



## BENEFITS ADMINISTRATION WHILE ON LEAVE OF ABSENCE

The purpose of this job aid is to explain how an employee's benefits are administrated during a Leave of Absence (LOA).

### LOA WITH PAY

A LOA with Pay is when an employee is on a leave of absence and is using approved leave.

When an employee is on a LOA with Pay, their NC Flex and State Health Plan (SHP) will continue. Agency specific benefits will continue unless the agency delimits these plans.

If an employee is using their approved leave for the entire LOA period then the employee will not have any interruption in their benefits.

### LOA WITHOUT PAY

A LOA without Pay is when an employee is not using approved leave. A LOA without pay also includes employees who are on a LOA receiving Short Term Disability (STD) benefits and employees on a Workers Compensation using supplemental leave. Both of these LOAs are considered LOA without Pay in regards to processing benefits.

When an employee is on a LOA without Pay, their benefits will be administrated as follows:

**Agency Specific Benefits:** Each agency is responsible for administering these plans according to their agency process.

**NC Flex Benefits:** These benefits will terminate in the BEACON system. BEST Benefits will delimit these benefits the last day of the month in which premiums were paid. Employees can continue these benefits by paying the NC Flex vendors directly. Employees who do not continue these plans while on a LOA without Pay may have waiting periods and/or Evidence of Insurability (EOI) upon benefits reinstatement. See the NC Flex HBR Administrative Manual for further details.

**NOTE:** *Employees who are pending shared leave or have time that may be entered later will need to pay premiums directly to the vendor once benefits have been termed.*



**State Health Plan:** The following LOAs require the employer to continue paying the employer premiums:

- Family Medical Leave (FML)
- STD while receiving the benefits when an employee has more than 5 years of creditable service. While on the 60 day waiting period, the employee is responsible for the full cost of premiums if this period is not covered by FML.
- Worker Compensation Leave
- Military Reserve Active Duty – State Assignment only.

**NOTE:** *While on the following LOAs, the employee is responsible for paying their dependent premiums.*

For any of the above LOAs: If the employee has dependent coverage and they do not send BEST premiums payments, BEST Benefits will delimit dependent coverage and enroll the employee in Employee Only coverage.

*When is the employee responsible for the full SHP premium cost?*

The same rules as a termination are applied for LOAs. If the employee's last working day (last day in paid status) is between 1st – 15th, then the employee is responsible for that month's full premiums. If the employee's last workday (paid day) is between the 16th and the end of the month, then the employee is responsible for full premiums starting next month.

**Example#1:** The employee's LOA/Extended Illness unpaid LOA action is effective October 10, 2010 (last day in pay status is 10/09/2010), then the employee is responsible for the full premium cost in October. Coverage will end on October 31, 2010 if the employee does not send premium payments.



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Pers No. [REDACTED]  
 Name [REDACTED]  
 EEGroup A SPA Employees PersA 4201 Correction  
 EESubgroup B1 FT S-FLSAOT Perm  
 Start 10/10/2010 to 12/31/9999 Chng 09/28/2010 [REDACTED]

**Personnel action**  
 Action Type Leave of Absence (NC)  
 Reason for Action 08 Extended Illness

**Status**  
 Customer-specific [REDACTED]  
 Employment Active  
 Special payment Standard wage type

**Organizational assignment**  
 Position [REDACTED] Correctional Officer  
 Personnel area 4201 Correction  
 Employee group A SPA Employees  
 Employee subgroup B1 FT S-FLSAOT Perm

**Additional actions**

Start Date	Act.	Action Type	ActR	Reason for action
10/10/2010	Z3	Leave of Absence (NC)	08	Extended Illness

Personnel No [REDACTED] Name [REDACTED]  
 EEGroup A SPA Employees PersA 4201 Correction  
 EESubgroup B1 FT S-FLSAOT Perm Statu Active  
 Start 10/10/2010 to 12/31/9999 Chng 09/28/2010 [REDACTED]

**Enterprise structure**  
 CoCode NC01 STATE OF NC  
 Pers area 4201 Correction Subarea AC06 28day Norm  
 Cost Ctr 4299999999 DOC Bus. Area 4200 Correction  
 Fund 4299999999 DOC-SUSPENCE  
 Func. Area 6000000000000001 General Government

**Personnel structure**  
 EE group A SPA Employees Payr area 01 NC Monthly  
 EE subgroup B1 FT S-FLSAOT Perm Contract SHP Full EECost

**Organizational plan**  
 Percentage 100.00  
 Position [REDACTED] Correctional Officer  
 Job key 30003224 Corr Ofr  
 Org. Unit 20006781 454050201401 Correctional Officer  
 Org key 42014299999999 COR SO DS2 PRI W AL



BENEFITS JOB AID

**Example#2:** The employee's LOA/Extended Illness unpaid LOA action is effective October 20, 2010 (last day in pay status is 10/19/2010), then the employee is responsible for the full premium cost starting in November. Coverage will end on November 30, 2010 if the employee does not send premium payments.

