# Benefits Administration

## HRG Training for HRAs

Revised: 6/1/15

# Introductions

**Tell me about yourself:**

- Name
- Responsibility and length of service
- What are your class expectations?

# House Rules

**Please:**

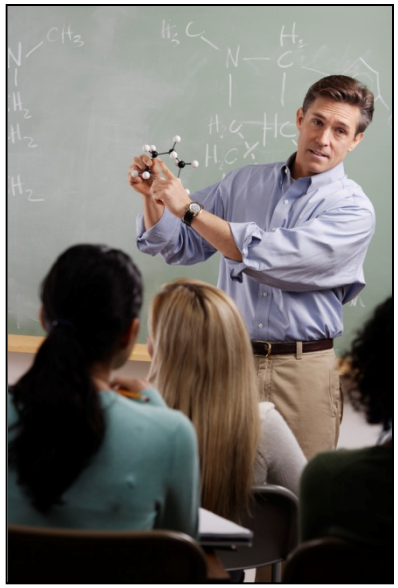
- Use the sign-in sheet
- Silence phones and Blackberries
- Refrain from email and internet use
- Leave the room tidy and ready for the next class
- Participate – This is your class!

# What Class Is and What Class Is Not

| Class Is… | Class Is Not… |
| --- | --- |
| To give you the basic knowledge and skills you need to perform your tasks in KHRIS as well as to perform any related business processes | Designed for your specific division or agency procedures and policies |
| To demonstrate how you can further develop your skills, by using the classroom materials and the end-user training materials website to continue your KHRIS education after training is completed | Inclusive of all of the scenarios you encounter in your current job role |
| Designed with the primary goal of making you effective on the tasks you will use most frequently in the system | Designed to cover agency-specific tasks done in KHRIS very sporadically, such as quarterly or annually |

# Instruction Method

Concepts
*(Tell Me)*



Demonstrations
*(Show Me)*

Practice
*(Let Me)*

# Course Map


Lesson 1: Benefits Administration Overview

Lesson 2: Enrollment

Lesson 3: Qualifying Event

Lesson 4: Leave Without Pay

Lesson 5: Termination

Lesson 6: Flexible Spending Account

Lesson 7: Life Insurance

Lesson 8: Other Processes

Wrap Up

# Course Objectives

**By the end of this course participants will be able to:**

- List the **benefit plans** maintained in KHRIS
- **Process benefits actions** such as new hire enrollments, cross-referencing, transfers, and plan corrections after enrollment
- Discuss **qualifying events** and how they are submitted for processing
- Explain the Leave Without Pay **(LWOP)** process flow
- **Terminate and reinstate benefits** for LWOP
- Explain how **FSA reinstatements** are calculated

# Course Objectives

**By the end of this course participants will be able to:**

- Explain how KHRIS recalculates the **optional life coverage premiums**
- Explain the **Evidence of Insurability** process
- **Add beneficiaries and external organizations** to life insurance plan(s)
- Explain **other miscellaneous processes** such as arrears and refunds,  dependent search by social security number, and retroactive processing

# Course Map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Lesson 8: Other Processes

Wrap Up

# Lesson 1 Objectives

**By the end of this lesson participants will be able to:**

- List the **three benefit plans** maintained in KHRIS
- Discuss how **KHRIS integrates benefits** when processed
- Identify the **HRG roles**

# Benefits Administration in KHRIS

Use KHRIS to manage the following three benefit plans:

**Health (EIB)**

- Medical
- Health Reimbursement Arrangements (HRA)

