



ADMINISTRATIVE PROCEDURE

NO. HR 8.0 AP 2

SUBJECT: BENEFIT COVERAGE DURING NO-PAY STATUS OR INSUFFICIENT PAY STATUS

EFFECTIVE DATE: 10/30/07

REVISED: 04/26/10

01/21/11

12/14/17

APPROVED: _____

DATE: _____

12/18/17

Steven Viera, Director of Human Resources

I. PURPOSE

This procedure describes continued benefit coverage during a leave of absence or during periods where the paycheck is insufficient to pay benefit premiums. It states that unpaid insurance premiums will result in termination of coverage at 60 days past due.

II. SCOPE

This procedure applies to all employees who have elected benefit coverage. Notwithstanding anything in this procedure to the contrary, the terms of the applicable benefit plan document shall control.

III. PROCEDURE

The department payroll clerk will submit a Form 12 to the Human Resources Department indicating the employee no-pay status begin date.

The employee's department will schedule the employee to meet with the appropriate Human Resources Department Analyst (i.e. Disability Review Coordinator for cases regarding health conditions, or another member of the Program Administration and Compliance section in the event of appeal under Civil-Service rights), at which time the employee will be given written notification of this procedure. The employee shall also schedule an appointment with the Human Resources Department benefits staff to review benefit premiums that may be affected during an employee's no pay or insufficient pay status.

Upon going on no-pay status or in any situation where the employee's paycheck is insufficient to pay all premiums for all elected benefit plans, an employee will be notified by mail sent to the employee's home address. It is the employee's responsibility to ensure that the City has the employee's correct contact information, including mailing address and telephone number. The Continuation of Benefits Letter will outline the employee's responsibilities and premiums. The Financial Services Department, Accounts Receivable Division will mail bi-weekly premium invoices to the employee's home address and will notify the Benefits Department if the account goes delinquent. Notices mailed will be deemed as received the 5th day after the invoice date and are due upon receipt. The payment will be made bi-

weekly directly to the Financial Services Department, Accounts Receivable Division at the cashier's desk in City Hall or by mail to:

City of Corpus Christi
Financial Services Department – Accounts Receivable
PO BOX 9257
Corpus Christi, TX 78469

If the account becomes 30 days delinquent, the benefits staff will mail notification to the employee's home address that once the account becomes 60 days delinquent the coverage will be terminated. No additional warnings or notifications will be provided. Self-insured plans will be retroactively terminated as of the last date through which premiums have been paid, while fully insured coverages will be terminated as of the 60th day. Certain coverages like Life and Disability Insurance, if cancelled, will be subject to underwriting approval to reactivate at the next qualifying event or open enrollment.

Upon return to work, in the event arrear premiums (unpaid past premiums) exist, automatic deductions to recover premiums in arrears will be taken from the employee's paycheck based upon the established schedule for arrears payments. The employee may pay the full amount owed, or a portion of the amount owed, at any time, by cash or check.

Except as set forth in the specific terms of an applicable benefit plan document or as required by law, the employee cannot change coverage that was elected during the prior open enrollment period. Certain qualifying events or changes in status allow mid-year changes in coverage. Call the Benefits Department at 826-330 if you would like more information about qualifying events. The employee must pay premiums on all benefits coverage elected. If an employee makes a request to change his or her benefits coverage elections, the benefits staff must review the applicable plan document(s) in order to ensure that such election change is consistent with such plan's terms.

Terminated employees who file an appeal to the Civil Service Board may continue in the City's benefit programs so long as they pay the employee premium for such benefit coverage. Failure to pay the employee premium for benefit coverage will result in termination of the benefit coverage.

If the termination of employment is upheld by the board, the termination is entered in Infor using the date of the termination noted in the termination of employment letter to the Civil Service Board. The date of the Civil Service Board's ruling will be used for the date of termination for benefit coverage, unless coverage was terminated prior to that date due to non-payment.

Benefit premiums in arrears, if any, will be deducted from the employee's final paycheck, with any remaining uncollected premiums billed to the employee by the Financial Services Department Accounts Receivable Division.

IV. CONSEQUENCES FOR VIOLATION OF THIS PROCEDURE

Failure of an employee to comply with the reporting requirements of this procedure may result in disciplinary action up to and including termination.

V. QUESTIONS REGARDING THIS PROCEDURE

Questions regarding this Procedure shall be directed to the Director of Human Resources, or designee, who may be contacted at 361-826-3315

ACKNOWLEDGEMENT FORM

HR 8.0 AP 2 BENEFIT COVERAGE DURING NO-PAY STATUS OR INSUFFICIENT PAY STATUS

City Administrative Procedure HR 8.0 AP 2 Benefit Coverage on No Pay Status revised December 14, 2017 has been explained to me.

I understand the procedure, and acknowledge that while I am on leave without pay, I will be required to continue to pay the employee portion for the benefit coverage I have elected in order for coverage to continue. As I will not be receiving a paycheck, I acknowledge that I must send my benefits payment directly to the City of Corpus Christi to the Attention of the Accounts Receivable Division of the Financial Services Department. I understand that my insurance coverages will be retroactively terminated if any invoices become 60 days past due.

I understand that it is my responsibility to notify the Human Resources – Benefits department at 826-3300 when I return to work to discuss benefits, changes in benefits, and charges due.

Upon my return to work, I acknowledge and agree that the City of Corpus Christi will make automatic deductions from my paychecks in order to recover premiums due, if any, and that this will be based upon an established schedule for arrears payments. I understand that I may pay the full amount owed, or a portion of the amount owed, at any time, by cash or check.

I acknowledge that in the event of termination pending appeal to the Civil Service Board, if the termination is upheld, I will reimburse the City for premiums in arrears, if any, which may have occurred, and that my termination date will be recorded as the date of the board ruling.

Employee Name (printed)

Employee ID#

Employee Signature

Date

Mailing Address for premium billings

Phone number

Witnessed by (printed)

Witnessed by (signature)