termination form. The termination form MUST be filled out completely and include the current address for the employee and the reason for the termination. If the employee is not available to sign the termination form, the benefit coordinator can submit the form without the former employee's signature. On the employee signature line, should be written not available for signature. The Benefit Coordinator must sign and date the form and a second employee must sign the form and note their title below the Benefit Coordinator signature line.

As an alternative, a Benefit Coordinator may terminate an employee in the Manage My Benefits system under the Web Contributions portion. Complete directions can be found in the Manage My Benefits section of the Benefit Coordinator Reference Manual.

Where a refund is requested due to the termination of an employee's coverage and the failure of the employer to timely submit the termination information to PEIA, the PEIA is not obligated to refund more than two (2) months' premiums. If such employee has incurred health care claims between the date intended for termination by the employer and the actual termination date, no refund is due. Any premiums beyond two (2) months premium shall be treated as forfeited to PEIA and no coverage will be provided for such forfeited premium amounts.

Where the error occurred on the part of the Public Employees Insurance Agency, refunds shall be made without regard to time lapsed.

Voluntary Termination/Resignation

PEIA life and health coverage for an active policyholder and any covered dependents terminates at the end of the month in which the employee voluntarily ceases employment or goes off the payroll. For employees on delayed payroll, coverage will terminate at the end of the month in which their employment terminates, although they may continue to receive paychecks due to their delayed payroll status.

Health Coverage

Health coverage may be continued for up to 18 months under COBRA. The policyholder will be contacted by UMR, PEIA's COBRA administrator, once the termination has been reported, if it is within 62 days of termination of employment. See the COBRA section of the Benefits Coordinator Reference Manual for further details of COBRA coverage.

Life Insurance

Life insurance may be converted to an individual policy. Employees must apply and pay the first premium within 31 days after the termination of the life insurance coverage. Coverage under the individual policy will become effective the day after the group coverage ends.

To obtain a Life Insurance Conversion Application Form, call MetLife at 1-888-466-8640. PEIA's life insurance carrier issues the individual life insurance policy and supplies the

employee with the appropriate enrollment materials and premium rate information. Premiums for individual policies are generally higher than rates for a group plan.

Involuntary Termination

A policyholder who is terminated from employment involuntarily or through a reduction in force may continue health and life coverage for three additional months after the end of the month in which employment ends. The employer must continue to pay the employer's share of the premium during these three months. The policyholder will be responsible for paying the employee's share of the premium during these three months. Consult your legal counsel if you have questions about continuing this coverage.

Termination for Misconduct

If an employee is discharged for misconduct and chooses to contest the charge, he or she may extend coverage for up to 3 months while available administrative remedies are pursued. If the charge is upheld, the former employee must pay the employer's share of the premium cost for the extended coverage to the former employer.

Health Coverage

After the three months of extended coverage, COBRA is available for health coverage. The policyholder will be contacted by UMR, PEIA's COBRA administrator, when the three-month extension has expired. See the COBRA section in the Benefit Coordinator Reference Manual for further details of COBRA coverage.

Life Insurance

Life insurance may be converted to an individual policy. Employees must apply and pay the first premium within 31 days after the termination of the life insurance coverage. Coverage under the individual policy will become effective the day after the group coverage ends.

To obtain a Life Insurance Conversion Application Form, call MetLife at 1-866-466-8640. PEIA's life insurance carrier issues the individual life insurance policy and supplies the employee with the appropriate enrollment materials and premium rate information... Premiums for individual policies are generally higher than rates for a group plan.

Death of the Policyholder

In the event of the death of an active or retired policyholder, any eligible dependents who were covered at the time of death are eligible to enroll for health coverage as surviving dependents. To continue health coverage without interruption, surviving dependents must complete the Surviving Dependent enrollment form, which PEIA mails to the surviving dependent upon notification of the death. The form must be completed and returned to PEIA in the calendar month the death occurs or the two following calendar months. Survivors with the Medicare Advantage Plan and their dependents are automatically enrolled for health coverage when the death is reported. Premiums are based on the member's years of service. In this case, if the survivor does not wish to continue coverage, he or she must simply contact PEIA to be dis-enrolled.