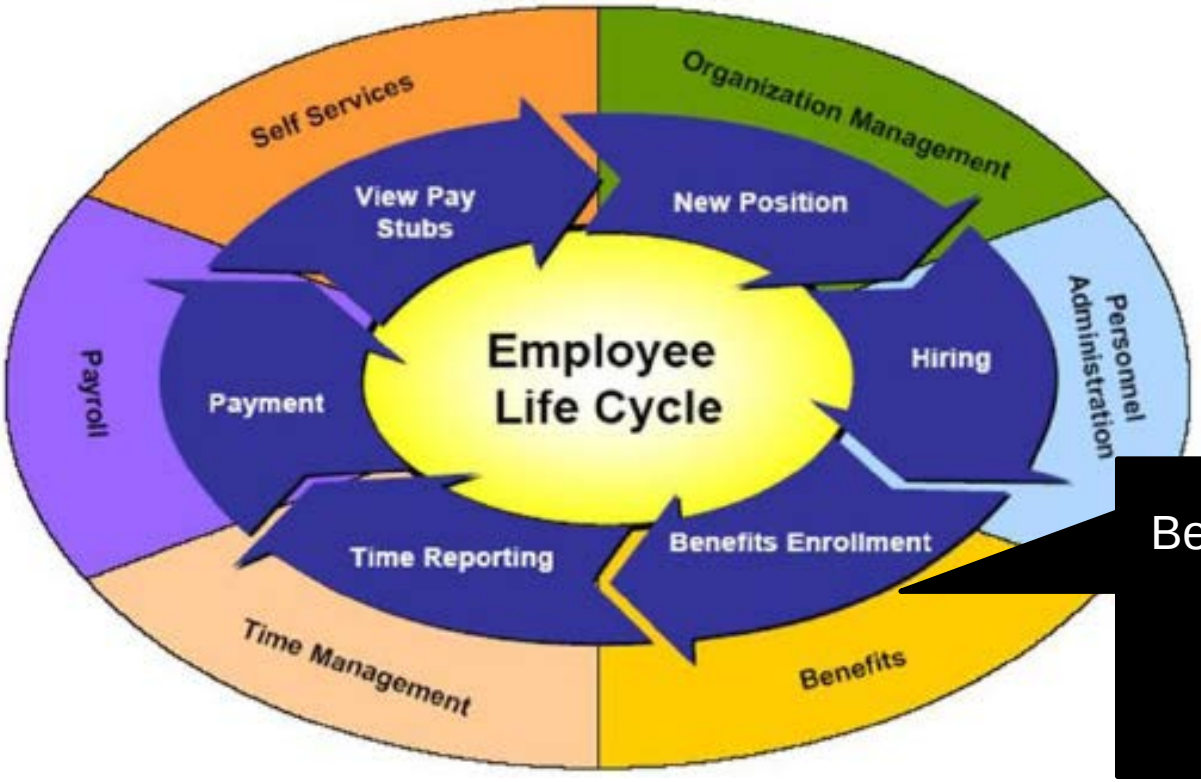
**Life (GLI)**

- Term Life and Accidental Death & Dismemberment
- Accelerated Death Benefit

**FSA (MSB)**

- Health Care Flexible Spending Account (FSA)
- Dependent Care Flexible Spending Account (FSA)

# How are Benefits Integrated in KHRIS?




Benefits enrollment or termination affects payroll deductions

**Each entry made in KHRIS affects some component of an employee's time and pay.**

# Roles

| Title | Roles |
| --- | --- |
| HR Generalist (HRG) | • Process infotypes for new hires, demographic information, terminations and LWOP<br>• Update and create or end all benefit related infotypes<br>• Display benefit reports |
| | |

# Knowledge Check

1. List the three benefit plans to be processed using KHRIS.

2. Can an HRG display and utilize all Benefit Reports?

# Lesson 1 Review

**In this lesson you learned:**

- The **three benefit plans** maintained with KHRIS
- How **KHRIS integrates benefits** when processed
- Identify the **HRG roles**

