

# Standard Operating Procedure on how to determine outstanding premiums and how to run the Deduction Not Taken query

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NOTE: payments must remain current, otherwise coverage will be terminated.

## 1. LEAVE WITHOUT PAY (LWOP):

State employees on Leave Without Pay have the option to:

- 1) Change their benefits since LWOP is considered a Qualifying Event due to job status change (must be within 31 days of starting LWOP), or
- 2) Continue all coverage but are required to pay premiums by the end of each pay period to keep benefits in effect. Employees on LWOP are required to pay both the employee's and the State's premium amounts. Employees will receive notification from their HR Rep and it is their responsibility to pay by the due date and follow the established billing process. While on LWOP, failure to pay premiums **by the end of each pay period** will result in cancellation of coverage.

In any instance of an employee going on LWOP, the State HR Rep must *immediately* issue required letters and documents found in the Forms section of this document. The State HR Rep is responsible for preparing invoices, collecting payments due, and **submitting payments to Risk Management Division Finance Bureau within five days of the end of each pay period**. The State HR Rep is responsible for maintaining accurate tracking of payments in the employee's personnel file, including copies of payments. If payment is not received three days before the end of the pay period, the HR Rep shall notify the employee that failure to pay will result in benefit termination. In the event an employee fails to make the required payment by the end of the pay period, the HR Rep shall immediately notify Erisa and the appropriate coding in job data will be completed to terminate benefits. HR Reps must also immediately send Erisa a COBRA Notification Form so that Erisa can send the employee the required COBRA information packet. If a participant on LWOP has their benefits cancelled due to lack of premium payment and they return to work, they will have to wait until the next open/switch enrollment, or a valid Qualifying Event, to enroll and start their benefits again.

Upon an employee's return to work, the HR Rep is responsible for changing the appropriate coding in job data to reflect "return from leave."

**Please review the following reminders:**

### **Job Data (SHARE):**

Job Data changes need be completed once they are open. We have be advised by Erisa that changes are being generated or started and not being completed causing issues with the enrollment report. Remember that SHARE will time out. Make sure you save you changes within the allowed time.

## Terminated Employee(s):

In the event that the employee is terminated, AWOL (resulting in termination) or retired, Share will terminate the employees' benefits the day after the termination date in Job Data. If the date falls within a pay period, the system will still generate deductions for that pay period even if the employee does not owe these premiums. Send Erisa the [Notification-to-Term-Benefits](#) to correct the Health Benefits termination date in Share to reflect the day after the last Pay Period End date where premiums were collected: Via payroll deduction or self-pay premiums.

## Employee Leave:

**Reminder:** An employee is responsible to pay 100% of benefit premiums (both the State and employee portions) when:

- An employee is on LWOP, without FMLA coverage, and has no leave time to cover premiums
- An employee exhausts all FMLA total hours and has no leave time to cover premiums
- An employee is on Workers Compensation coverage and has no leave time to cover premiums

## LEAVE FOR ACTIVE MILITARY DUTY

### a. STATE EMPLOYEES (LPB please contact Erisa)

Upon submission of Military Activation Orders to Human Resources, HR Representatives must immediately notify Erisa by Fax: 505-244-6009 or Email: [sonm@easitpa.com](mailto:sonm@easitpa.com).

When an employee enters full-time active military service, the federal government provides all benefits (medical, dental, vision) for the employee and their dependents. Employees have the right to elect to continue their existing employer-based health plan coverage for the employee and their dependents for up to 24 months while in the military.

If the employee does not wish to continue coverage while on active duty, the employee must fill out an enrollment form under the [Employee Benefits Website](#) and Waive Coverage. HR Rep must enter a job status change of Leave of Absence/Military Leave (LOA/MIL) in order to stop all benefit coverage and premiums from being required. **Do not use this code for National Guard 2-week summer trainings.**

Should the employee wish to keep the current coverage for covered dependents while on leave, then the employee will continue paying the benefit premiums throughout the duration of leave up to 24 months. Employee must arrange with HR Representative to continue Self-payment of full premiums (state and employee premiums).

If the military service was for 30 or fewer days, the employee is not required to pay more than the normal employee share of any premiums.

**b. Exclusions/Waiting Periods**

**Section 4317 (b) / 20 CFR 1002.168**

In the event a person's coverage under a health plan was terminated because of military service, a waiting period or exclusion cannot be imposed upon reinstatement of health coverage of the reemployed service member or any eligible dependents if one would not have been imposed had the person not been absent for military service.

However, a health plan is permitted to impose an exclusion or waiting period for coverage of disabilities determined by the Secretary of Veterans' Affairs (VA) to be service-connected.

**Timeline for State employees to submit enrollment changes/additions, via online enrollment, along with faxing proof of dependency/supporting documentation to Erisa at 505-244-6009. Qualifying events: within 31 days of the date of the qualifying event.**

**NOTE: Employee premiums must remain current. If not coverage will terminate.**

**Resource:** [https://www.dol.gov/sites/dolgov/files/VETS/legacy/files/USERRA\\_Private.pdf](https://www.dol.gov/sites/dolgov/files/VETS/legacy/files/USERRA_Private.pdf)

<https://www.dol.gov/agencies/vets/programs/userra/USERRA%20Pocket%20Guide#18>

Attached links:

1. [Notification-to-Term-Benefits form](#)
2. [FMLA/LWOP Self-pay Transmittal form \(State\)](#)
3. [FMLA/LWOP Self-pay Transmittal form \(LPB\)](#)
4. [Forms, Guidelines, and Policies](#)
5. [HR Meetings](#)

Webinar training is available to HR representatives, if interested in scheduling a time for your agency. Please contact Katherine Chavez at [Katherine.chavez2@state.nm.us](mailto:Katherine.chavez2@state.nm.us) or Crystal Lawrence at [Crystal.Lawrence2@state.nm.us](mailto:Crystal.Lawrence2@state.nm.us)