Surviving dependents must enroll in the same plan in which they were covered at the time of the policyholder's death. During open enrollment, surviving dependents will be mailed the enrollment materials and may select any plan for which they are eligible.

Surviving dependents are not eligible for life insurance.

Surviving dependents may be eligible to continue certain Mountaineer Flexible Benefits under COBRA. See the Mountaineer Flexible Benefits section of this book for details.

Coverage for surviving dependents terminates at the end of the calendar month in which one of the following occurs:

- non-payment of premium;
- surviving dependent terminates or loses coverage;
- surviving spouse remarries; or
- disabled dependent no longer meets disability guidelines.

If the surviving spouse remarries, he or she is no longer eligible for PEIA coverage. If a divorce occurs after the remarriage, re-enrollment as a surviving dependent is not allowed.

Retirement

PEIA offers both health and life insurance benefits to retired employees who qualify. Retirement is an eligibility event, but it does not necessarily qualify the retiree to change health care plans during a plan year. This eligibility event creates an enrollment period consisting of the month of retirement and the two following calendar months. Retiring employees must re-enroll for ALL benefits. Benefits do not continue automatically into retirement.

Health Benefits

The retiring employee and all enrolled dependents must re-enroll to continue health benefits into retirement. Non-Medicare retirees must continue coverage in the plan in which they were covered as active employees until the next open enrollment, when they can choose any plan for which they are eligible.

Medicare-eligible PPB Plan members who retire after the beginning of a plan year, and retired employees who become eligible for Medicare during the Plan year are transferred to PEIA's Special Medicare Plan for the remainder of that plan year. Members enrolled in an HMO when they become Medicare-eligible may be transferred to the Special Medicare Plan or may choose to remain with the HMO.

Under the Special Medicare plan, the member purchases traditional Medicare Parts A and B, and their secondary medical and prescription claims are paid by UMR TPA and CVS/Caremark, respectively. Medical and Prescription Drug benefits under the Special Medicare Plan are generally the same as those provided under PEIA's Medicare Advantage plan. Members remain in the Special Medicare Plan until the following July 1, when they are transferred to PEIA's Medicare Advantage Plan.

Life Insurance

The basic life insurance policy decreases in value at specific ages and at retirement. The retiree pays the premium for the basic life insurance. The maximum amount of life insurance available to those retiring after January 1, 2003, is $150,000. For those who retired prior to January 1, 2003, the limit was $75,000. The ten levels of retiree life insurance coverage are listed on the retiree optional life insurance form. If the retiree wants more coverage as a retiree than he or she had as an active employee, he or she must apply for that coverage within the month of retirement and the two following months. The insurance carrier will send an Evidence of Insurability Packet. It will need to be completed and submitted by the member, and the life insurance carrier must approve the increase. If the employee wants the same amount or less coverage as a retiree than he or she had as an active employee, then no medical information is required.

Retiring employees can continue their dependent life insurance into retirement. If they want the same plan they had as an active employee, no medical information is required. If they want to increase coverage, then the insurance carrier will send an Evidence of Insurability Packet. It will need to be completed and submitted, and the life insurance carrier must approve the increase. The dependent life insurance coverage is not decreasing term coverage, so it does not lose value as the dependent ages.

Mountaineer Flexible Benefits

Dental and vision benefits are available to retired employees through the Mountaineer Flexible Benefits plan on an after-tax basis.

At the time of retirement, the retiring employee may be eligible to continue certain benefits under COBRA, and to extend the Medical Flexible Spending Account until the end of the plan year. See the Mountaineer Flexible Benefits section of this book for details.

Handling the Paperwork

The Benefit Coordinator is responsible for giving a potential retiree the correct paperwork. At the time of retirement, the active employee will need:

Basic Life and Health Retiree Enrollment Form

Optional/Dependent Life Enrollment Form

Termination Form

All forms must be filled out completely and returned to the benefit coordinator. The Benefit Coordinator is responsible for completing the agency portion of the PEIA forms and **IMMEDIATELY** submitting those forms to PEIA. Sample forms are included in the Forms section. Do not hold retirement forms. It is beneficial to the retiree to send the forms as soon as they determine a retirement date. Correction to sick/annual leave may be sent to PEIA after the final work day.