# Course Map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Wrap Up

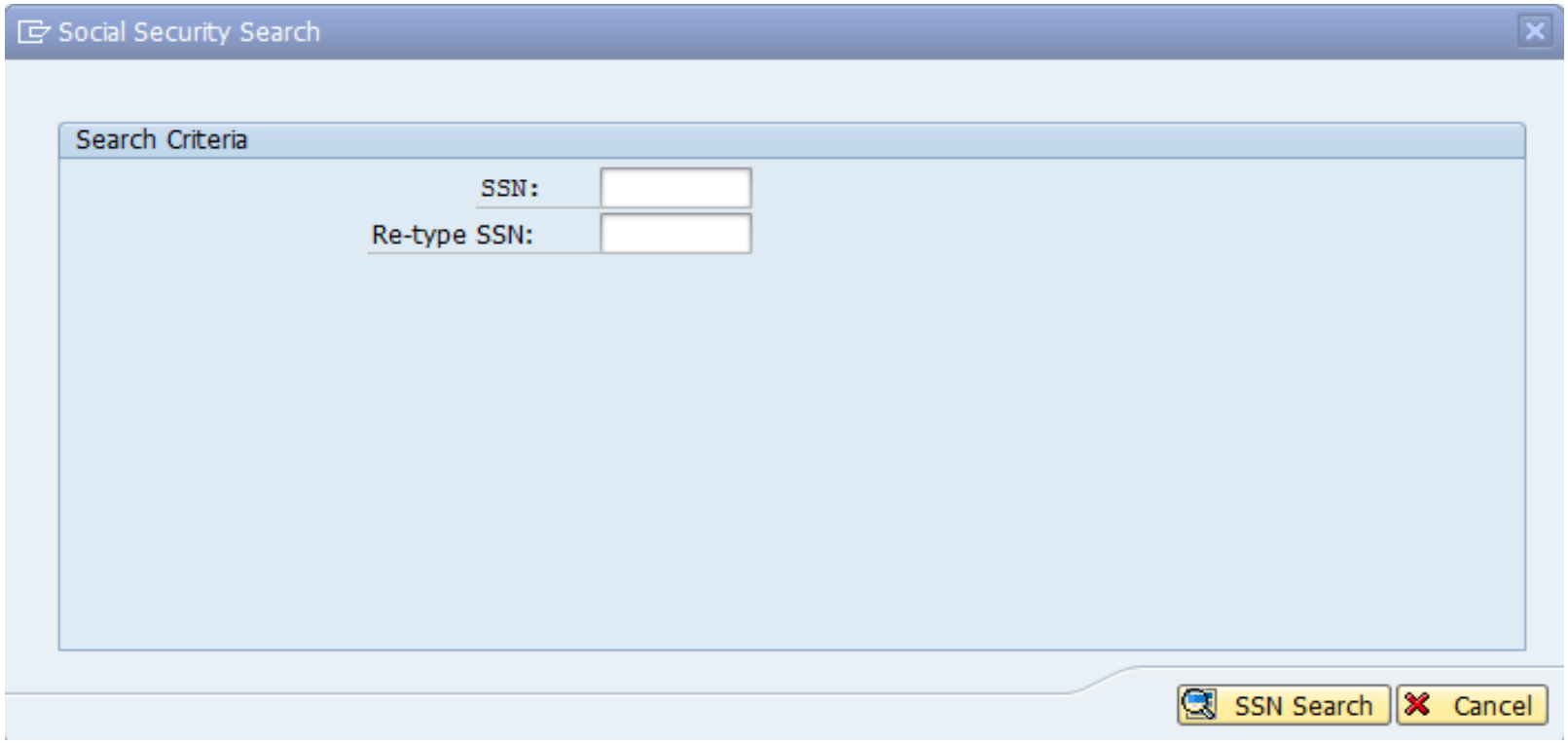
# Lesson 2 Objectives

**By the end of this lesson participants will be able to:**

- Explain the new hire enrollment processes
- Enroll a newly hired Commonwealth Paid employee in benefits
- Explain the cross reference process including how to determine the primary employee
- Identify the types of employee transfers
- Explain how a retiree returning to work is maintained in KHRIS
- Correct benefit plan(s) after enrollment

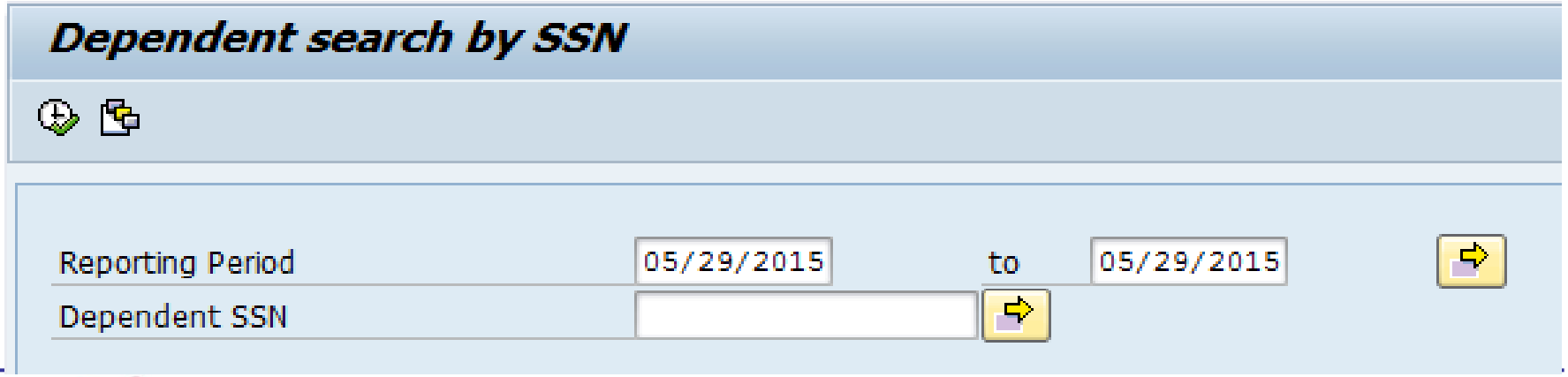
# SSN Search- ZAU_SSN

- Always perform SSN Search before adding a New Hire
  - If the SSN Search shows the New Hire is already in KHRIS send New Hire application to the KEHP Enrollment Branch.



# Dependent SSN Search- ZBNR013

- Always perform Dependent SSN Search before adding a New Hire
  - If the Dependents SSN Search show the New Hire is a dependent on another KEHP members plan in KHRIS contact KEHP Enrollment Branch.
    - Note: KEHP Enrollment Branch can drop dependent and you can continue with your New Hire enrollment process.
    - If the dependent wants to remain on KEHP members plan and choose a waiver HRA or Dental/Vision Only HRA, the New Hire application has to be sent to the KEHP Enrollment Branch for processing.



# Enrollment – New Hire

## 1 – Hiring Action

- HRG performs the **new hire action** in KHRIS to **create an employee record**
- KHRIS automatically **generates** an employee **ID**. The HRG will give that ID to the employee as part of their new employee orientation to enroll in their eligible benefits.
  - ***Note:** New employees or employees going from PT<100 to PT>100 or FT should be given a full **"New Employee"** Packet.