Pers.No. [REDACTED]  
 Name [REDACTED]  
 EEGroup A SPA Employees PersA 2001 Health Human Services  
 EESubgroup B1 FT S-FLSAOT Perm  
 Start 10/20/2010 to 12/31/9999 Chng 11/12/2010 [REDACTED]

**Personnel action**  
 Action Type Leave of Absence (NC)  
 Reason for Action 08 Extended Illness

**Status**  
 Customer-specific [REDACTED]  
 Employment Active  
 Special payment Standard wage type

**Organizational assignment**  
 Position [REDACTED] Licensed Practical Nurse  
 Personnel area 2001 Health Human Services  
 Employee group A SPA Employees  
 Employee subgroup B1 FT S-FLSAOT Perm

**Additional actions**

Start Date	Act.	Action Type	ActR	Reason for action
10/20/2010	Z3	Leave of Absence (NC)	08	Extended Illness

Personnel No [REDACTED] Name [REDACTED]  
 EEGroup A SPA Employees PersA 2001 Health Human Services  
 EESubgroup B1 FT S-FLSAOT Perm Statu Active  
 Start 11/01/2010 to 12/31/9999 Chng 11/16/2010 01184398

**Enterprise structure**  
 CoCode NC01 STATE OF NC  
 Pers.area 2001 Health Human Services Subarea AC01 7day Norm  
 Cost Ctr 3X99999999 DHHS-FACILITIES Bus. Area 3X00 DHHS-Hospitals  
 Fund 309999999 DHHS-FACILITIES-...  
 Func. Area 6000000000000001 General Government

**Personnel structure**  
 EE group A SPA Employees Payr.area 01 NC Monthly  
 EE subgroup B1 FT S-FLSAOT Perm Contract SHP Full EECast

**Organizational plan**  
 Percentage 100.00  
 Position [REDACTED] Licensed Practical Nurs..  
 Job key 30018654 Licensed Pra  
 Licensed Practical Nurs..  
 Org. Unit 21001592 449120965941  
 HHS SO SOHF CH NS/  
 Org.key 20013X99999999



## BENEFITS JOB AID

### When will the State Health Plan (SHP) end?

BEST Benefits will delimit the plan coverage the last day of the month in which premiums were last paid by either the employee or the agency. BEST Benefits will generally delimit the SHP no later than the second month in which premiums were not paid.

### What happens if the employee does not send in premium payments?

The plan will be terminated the last day of the month which coverage was paid. The employee will not be offered COBRA and will not receive any notice from BEST or the SHP. The employee's LOA letter serves as this notice.

### What triggers the system to charge the employee the full premium cost while on a LOA?

The Work Contract field located on IT 0001 Organizational Assignment is used to charge the employee the full premium cost while on LOA without Pay. This field is used for both Short Term Disability employees with less than 5 years of contributing service and employees on an unpaid LOA that are required to pay the full SHP premium cost. The Agency is responsible for setting this during a STD action. BEST Benefits will set this for all other unpaid LOAs.

### What if Voluntary Shared Leave (VSL) is provided to the employee?

If the employee receives VSL after they have been paying or set up to pay the full cost, HBRs should contact BEST to ensure their premiums are adjusted correctly.

## REINSTATEMENT OF BENEFITS

When the employee returns from LOA without Pay, the employee must re-enroll in their NC Flex Plans for any benefits they wish to receive as an active employee (even if they were paying the vendors directly). The employee must also restart the SHP benefit if they were not paying BEST directly. The employee has 30 days from their return date to resume any benefits election. The employee must elect the same coverage dropped while on LOA without Pay unless there was a qualifying event (e.g. birth of a child) during the absence. Employees who do not make this election within 30 days for their return may have to wait until the next annual enrollment to participate in the benefit plan and may have waiting periods and/or Evidence of Insurability (EOI).