Special Retirement Rules

There are some additional retirement rules that apply to specific groups of retirees. They are listed below:

Deferred Retirement

If an employee separates from employment before retirement from a participating employer under the State retirement plan, the employee may not enroll in PEIA as a retiree if he or she has had other (private sector) employment just prior to retirement. To be eligible to enroll in PEIA as a retiree, the employee's last employer immediately prior to retirement must have been a public entity that participates in the State retirement system, a PEIA-approved retirement system, or in the PEIA Plan.

Separated Pre-retirement Employees with 20 Years' Service

Employees with 20 or more years of service, who separate from public employment but who have not retired, may enroll in PEIA health benefits for up to two (2) years following separation. Employees in this category will be required to pay 105% of the total premium for the coverage they choose. Enrollees in this category are not eligible for PEIA's retiree premium assistance program or retiree premium subsidy until they meet CPRB and PEIA's eligibility requirements as a full retiree.

Disability Retirement

A member who is granted disability retirement by a state retirement system or who receives Social Security disability benefits is eligible to continue coverage in the PEIA Plan as a retired employee, provided that the member meets the minimum years of service requirement of the applicable state retirement system.

Members in this category continuously covered since before July 1, 2010, pay the same premiums as those with 25 or more years of service.

Those covered on or after July 1, 2010, may continue coverage, but will pay the full, unsubsidized premium for that coverage.

If the member receives Social Security Disability benefits, please send a copy of their Disability Award letter to PEIA. Generally, those awarded Social Security disability benefits will receive Medicare benefits after a two-year waiting period. When they receive their Medicare ID card, they must provide a copy of that card to PEIA immediately. Disability retirees may be eligible for a life insurance waiver of premium.

Deputy Sheriffs

Deputy Sheriffs may retire prior to attaining age 55 but retiring early has an impact on their PEIA premiums. These retiring deputy sheriffs must pay the full cost of their health insurance coverage. PEIA has developed two benefit plan options for these individuals. Those considering early retirement should call PEIA for details of their plans and premium requirements.

Extending Employer-Paid Insurance Upon Retirement

Employees may be eligible to extend employer-paid insurance upon retirement, but how they do that is determined by the employer. To take advantage of this benefit, they must move directly from active public employment into their respective retirement system. If they choose to defer retirement, they cannot defer their sick and annual leave for use later. Elected public officials are not eligible for this benefit. This benefit terminates when the policyholder dies; it cannot be used by surviving dependents who may continue coverage by paying the monthly premium.

Employees may also have the option to use accrued leave to increase retirement benefits from their retirement system. They must choose between additional retirement benefits and extended employer-paid insurance coverage. They may not use some of their accrued leave to increase their retirement benefit and the rest to extend their employer-paid insurance coverage. They must choose only one and if a choice is not made, the accrued leave will automatically increase retirement benefits. Once this election is made, they may not revoke the selection.

Using Accrued Sick and Annual Leave to Extend Coverage

Employees of state agencies, colleges, universities, and county boards of education with coverage through the PEIA who have accrued sick and/or annual leave when they retire may use that accrued leave to extend employer-paid health and basic life insurance coverage.

Employees hired on or after July 1, 2001, are not eligible for this benefit.

If the policyholder dies, the accrued sick and annual leave benefit terminates, even if the surviving dependent continues coverage.

If an employee and spouse are both public employees eligible for extended employer-paid insurance coverage, they may combine their accrued leave to extend family coverage provided each of their respective employers agrees. The form to confirm this agreement is included in the Forms section of this manual. If one of these retirees dies while using accrued leave, PEIA will recalculate the benefit of the surviving retiree, and will allow that retiree to use any remaining days that are attributable to the survivor. The surviving public employee may not use the deceased public employee's accrued leave – only his or her own leave.