    ***Contact** James.Ross@ky.gov for any issues with PT to FT, include pernrs.

***Refer to the Admin Manual for the Health checklist***

# Enrollment – New Hire

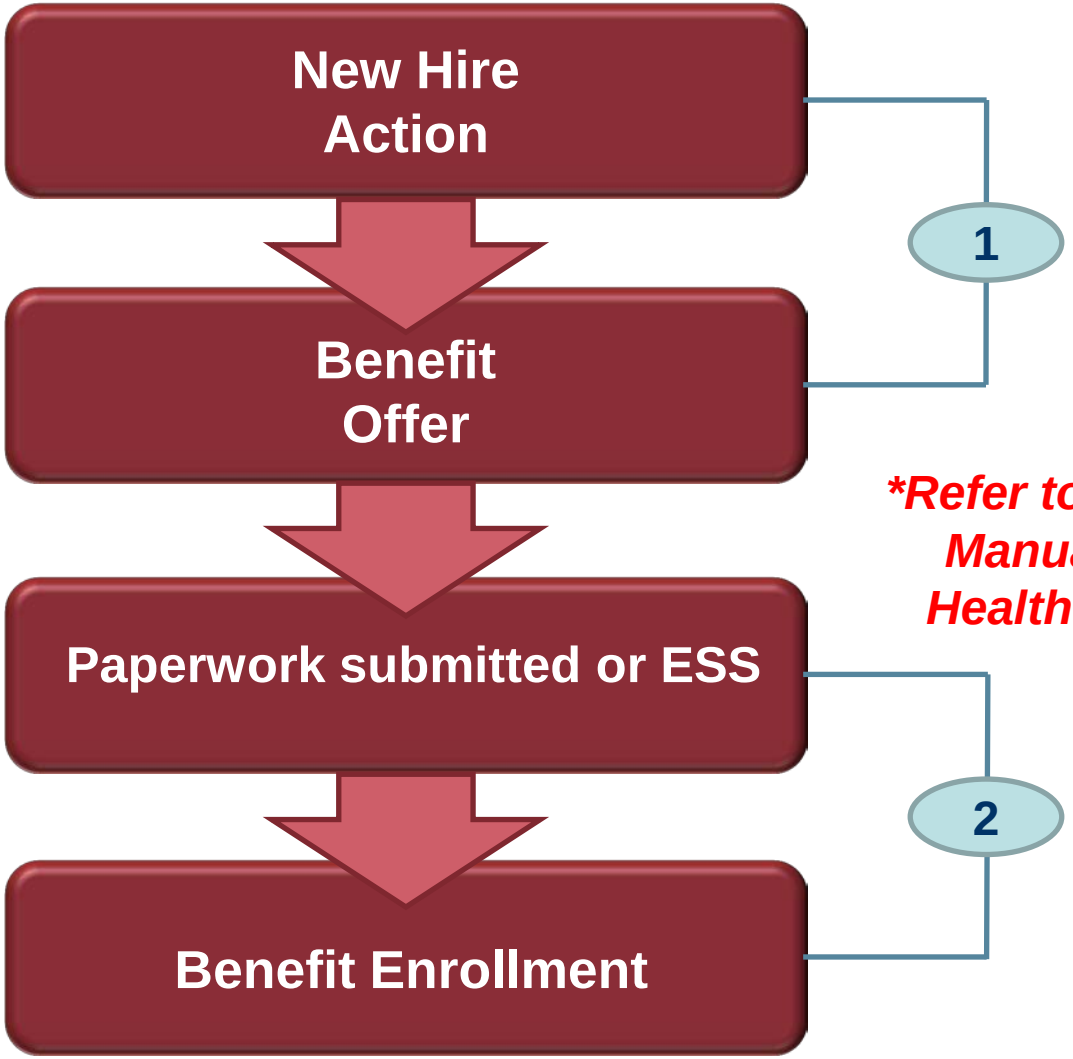
**This action is completed after the New Hire Action:**

**2 – Enrollment Action**

- **Employee enrolls** through **ESS** or submits **paperwork to HRG** for processing.
- If paper application submitted, HRG completes the initial benefit enrollment in KHRIS

***Refer to the Admin Manual for the Health checklist***

# Enrollment – New Hire




***Refer to the Admin Manual for the Health checklist***

# New Hire COBRA Notification

After the HRG hires an employee, KHRIS sends the new hire information to WageWorks COBRA automatically.

**HRGs are <u>no longer required to manually enter</u> newly hired employee information for COBRA.**

*****HRGs **<u>are not responsible</u>** for notifying WageWorks COBRA of qualifying events and separations such as retirements and terminations. This information is now automatically sent when entered into KHRIS.

Questions?

Contact SherryJ.Davis@ky.gov or 1-888-581-8834 Option 1

# New Hire Benefit Enrollment

## HRG/Employee Enrollment Process

**1**

**HRG:**

**PA30**
**Infotype 0021**
**Family Member/ Dependents**

Enters dependent and/or beneficiary information

**Employee:**

**ESS**
**Using their ID**

**2**

**HRG:**

**PA30**
**Infotype 0376**
**Benefits Medical Information**

Update Tobacco Use

**Employee:**

**ESS**
**Using their ID**

**3**

**HRG:**

**PA30**
**Infotype 0171**
**General Benefits Information**

Update applicable information:

- Cross reference
- Retiree returned

**4**

**HRBEN0001**

Select desired benefit plans and choose dependents and / or beneficiaries for each plan

To Print Plan:

- You have successfully enrolled
- Print/confirm

**5**

**HRBEN0015**

**OPTION:**

- Option to Print confirmation at a later time
- Can send to participant

Complete steps **1 – 3** in any order, prior to steps **4 & 5**

KHRIS
Kentucky Human Resource Information System
Connecting the Commonwealth

# IT0021 Family Members/Dependents

Health and Life can be set up at the same time or completed separately.

