ADMINISTRATIVE PROCEDURES

Procedure Number: 23-4

Effective Date: 03/01/1999
Revision Date: 08/25/2010

C. Richelberg
County Administrator

SUBJECT: **LEAVE OF ABSENCE – INSURANCE PROCEDURES**

DEPARTMENT RESPONSIBLE: **Human Resources Department**

I. STATEMENT

To communicate an employee's intentions regarding his/her medical, dental and life insurance coverage while on any type of a leave of absence to Human Resources and the insurance plan providers. The Insurance Coverage Agreement Form (Attachment A) must be used to communicate the employee's intentions when he/she is on an unpaid leave of absence or is amending or canceling any of the above coverages.

II. DEFINITIONS

A. ICA – an employee who is on a leave of absence due to a work related injury or illness as defined by the Industrial Commission of Arizona. When receiving Worker's Compensation, an employee is required to pay only his/her portion of the premiums. If accruals are used, an amount necessary to cover the cost of the elected insurance coverage may be used.

B. FMLA - an employee who is on a leave of absence under the provisions of the Family and Medical Leave Act of 1993, and in accordance with Personnel Policy 8-108. While on an FMLA leave, an employee is required to pay only his/her portion of the insurance premiums. If accruals are used, an amount necessary to cover the cost of the elected insurance coverage may be used.

C. LOA - an employee who is on a leave of absence approved by the department as defined under Personnel Policy 8-108. While on an LOA, an employee is required to pay both his/her and the County's portion of the insurance premiums. If the employee is on an approved Medical LOA and is receiving donated time, the employee must have a minimum of forty (40) hours per pay period of donated leave in order to have only his/her portion of the premiums deducted from the paycheck and for the County to contribute its portion of the premiums.

D. LWOP/Under 40 Hours - an employee who is on a leave of absence without pay, (with or without departmental approval). While on LWOP, the total number of hours worked and/or accruals used do not meet the 40 hours per pay period eligibility requirement, he/she must forward payment of both his/her and the County's portion of the insurance premiums to Human Resources Benefits in order for coverage to continue, and to avoid cancellation or a lapse in coverage.

E. Military Leave - an employee who is on a leave of absence due to orders from the military. This may be a short or long term leave of absence. An employee on short-term military leave and who is using paid civic duty leave in accordance with A.R.S. §38-610 or is using accrued annual leave or compensatory time is required to pay only his/her portion of the premiums. An employee on long-term military leave who has been called to active duty is required to pay only his/her portion of the premiums, if continuation of coverage has been elected. A Board of Supervisor directive may further define insurance procedures during military leave.

III. PROCEDURES

A. Use the Insurance Coverage Agreement While On Unpaid Leave Of Absence Form (Attachment A) when an insurance eligible employee begins any type of unpaid leave of absence or when amending or canceling coverages during the leave period.

1. Scheduled Leave of Absence - Attach the completed Insurance Coverage Agreement While On Unpaid Leave Of Absence Form to the Personnel Action Form when beginning the employee's unpaid leave of absence. The Insurance Coverage Agreement While On Unpaid Leave Of Absence Form must be attached if the employee will need to pay for benefits or the employee has elected to cancel coverage during the leave period. The form should have both the Departmental Benefits Representative's and the employee's signatures.

2. Unscheduled Leave of Absence - Attach the completed Insurance Coverage Agreement While On Unpaid Leave Of Absence Form to the Personnel Action Form when beginning the employee's unpaid leave of absence. The Departmental Benefits Representative must sign the form and note that the employee is unavailable for signature. However, every attempt must be made by the Departmental Benefits Representative to ascertain the wishes of the employee, either by contacting the employee and/or person assigned with Power of Attorney.

3. Unscheduled Leave Without Pay - When an employee fails to maintain forty (40) hours of pay during a pay period, and a Personnel Action Form is not completed, the Departmental Benefits Representative must forward a completed Insurance Coverage Agreement While On Unpaid Leave Of Absence Form with the employee's elections and signature to Human Resources as soon as awareness of the loss of insurance eligibility occurs.

B. Departmental Benefits Representatives must complete the Insurance Coverage Agreement While On Unpaid Leave Of Absence Form with available information before giving it to the employee for level of coverage selection and signature. Information to be completed by the Departmental Benefits Representative includes the following:

1. Type of Leave of Absence
2. Employee's data
3. Last day worked
4. First day of leave (actual or anticipated). Date must agree with effective date on PAF.
5. Estimated return date (12 weeks for FMLA, approximate when possible)
6. Current medical and dental coverage, including Plan Name, Plan Code, employee's premium, County's premium (for LOAs only) and total premium.
7. Current total additional life insurance premiums. (Note: the employee's total life insurance premium is found on the Alpha Group Insurance Report provided to Departmental Benefits Representatives each pay period by Human Resources.

C. Employees must elect a Level of Coverage while on an unpaid leave of absence. If an employee is unable to complete the form, his/her Power of Attorney, immediate family member, or the person who will be responsible for payment of the premiums, must complete the form. Employees may change the level of coverage and/or cancel insurance coverage when beginning a leave of absence because this is considered a qualifying event. (Note: an employee returning from a leave of absence has thirty-one (31) calendar days after his/her return to work to re-elect dropped coverage and to add dropped dependents. Refer to Administrative Procedure 23-22).