The amount of this benefit depends on when employees came into the PEIA plan as follows:

Before July 1, 1988:

If employees have been continuously covered by PEIA since before July 1, 1988, their additional coverage is calculated as follows:

2 days of accrued leave = 100% of the premium for one month of single coverage

3 days of accrued leave = 100% of the premium for one month of family coverage

After July 1, 1988, but before July 1, 2001:

If employees were hired after July 1, 1988, or had a lapse in coverage after July 1, 1988, their additional coverage is calculated as follows:

2 days of accrued leave = 50% of the premium for one month of single coverage

3 days of accrued leave = 50% of the premium for one month of family coverage

This extended coverage must be for full months; partial months are not allowed. The policyholder may not use accrued leave to extend basic life insurance exclusively; to use the accrued leave, health coverage must be extended.

Extending Coverage for Higher Education Faculty

Full-time faculty members employed on an annual contract basis for a period other than 12 months may extend employer-paid insurance coverage based on their years of teaching service. Their benefit is calculated as follows:

3 1/3 years (40 mo.) of teaching service = 1 year of single coverage

5 years (60 mo.) of teaching service = 1 year of family coverage

This benefit is not available to faculty hired on or after July 1, 2009.

Leaves of Absence

It is the employer's responsibility to make the determination regarding an employee's eligibility for a leave of absence. It is important to note that a leave of absence is intended for an employee who is expected to return to work and for whom the employer maintains an open position. It is not intended to extend medical benefits for individuals who are not eligible to retire and are unable to return to work, or for whom a position is not being held open. Such a person is not an employee, and it is improper to continue his or her health coverage as if he or she were still an employee. Employers are reminded that under State law it is a felony to misrepresent any material fact to obtain PEIA benefits to which a person is not entitled. (W. Va. Code §5-16-12)

PEIA now identifies policyholders who have coverage through PEIA but are not contributing to a retirement system. When one of these policyholders is identified, PEIA mails a leave of absence report to the benefit coordinator requesting that the benefit coordinator verify the status of the employees on the report. Many of those on the report are on leaves of absence, but some may have terminated employment. The report form is self-explanatory. The benefit coordinator has 10 days to complete the form and return it to PEIA. If the form is not returned, benefits for the individuals listed on the report will be terminated.

A return from a leave of absence does not constitute a qualifying event which would allow the member to change plans during the plan year.

Medical Leave (Non-Workers' Compensation)

Any employee who is on a medical leave of absence due to an injury or illness that is not covered by Workers' Compensation is eligible to continue coverage subject to the following:

- the medical leave must be approved by the employer;
- the employee and employer must continue to pay their respective proportionate shares of the premium cost. If the employee fails to pay his or her premium, the employer may terminate coverage;
- the employer is obligated to pay its share for a period of only one year, after which the employee may be required to pay the full cost of coverage If the employee fails to pay his or her premium, the employer may terminate coverage; and
- each month the employee must submit to the employer a physician's statement certifying that the employee is unable to return to work. This statement should be maintained in the employee's file, and not submitted to PEIA unless requested.

As mentioned above, it is the employer's responsibility to make the determination regarding an employee's eligibility for medical leave. It is important to note that medical leave is intended for an employee who is expected to return to work and for whom the employer maintains an open position. It is not intended to extend health benefits for individuals who are not eligible to retire and not able to work, and for whom a position is not being held open. Such a person is not an employee, and it is improper to continue their coverage as if they were still an employee. Employers are reminded that under State law it is a felony to misrepresent any material fact to obtain PEIA benefits to which a person is not entitled (W.VA Code § 5-16-12).

Medical Leave (Workers' Compensation)

Any employee on a leave of absence and receiving temporary total disability benefits from Workers' Compensation is entitled to continue PEIA coverage until he or she returns to work.

The employer and employee must continue to pay their respective proportionate shares of the premium cost for premiums if the employee receives temporary total disability benefits. If the employee fails to pay his or her premium, the employer may terminate coverage.

Personal Leave

An employee may continue insurance coverage while on a personal leave of absence approved by the employer. The monthly premium will be paid per policy or agreement established by the employer. If the employee fails to pay his or her premium, the employer may terminate coverage.