## HEALTH - Dependents

- When selecting dependents for health, only use the following from the drop down list:
  - 1 – Spouse
  - 2 – Child

**Note:** On any plan other than a single plan, the dependents MUST be added to IT0021 before a plan can be selected

## LIFE - Beneficiaries

- When selecting beneficiaries, only use the following from the drop down list:
  - 1 – Spouse
  - 2 – Child
  - 9003 – Other Beneficiaries

**Note:** It is encouraged that employees do this through ESS

# IT0021 Family Member/Dependents

Infotype Edit Goto Extras System Help

## Create 0021 Family Member/Dependents

Find by
- Person
  - Collective search help
  - Search Term
  - Free search

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Personnel No | 79 | | Name | Anna Roberts | | | |
| EE group | A | 18A | Personnel area | 0001 | Executive | Status | Active |
| EE subgroup | 02 | ASC Salary 37.5 | Pers. subarea | 1000 | FT Exempt | | |
| Start | | | To | 12/31/9999 | | | |

Member: Child  Child no: 01

**Personal data**

| | | | |
|---|---|---|---|
| Last name | Roberts | | |
| First name | ☑ | Initials | |
| Title | | | |
| Gender | ◉ Female ○ Male | | |
| Birth date | | | |
| SSN | | | |

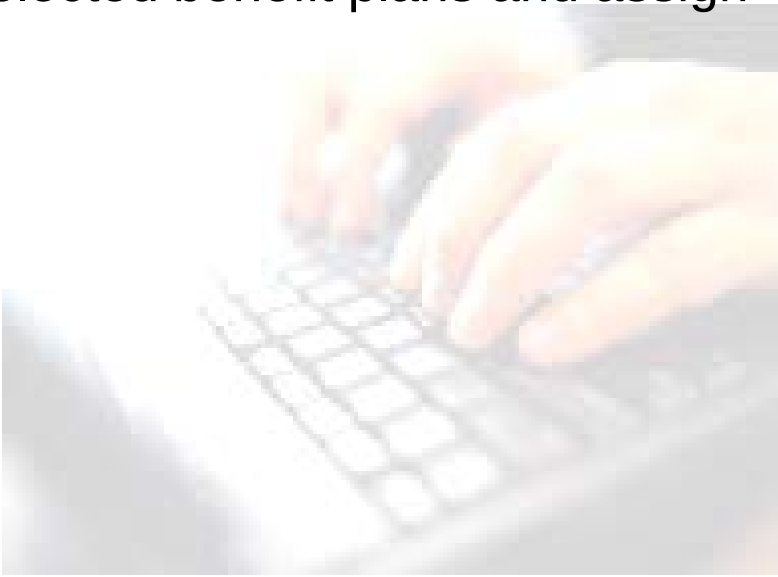
☐ Disability

# Exercise 2.1

**Observe as the instructor demonstrates the steps. You will then have the opportunity to complete the exercise on your own.**

**Purpose:**

Add the dependent(s) and update the tobacco use for the employee. Then enroll the new employee in the selected benefit plans and assign the dependents and beneficiaries.



**BPP:**

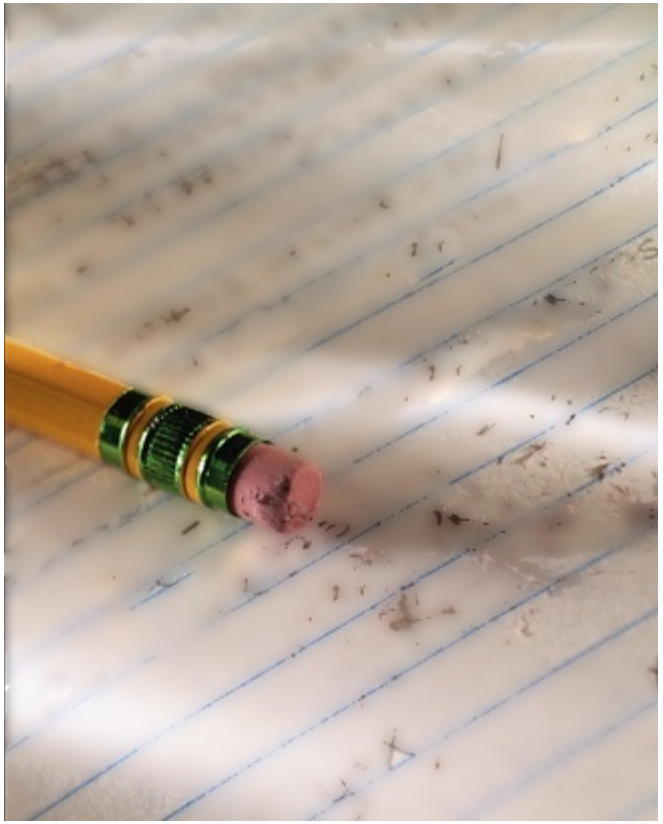
Enrollment

# Correct a Benefit Plan

Perform this procedure when a new employee/retiree changes their plan information within the new hire enrollment period:

- HRGs may correct or update the tobacco use, dependent(s), or other plan information within the valid enrollment period (35 days from the date of hire)
- HRGs should NOT make plan changes outside of enrollment periods but CAN make demographic changes such as SSN, address, etc.

Note: If you see more than one pernr, you can only access the pernr attached to your Agency.