1. Employees on a leave of absence under FMLA, Workers Compensation, Short-Term Military Leave, or Military Leave when the Board of Supervisors approves special leave arrangements for special military operations such as for Operation Enduring Freedom who wish to continue their benefits are only responsible for the employee portion of the premium and the County will continue to pay its share of the premium for the level of coverage selected.

2. Employees on an unpaid leave of absence for any reason other than those noted above who wish to continue their benefits are responsible for payment of both the employee and County portion of the premiums.

3. Premium payments are due each payday. Checks or money orders must be made payable to "Pima County Treasurer" and mailed to Pima County Benefits, 150 W. Congress – 4th Floor, Tucson, AZ 85701

4. In order to maintain ancillary coverages (flexible spending accounts, prepaid legal, short-term disability, etc.) the employee must make arrangements to pay the provider directly during an unpaid leave.

D. Upon receipt of the Insurance Coverage Agreement Form in Human Resources Benefits, a payment account will be established for employees who have elected to continue their coverage and who are required to make personal payments to maintain their coverage.

Please be advised that a $25.00 fee will be charged for each returned check (e.g., notice of insufficient funds or closed accounts) in accordance with County Ordinance 2002-37, A.R.S. §11-251.08(A) and Pima County Administrative Procedure 16-2.

E. Human Resources Benefits reserves the right to cancel an employee's coverage when payments have been missed. Every reasonable attempt shall be made to contact the employee regarding missed payments and pending cancellation.

1. Upon return to work, Human Resources shall deduct any missed premiums from an employee's paycheck with notice to the department.

2. If the employee terminates while on a leave of absence and fails to maintain current payments, COBRA will be offered with the condition that all missed payments while on a leave of absence are made current before benefits elected under COBRA can become effective.

IV. RESPONSIBILITIES

A An employee shall pay premium payments each payday while on an unpaid leave of absence unless election is made to cancel coverage(s).

B. Departments shall attach a completed Insurance Coverage Agreement Form to the Personnel Action Form placing an employee on a Leave of Absence. This will ensure that Human Resources Benefits is notified of any and all actions affecting an employee's benefits status. A new Insurance Coverage Agreement form will be prepared each fiscal year, to reflect new premiums, for those employees still out on an unpaid Leave of Absence.

C. Human Resources shall ensure that appropriate information is forwarded to the Treasurer's office for deposit of premiums collected from the employee's direct payment. Human Resources will submit a Claim Against Pima County for distribution of the monies to the appropriate insurance providers.

D. The Finance Department shall forward payments to the providers in a timely manner and in accordance with generally accepted accounting procedures.

Attachment A

PIMA COUNTY

INSURANCE COVERAGE AGREEMENT WHILE ON UNPAID LEAVE OF ABSENCE

Type of Leave of Absence: (check one)

☐ FMLA Family Medical Leave Act	☐ ICA Worker's Compensation	☐ LOA Leave of Absence	☐ Military Leave Short-Term Leave	☐ Military Leave Long-Term Leave

NOTE: If you are on ICA or LOA for medical reasons, you expect to be off work for longer than six months and you contribute to the Arizona State Retirement System, contact Human Resources Benefits at 740-2798 for information about the Long Term Disability Program.

Employee Information:

Employee Name	HI ORG	EIN	Work Phone

Address	City	State	Zip Code	Home Phone

Last Day of Work	First Day of Leave (PAF)	Estimated Date of Return

Level of Coverage: (check one)

☐ Elect to **CONTINUE** current level of coverage for medical, dental and supplemental life insurance.

☐ Elect to **CANCEL** all medical, dental and supplemental life insurance coverage.

☐ Elect to **AMEND** level of coverage by:

- ☐ dropping the following dependent(s):
- ☐ canceling one of the following coverage(s): ☐ Medical ☐ Dental ☐ Supplemental Life

Insurance	Name of Plan / Option	Plan Code	Employee's Premium	County's Premium	Total
Medical					
Dental					
Supp. Life	Humana Group	SL			
Payment due each pay day beginning:			$	-OR-	$

Premium Payment Instructions

Premium payments are due each pay period and must be received in Human Resources on the pay date for the covered payroll period. Payments must be made payable to: **"Pima County Treasurer" and delivered or mailed to Pima County Benefits, 150 W. Congress - 4th Floor, Tucson, AZ, 85701.**

Statement of Understanding:

While I am on an unpaid leave of absence under FMLA, Workers Compensation, Short-Term Military Leave, or Military Leave for Operation Enduring Freedom, I am only responsible for my portion of the premium and the County will continue to pay its share of the premium for the level of coverage that I have selected. While I am on an unpaid leave of absence for any other reason, I am responsible for payment of both my portion and the County's portion of the premiums. I realize that in order to maintain ancillary coverage (flexible spending accounts, prepaid legal, short term disability, etc.), I must pay the provider directly during an unpaid leave.

If while on a leave of absence I have cancelled any of my insurance coverage or dropped any dependent(s), I have up to thirty-one calendar days after my return to work to re-instate my coverage and/or dependent(s). I will be charged the appropriate premium that coincides with the beginning of the pay period in which my return to work occurs and NOT when my form was submitted.

Refer to Administrative Procedures 23-4 for complete definitions, procedures and responsibilities.

Employee Signature:		Date:
Benefits Representative Signature:	Phone:	Date:

HR Rec'd	LOA Desk	Actives Desk	Copies