It is the employer's responsibility to make the determination regarding an employee's eligibility for personal leave. It is important to note that personal leave is intended for an employee who is expected to return to work and for whom the employer maintains an open position. It is not intended to extend health benefits for an individual for whom a position is not being held open. Such a person is not an employee, and it is improper to continue coverage as if he or she were still an employee. Employers are reminded that under State law it is a felony to misrepresent any material fact to obtain PEIA benefits to which a person is not entitled (W.VA Code § 5-16-12).

Family Medical Leave of Absence

An employee on family or medical leave, approved by his or her employer, may continue insurance coverage through the PEIA. The premiums for such coverage must be paid monthly during this leave.

Individual employers must determine whether either of the leave statutes apply when an employee takes family or unpaid medical leave. The federal Family and Medical Leave Act is applicable to state and local governments with 50 or more employees. It allows an employee who has worked at least a year to take up to 12 weeks of unpaid leave during a 12-month period, due to the employee's own serious illness, the illness of a child, spouse or parent, or the birth or adoption of a child.

The Parental Leave Act applies only to State agencies and county boards of education. It also allows up to 12 weeks of unpaid leave to an employee who has worked at least 12 weeks, but only for the illness of a child, spouse, parent or other dependent, or for a birth or adoption. The federal and state laws differ in other requirements.

Once you have determined whether either of the state or federal laws apply, you can determine who is to pay the PEIA premium during the period of leave. Under the federal Family and Medical Leave Act, the employer must continue to pay its share of the premium. The employee, of course, must also continue to pay his or her share. If the employee fails to return to work after a leave, then the employer may seek to recover its share of the premiums, with certain limitations. The employer would not, in this event, be entitled to a

refund from the PEIA, but would have to recover directly from the employee.

Under the State Parental Leave Act, an employee on unpaid leave must pay the entire cost of the PEIA premium during the period of leave. The premium is paid to the employer (as with any other leave of absence), who forwards this payment to the PEIA with its regular monthly remittance.

State agencies with questions about the Family and Medical Leave Act or the Parental Leave Act may contact the Division of Personnel, Employee Relations Section, at (304) 558-3850. Other employers are encouraged to consult their legal advisor.

Military Leave

For an employee on military leave with pay, health and life insurance benefits will generally continue without interruption, if the employee is on the payroll.

An employee who is on an approved military leave of absence without pay, due to an active call of duty from the President, is entitled to continue health and life benefit coverage for if premium payments are made. The employee is responsible for paying the employee share of the premium each month during the military leave of absence, and Governor Wise's Executive Order No. 19-01 requires the employer to pay its share. Upon return from a military leave, if there has been a lapse in coverage, the employee may generally reinstate the same health and/or life insurance benefits without penalty.

Leaves of Absence for Teachers and Service Personnel

Any teacher or school service employee who is returning from an approved leave of absence of one year or less shall be restored to the same benefits which he or she had at the time of the approved leave of absence.

When Coverage Ends

Certain events will cause PEIA benefits for employees and/or their covered dependents to terminate. Generally, coverage ends when an individual is no longer eligible.

In most cases employees have the option to extend health coverage under the Federal COBRA law or convert their health and/or life benefits into private insurance policies. These options are at the employee's expense and require them to act within a specified time. They are explained in detail in the Summary Plan Description.

Voluntary Termination of Benefits

PEIA coverage for an active policyholder and any covered dependents terminates at the end of the month in which the employee voluntarily terminates the coverage. For policyholders IRS guidelines dictate when coverage may be voluntarily terminated (see Section 125 Administration in the Premiums section). To be eligible to terminate coverage in the middle of a plan year, the employee must experience a qualifying event that would permit the termination. Documentation of the qualifying event is required. Otherwise, the policyholder may only terminate benefits during Open Enrollment each spring.

Suspensions

If the employee-employer relationship exists, the PEIA policyholder may continue their health and/or life benefits provided that the employee continues to pay the employee share of the premium.

Retiring Employees

Coverage for a retiring employee will terminate at the end of the month in which the employee goes off the payroll, unless forms have been completed to continue coverage as a retiree.