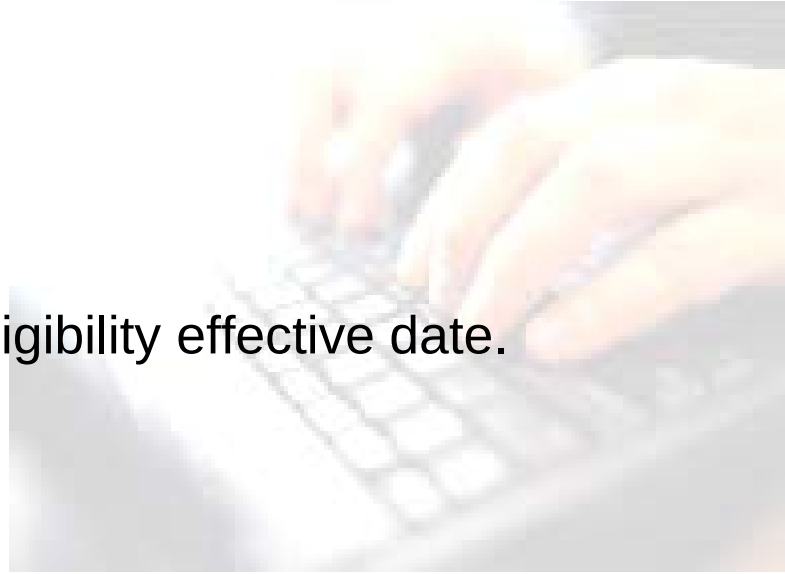
***NOTE: After 35 days, the employee must file a grievance if they require changes.***

# Exercise 2.2

**Observe as the instructor demonstrates the steps. You will then have the opportunity to complete the exercise on your own.**

**Purpose:**

Change the FSA contribution amount for the Healthcare FSA before eligibility effective date.



**BPP:**

Correcting an Active Plan before the eligibility effective date.

# Special Enrollment

**For certain enrollment situations, you may not see what you expect when you try to enroll the employee, they are listed below:**

- **New employee covered on other plan**
- **Cross-references**
- **Dual employee**
- **Retirees returned to work**

Same as new EE covered on another plan, may not have options when they enroll

# New Employee on Another Plan

**New employee covered on someone else's plan**

## Child

- The system determines if the new employee is a child between the ages of 19-25 currently covered under another KEHP plan (child will be dropped automatically at the end of the month they turn 26)
- **Only waiver plans offered** until the new employee (child) has been dropped from the other plan

## Spouse

- The system determines if the new employee is a spouse
- **Only waiver plans offered** until the new employee (spouse) has been dropped from the other plan

# Cross Reference

When an employee's spouse becomes eligible for health benefits, they may request the cross reference payment option to apply their money towards the same family plan.

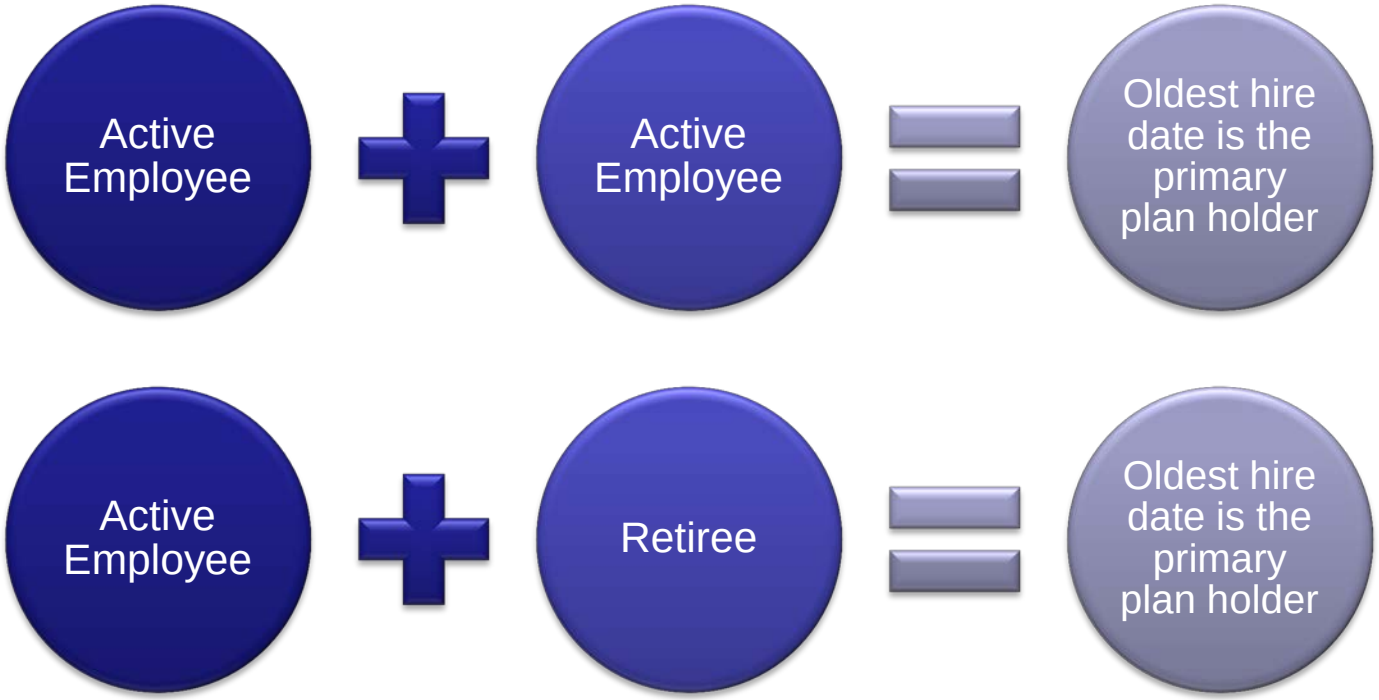
**Primary (existing PH)** — **Secondary (new EE)**

