



Updated Policy: Removal of Leave Without Pay Rules for AlaskaCare Employee Health Plan Eligibility

The Division of Retirement and Benefits (DRB) has updated the AlaskaCare health eligibility rules related to employees in Leave Without Pay (LWOP) status to provide continued health insurance coverage for eligible AlaskaCare members. This change will eliminate unnecessary gaps in member health insurance coverage related to LWOP. LWOP rules during a new hire's initial 30 day wait period remains the same.

Previous Rule:

Employees were required to be in pay status a minimum of four hours on the first workday of the month to be eligible for AlaskaCare coverage for that month.

Updated Rule, effective January 1, 2020:

AlaskaCare eligible employees in LWOP status on the first working day of the month will continue their health insurance coverage if they continue to timely pay their monthly insurance premium (through payroll deduction or self-pay). The employee will no longer be required to be in pay status for four hours on the first workday of the month.

It is the employee's responsibility to ensure the AlaskaCare premium is paid in order to remain covered. This may require action on the employee's part as the AlaskaCare premium may not automatically be deducted from an employee's paycheck when the employee is in LWOP status.

Note: Leave of absence rules, such as Seasonal Leave of Absence (SLWOP) remain the same and will still result in periods without coverage.

Information for Payroll/HR

If an AlaskaCare member experiences LWOP on the first working day of the month, DRB has removed the effect of the LWOP payroll codes (953/954/etc), so the employee will not experience a break in coverage.

Unless the Health Insurance Indicator (HINS) should be turned off for a different reason (e.g. a personnel action) keep the HINS set as eligible for employees in LWOP on the first of the month. This will ensure the employer contribution (D865) will still be paid. DRB will refund any overpaid employer contribution through One-Time Deductions (OTDEDs) if needed.

If an employee's paycheck is too small to cover the health premium contributions, DRB has an adjustment process in place to recoup those funds through an OTDED in the next payroll. If the OTDEDs and the regular

deductions still do not get taken out the next pay period, the employee should contact DRB for payment options. We can accept checks for premium payments, similar to when employees are on FMLA/Military leave.

Employee Plan Insurance Booklet Updated January 1, 2020

The AlaskaCare Employee Plan Insurance Booklet has been updated with the following language to reflect this change:

SECTION 1.7.3. EMPLOYEES RETURNING FROM LEAVE WITHOUT PAY OR LAYOFF

"If you were covered under the plan when you were placed in leave without pay status or layoff status (through a personnel action), when you return to work, you are covered under the plan starting the day you return to work. For example, if you return to work from leave without pay on July 15, coverage begins under the plan for you and your dependents on July 15. This paragraph applies to the extent you did not continue coverage under the plan during an unpaid FMLA leave, as permitted under section 14.9, Family and Medical Leave Act (FMLA).

If you have scattered leave without pay on your timesheet(s), you will not experience a break in health coverage. You are responsible for paying any owed premiums if there are insufficient funds in your paycheck to cover the cost. If you are entering leave without pay status and have questions about how your health coverage may be impacted, please contact your payroll office."

Employee FAQs

1. If I am going to be in LWOP status on the first of the month, what do I need to do?

If you anticipate your paycheck will be sufficient to cover your health premium, you do not need to do anything. If you anticipate that your paycheck will not cover your health premium, you need to contact the Division of Retirement and Benefits (907-465-4460) to coordinate payment.

If you are self-paying premiums, you can send checks to:

Division of Retirement and Benefits/Health Section
P.O. Box 110203
Juneau, AK. 99811-0203

2. What happens if I am in LWOP status on the first working day of the month and I do not pay my premiums timely?

If you do not pay your premiums within 30 days after the first premiums were missed, your coverage will retroactively terminate effective the last day of the last month in which premiums were collected. Any insurance claims you may have will be reprocessed. If more than 30 days have elapsed, contact the Division to discuss your options.

Example: If pay period December 1-15 is paid on December 31, and no health premiums were taken due to insufficient funds, DRB will attempt to recover the missed premiums automatically in the pay period December 16-31, paid on January 15. In the even that there are insufficient funds again, the employee would need to arrange payment by January 31.

3. What happens if I am on LWOP during my new hire wait period?

If you have leave without pay (except for a leave taken as a result of injury or illness) during your first 30 days of employment, you are covered after you return to work and are in pay status for 31 consecutive days. [AlaskaCare Employee Health Plan Booklet Section 1.7.1](#)

Definitions

AlaskaCare eligible employees: Eligible employee means a permanent or long-term nonpermanent employee of the State whose bargaining unit or employee group participates in the plan and who meets the criteria set forth in section 1.3.1 (in the employee health plan booklet), Eligible Employees. An eligible employee does not include temporary employees, leased employees, or employees who are scheduled to work less than 15 hours per week, except if the employee otherwise meets the criteria outlined under the employer shared responsibility provisions in section 26 U.S. Code § 4980H

AlaskaCare Participating Employee Groups

The following employee groups are under AlaskaCare benefits administered by DRB:

- AVTEC
- Confidential
- Correctional Officers
- Marine Engineers
- Mt. Edgecumbe Teachers
- Supervisory Unit
- Unlicensed Vessel Personnel
- Employees not covered by collective bargaining (Exempt)