Dependents/Surviving Dependents

Coverage for dependents terminates at the end of the calendar month in which one of the following occurs:

- policyholder (active or retired) terminates or loses coverage;
- divorce from employee;
- dependent dies;
- child turns 26;
- surviving spouse remarries;
- disabled dependent no longer meets disability guidelines; or
- policyholder voluntarily removes the dependent from coverage.

Failure to Pay Premium

An employee's coverage as an active or retired policyholder, and coverage of their dependents, will be terminated if they fail to pay their premium contributions when due. Premiums are due by the fifth day of the month following the month for which the premium was invoiced. Example: May premium is due June 5. If payment is not received by PEIA within 15 days following the due date, all medical claims will be pended. Additionally, the PEIA drug card will be suspended. If payment is not received within 30 days following the due date, coverage will be cancelled, and all claims incurred will be the employee's personal responsibility.

Employer Withdrawal from the Plan

By its agreement to participate in the PEIA plan, a non-state agency is required by PEIA to stay in the plan for a minimum of three years. If a participating county or municipal government or other employer withdraws or is terminated from the PEIA plan, coverage for all affected insureds ends on the effective date of that employer's withdrawal/termination.

Retirees eligible to participate in a Consolidated Public Retirement Board (CPRB) plan may continue participation in PEIA. The withdrawn agency is billed a subsidy premium for these retirees. Retirees not eligible to participate in CPRB must look to their former employer for retiree coverage.

Agencies that already participate in PEIA and no longer participate in an approved retirement system may not allow their retirees to retire with PEIA coverage. Those agencies

are Auto Opt Out agencies.

There is also the Non-Participating Agencies. Those agencies have chosen to not participate in PEIA retirement benefits from the inception of their contract. These agencies will be notified by letter when an employee retires and asked to fulfill the requirements of the retiree premium assistance for them to be able to retire with PEIA insurance.

Options after Termination of Coverage

If an employee's PEIA coverage terminates, he or she may have a right to continue health and life coverage. The options are explained below.

Continuing Health Coverage under COBRA

The employee and the employee's enrolled dependents may have the right to continue current health coverage for a limited time under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA). PEIA's COBRA program is administered by UMR, and all COBRA eligibility is maintained by UMR. New enrollees in any PEIA-sponsored health plan will receive a detailed notice of their COBRA rights from UMR.

Their dependents may elect to continue coverage for up to 18 months due to termination of the employee's employment (other than due to gross misconduct) or reduction in work hours.

The employee's dependents are eligible to continue coverage in their own policy for a maximum of 36 months under COBRA in the case of:

- divorce;
- loss of eligibility of dependent children; or
- death of employee.

An election to continue coverage under COBRA must be made within 62 days of the end of the coverage. If they elect to continue coverage under COBRA, they will be responsible for paying the full premium plus a 2% administrative fee. Please note that COBRA premiums are billed directly to the policyholder and are printed in the Shopper's Guide each year.

To enroll for COBRA benefits the policyholder should contact UMR at 1-888-440-7342.

If 18 months of COBRA coverage is provided due to termination or reduction in hours of employment, and if any COBRA beneficiary is determined to be disabled under the Social Security Act at any time during the first 60 days of this COBRA coverage, then the 18-month continuation period may be extended to 29 months for all individuals who are qualified beneficiaries. The disabled person can be a covered employee or a dependent. The disability determination must be reported to PEIA within 60 days of the determination and before the end of the original 18-month coverage period.

Under COBRA, PEIA will charge 150% of the applicable premium for coverage during the 11-month disability extension. If a second qualifying event occurs during the 11-month

extension, entitling a qualified beneficiary to 36 months of coverage (an additional 7 months of coverage), then PEIA will charge 150% of the applicable premium until the end of the 36-month continuation coverage period.

Coverage under COBRA will cease under these circumstances:

- the person who elected COBRA becomes covered under another group plan (unless it contains a pre-existing condition exclusion that reduces your benefits);
- the person who elected COBRA becomes entitled to Medicare;
- the person who elected COBRA fails to pay the premium;
- the policyholder's former employer withdraws or is terminated from the PEIA plan; or
- the PEIA PPB Plan ends.