The employees must:

- Be legally married and have at least 1 dependent
- Be eligible employees or retirees participating in KEHP
- Elect the existing coverage
- Complete an enrollment application and submit to HRG for signing

**Important: Send the application to DEI for processing.**

# Cross Reference Primary Determination



# Cross Reference Process Flow

**Fill out Application**

New Hire (secondary) employee completes application

→

**Sign Application**

- Both employees sign New Hire application
- Gets both HRG/IC signature

→

**Turn in App.**

New Hire (secondary) sends application to HRG

→

**Enroll EE using PA30**

HRG for New Hire
IT0021 enters family
IT0376 tobacco use status
IT0171 cross-ref

→

**HRG for New Hire**

- Enrolls secondary in Life
- Sends Health and FSA paperwork to DEI

→

**KEHP Enrollment Branch Completes Enrollment Process**

- Enrolls the secondary in the Health FSA and cross referenced payment option.
- Sets up primary with a cross referenced payment option.

# Cross Reference Termination

VERY IMPORTANT: No automation to this process

*KEHP Enrollment Branch must be notified by HRG/IC when their employee becomes ineligible.

- Once the KEHP Enrollment Branch is notified, when either employee of a Cross Reference Payment Option has become ineligible, the KEHP Enrollment Branch ends the cross reference and manually changes the remaining plan holder to Parent Plus.
- If the remaining plan holder wishes to change to a single, full family, or waiver/no HRA plan, they must submit a QE Add/Drop form within 35 days.

**Note:**
**Remaining employee is allowed to change plan level and/or plan option as long as they turn in QE Add/Drop form within 35 days**

# Transfer Process in KHRIS

| Transfers fall into one of two groups: | |
|---|---|
| **Internal Transfer**<br>Comm Paid ➔ Comm Paid | **External Transfer**<br>Comm Paid ➔ Non-Comm Paid<br>Non-Comm Paid ➔ Comm Paid |
| • One personnel number – the employee keeps his/her personnel number<br>• Transfer of benefits and FSA deductions seamless<br>• HRG should not touch benefits – no actions are required | • Two personnel numbers<br><br>**NOTE:**<br>These employees will receive a new personnel number, but will keep their existing plan. KEHP monitors a transfer report and; if needed, corrects the transferred employee's health insurance, effective dates or adjusts the FSA amount and life insurance. The HRG will not have to take any action. |

# Transfers

| Clean Transfer<br>No Break in Employment | |
|---|---|
| **Health** | **Life** |
| • No new health elections<br>• Health Effective date – 1st day of the semi-monthly period following coverage termination with previous agency | • Life Effective date – 1st day next month |
| Examples:<br>• 4/3 Last day (Fri)<br>• 4/6 New Start Day (Mon – no holiday)<br>• 4/15 Insurance ends with old Agency<br>• 4/16 Insurance starts with new Agency<br>~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~<br>• 4/3 Last day to work (Fri)<br>• 4/7 New Start Date (Tues after holiday)<br>• 4/15 Insurance ends with old Agency<br>• 4/16 Insurance starts with new Agency | Example:<br>• 4/03 Last Day<br>• 4/06 Start New Job<br>• 4/30 Insurance ends with old Agency<br>• 5/1 Insurance starts with new Agency |

# Transfers

| Small Break<br>1-10 Day Break in Employment | |
|---|---|
| **Health** | **Life** |
| • No new health elections<br>• Health Process<br>If break occurs within the same semi-monthly period: **no break in coverage**<br>Example:<br>5/2 Last day<br>5/13 Start New Job, same pay period<br>5/15 Insurance Ends with old Agency<br>5/16 Insurance Starts with new Agency | • Life Process<br>• If the employee returns after the 1st of the month, insurance will be effective the first day of the following month |
| If break occurs within different semi-monthly pay periods: **1/2 month break in coverage**<br>Example:<br>5/10 Last Day<br>5/15 Insurance Ends with old Agency<br>5/16 Start New Job, New Pay Period<br>5/16-5/31 Break in Insurance<br>6/1 Insurance Starts with new Agency | Example:<br>5/3 Last Day<br>5/13 Start New Job, Still have 'old' Insurance through end of month<br>(will have 30 day grace period – pay no premiums for the month of May)<br>6/1 Insurance Starts with new Agency |

# Transfers

| New Employee<br>11+ Day Break in Employment | |
|---|---|
| **Health** | **Life** |
| • Considered newly hired employee<br>• Effective date – 1st day of the second calendar month following hire date<br>• Allowed to enroll in any available plan | • Life Effective date – 1st day second month |
| Example:<br>1/03/13 Last Day, Insurance ends 1/15<br>1/21/13 Start New Job<br>3/01/13 Insurance Starts with new Agency (1st day of 2nd month)<br><br>Note: If the EE uses their time from 1/4 to 1/20, it would be a clean transfer, no break in service. | Example:<br>7/25 Last Day<br>8/08 Start New Job<br>(will have 30 day grace period – pay no premiums for the month of August)<br>10/01 Insurance Starts with new Agency |