### How will the employee sign back up for their NC Flex benefits?

Once the Agency HR completes the Return from Leave action, the RFL is automatically created. The employee will either go to Employee Self Service (ESS) to complete their enrollment or they will complete an enrollment form and send it to BEST. According to NCFlex policy, employees are required to restart only their Health Care Flexible Spending Account (HCFSA). If an employee had a HCFSA, BEST will reinstate so that the correct payroll deductions can be re-established. Employees must re-enroll in their benefits within 30 days from their return date or they will need to wait for the next annual enrollment.



## BENEFITS JOB AID

### How will the employee sign back up for their State Health Plan benefit?

If the employee paid their SHP premiums directly to BEST, then this benefit plan will now be deducted as an active employee. If the employee chose not to pay the SHP premiums while on a LOA without Pay, they can re-enroll in the health plan within 30 days from their return date. See paragraph above for instructions.

### When will the benefits plan coverage effective date begin?

The coverage start date is the first of the month following the employee's return from leave date (qualifying event date). The employee must start any NC Flex plans on this date but the SHP can start either the first of the month following the return date or the first of the second month following the return date.

**Example:** The employee returns to work on 10/18/2010, any NC Flex plans the employee re-enrolls in will restart on November 1st and the SHP can start on either November 1st or December 1st.

## RESPONSIBILITIES DURING A LOA

### Agency HBR:

- Ensure the employee is placed timely on the appropriate LOA.
- Counsel the employee on their NC Flex, SHP and agency specific benefits options.
- Provide employees the BEACON LOA letter (ZBNS0008) or a similar letter informing the employee where to send premium payments for the NC Flex and SHP Plans. The letter also serves as a notice that if the SHP premiums payments are not sent to BEST, the benefit plan will be terminated for non-payment (refer to Benefits BPPs)
- Instruct the employee to pay the NC Flex vendors directly for any benefits continuation and to send BEST their State Health Plan premiums payment. NC Flex vendor payment information is provided in the BEACON LOA letter and in the NC Flex HBR Administrative Manual.
- Review State Health Plan deductions and contact BEST when agency believes employee should be paying for the full premium cost.

**Employees:**

- Send premium payments for any NC Flex benefits directly to the vendors.
- Send BEST State Health Plan premiums by the 1st of each month. Checks should be payable to Office of State Controller and sent to 1425 Mail Service Center, Raleigh, NC 27699.
- Responsible for contacting HBR to continue, if needed, agency specific plans.
- Re-enroll in any NC Flex, SHP and/or agency specific benefits within 30 days of reinstatement.

**BEST Benefits:**

- Set the work contract field for non STD LOAs to “SHP Full EE Cost” when the employee is responsible for the full SHP premium cost based on the action and when approved leave is not being used.
- Delimit all NC Flex plans once the LOA without Pay begins.
- Delimit the SHP plan when premiums are not paid.
- Monitor reinstatement enrollments to ensure employee re-enrolled in appropriate plans.

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**ADDITIONAL RESOURCES**

BPP - ZBNS008 Continuation of Benefits During Leave of Absence

[http://help.mybeacon.nc.gov/beaconhelp/Benefits/r\\_ZBSN008\\_Continuation%20of%20Benefits%20During%20Leave%20of%20Absence.htm#TopOfPage](http://help.mybeacon.nc.gov/beaconhelp/Benefits/r_ZBSN008_Continuation%20of%20Benefits%20During%20Leave%20of%20Absence.htm#TopOfPage)

BPP – Leave of Absence PA40 W/WORKFLOW

[http://help.mybeacon.nc.gov/beaconhelp/Human\\_Resources/Workflow/r\\_PA%20Workflow%20Complete%20LOA%20Action.htm#TopOfPage](http://help.mybeacon.nc.gov/beaconhelp/Human_Resources/Workflow/r_PA%20Workflow%20Complete%20LOA%20Action.htm#TopOfPage)

Actions and Reasons List Job Aid

[http://help.mybeacon.nc.gov/beaconhelp/Human\\_Resources/Personnel\\_Admin/Job\\_Aids/pdf\\_PA\\_Actions-Reasons-Definitions.pdf](http://help.mybeacon.nc.gov/beaconhelp/Human_Resources/Personnel_Admin/Job_Aids/pdf_PA_Actions-Reasons-Definitions.pdf)

State Health Plan Website: <http://www.shpnc.org/>

Office of State Personnel NC Flex: [http://www.osp.state.nc.us/ncflex/FAQs/FAQ\\_unpaidLOA.html](http://www.osp.state.nc.us/ncflex/FAQs/FAQ_unpaidLOA.html)