If the qualified beneficiary is covered by another health plan or Medicare before the COBRA election is made, he or she may make a COBRA election. In other words, the former employer may end the right to COBRA continuation coverage based upon other group health plan coverage or entitlement to Medicare benefits only if the qualified beneficiary first becomes covered under the other group health plan coverage or entitled to (covered for) the Medicare benefits after the date of the COBRA election.

Converting Life Insurance to an Individual Policy

When employment ends, employees may convert all or part of their life insurance coverage into an individual policy. Dependents who lose eligibility for life insurance coverage may convert optional dependent life insurance to an individual policy. This provision does not apply to retired employees or their dependents. Coverage lost due to retirement can be converted to an individual policy, however, coverage continued into retirement cannot be converted, because it can be continued indefinitely.

Employees must apply and remit the first premium within 31 days after the termination of the life insurance coverage. Coverage under the individual policy will become effective the day after the group life insurance coverage ends.

To obtain a Life Insurance Conversion Application Form, call MetLife at 888-466-8640. PEIA's life insurance carrier, not PEIA, issues the individual life insurance policy. Once employees have completed the application form, have them mail it to the address printed on the application form. Premiums for individual policies are generally higher than rates for a group plan.

Annual Open Enrollment Period

Each year, PEIA holds an open enrollment period during which PEIA insureds may choose among managed care plans and the PEIA PPB Plan and may make eligibility changes without a qualifying event. Dependents added during open enrollment still require documentation before they are added to the plan. During Open Enrollment, participants may move between plans without penalty and no pre-existing condition limitations are applied.

During Open Enrollment, eligible policyholders who have not taken advantage of any health coverage from PEIA also can enroll in the PEIA PPB Plan or any managed care plan

subject to the deadlines and rules in force for that enrollment period.

Selections made during Open Enrollment are effective on the first day of the following plan year and remain in effect for a full plan year unless the member moves outside the enrollment area of his or her managed care plan. Since the PEIA PPB Plan does not have an enrollment area, mid-year changes are not allowed based on this rule. A physician's withdrawal from a managed care plan does not qualify a member to change plans in the middle of a plan year.

Prior to the Open Enrollment, PEIA mails a Shopper's Guide to all eligible employees. The Shopper's Guide provides a side-by-side comparison of the most used aspects of all plans offered. It is intended as a general guide to the available plans. Members requiring further information about a specific plan should contact that plan directly.

Medical Identification Cards

Wells Fargo, PEIA's Third Party Administrator (TPA) for medical claims issues the combined medical and prescription drug identification (ID) cards for the PEIA PPB Plans.

Members who choose Employee Only coverage will receive one ID card; all other tiers of coverage receive two cards. Employees may request additional or duplicate medical ID cards from UMR by calling 1-888-440-7342. Cards will be mailed within 7 to 10 business days.

Managed Care Organizations issue medical ID cards to their members and dependents. It is the employee's responsibility to choose a primary care physician for each family member and to report that choice to the managed care plan. ID cards cannot be issued until a primary care physician has been chosen. Any change in a member's primary care physician must also be reported to the HMO. If an employee does not choose a primary physician, one will be automatically assigned after 31 days, and then ID cards will be mailed.

For Medicare-eligible retirees, PEIA's Medicare Advantage Plan and Prescription Drug Plan (PDP), currently Humana, issues medical ID cards and PEIA's Medicare Part D Plan, currently Express Scripts, Inc., issues prescription drug ID cards.

Employee's Responsibility to Make Changes

It is your employees' responsibility to keep their PEIA enrollment records up to date. They can manage their enrollment records using the Manage My Benefits system or notify you immediately of any changes in their family situation and complete the appropriate change forms to keep their PEIA coverage up to date. Examples of such changes include a change of address, a change in marital status, or a dependent child no longer qualifying for coverage.

An employee should do this whether they belong to the PEIA PPB Plan, a managed care plan or if they have elected only life insurance coverage. If they fail to promptly report changes in their family status, then your agency may seek, from the employee, reimbursement of any premiums paid by the employer in error.

If you become aware of a change in status that is not being reported to PEIA promptly by the policyholder, please contact PEIA to report the information so our staff may pursue it.