# Dual Employee

Represents an employee actively employed and eligible for benefits under more than one KEHP or GLI participating employer.

| Employee | Benefits Administration |
| --- | --- |
| Receives two active personnel numbers; one for each position<br><br>**If benefit eligible under both employers:**<br>• Receives two employer contributions for health coverage and one contribution for life insurance<br>• Can enroll online with ESS to display benefits for both personnel numbers<br>• Member can contribute to an FSA under both personnel numbers, but can only contribute up to $2500 combined for the two. (This is an IRS rule, not a KEHP rule.) | • Accesses IT0171 to select the dual/retiree return to work checkbox<br><br>NOTE: Infotypes – 2, 6, 21, 376, and 105 (email subtype) share information across all personnel numbers for the employee. Data changes made to one of these infotypes automatically updates the same infotype of the other personnel number. |

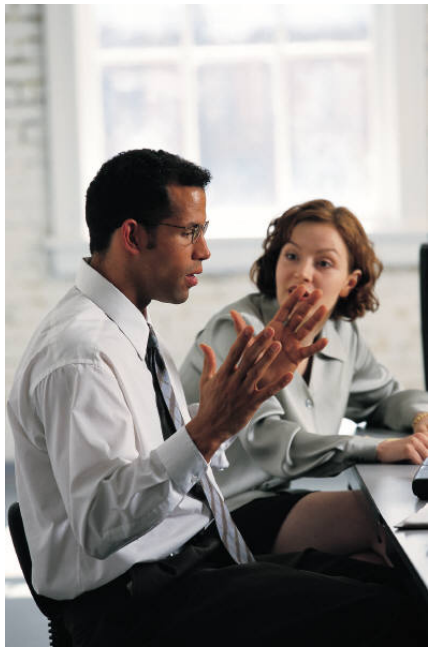
## Dual Employee - Two Contributions
## What you will see in HRBEN0001

| Agency 1<br>If member has: | Agency 2<br>You will see this in HRBEN001 |
|---|---|
| • **Health** | • Waive<br>• Waiver HRA<br>• Waiver Dental & Vision HRA<br>(If you only see waivers then they are a dual employee or a dependent on someone else's plan) |
| | |
| • **Waiver HRA** | • Waiver<br>• Waiver HRA<br>• Waiver Dental & Vision HRA<br>• Health |

# Retirees Returning to Work

**Retirees who return to work - Health:**

- Have two active personnel numbers
  - Retiree pernr
  - New Active Agency pernr
- May enroll in ESS on their active job only (using new active agency pernr )
- May enroll through retirement system using retiree number assigned by retirement



**NOTE:**
Select the IT0171 checkbox for dual/retirees return to work

**Retirees who return to work - Life:**

- Has only one personnel number
  - New Active Agency pernr
- May enroll in ESS on their active job only (using new active agency pernr )

# Retirees Returned to Work

**Retirees returned to work**

| **KRS**<br>**KY Retirement System**<br>**Retiree Returned to Work** | **KTRS**<br>**KY Teachers' Retirement System**<br>**Retiree Returned to Work** |
|---|---|
| • Health insurance can come from either KRS or the active employer<br>• Only one health plan, no double-dipping | • Health insurance can only come from active employer |

*Return to work Retirees should contact their retirement system to confirm benefit eligibility rules

# Delete or Void

HRGs have the ability to delete or void benefit plans; however, they should **NEVER** process a plan correction using the delete or void options.

- **Never** click the **Trash Can** button to delete a plan
- **Never** void a plan

If an employee quits prior to the benefit effective date, the PA workflow action will terminate the benefits.

# Knowledge Check

1. Who processes the new hire action and enrolls employee in benefits in KHRIS?

2. Does an employee keep the same personnel number if they transfer from a non-commonwealth paid job to a commonwealth paid job?

# Lesson 2 Review

## In this lesson you learned:

- The **new hire enrollment** process/special enrollment situations
- A **newly hired** Commonwealth paid employee in benefits
- The **cross reference** process including how KHRIS determines the primary employee
- Identifying the types of **employee transfers**
- How a **dual employee and a retiree returning to work** are maintained in KHRIS
- **Correcting benefit plan(s)** after enrollment

# Course Map


Lesson 1: Benefits Administration Overview

Lesson 2: Enrollment

Lesson 3: Qualifying Event

Lesson 4: Leave Without Pay

Lesson 5: Termination

Lesson 6: Flexible Spending Account

Lesson 7: Life Insurance

Lesson 8: Other Processes

Wrap Up

# Lesson 3 Objectives

**By the end of this lesson participants will be able to:**

- Explain the **reasons for a qualifying event**
- Explain the process on **how to submit qualifying event** paperwork to KEHP Enrollment Branch

# Qualifying Event

A qualifying event represents a permitted change to health or life insurance elections or FSA contributions, outside of the open enrollment period.

HRGs must always notify the Personnel Cabinet of the following qualifying events:

**Health and/or FSA Qualifying Events**

Marriage
Death of a spouse
FSA birth / adoption / placement
Health birth / adoption / placement
Divorce / separation / annulment
Change in cost of Dependent Care
Gaining coverage
Dependent becomes ineligible
Dependent reestablishes eligibility
Begin Medicare / Medicaid
End Medicare / Medicaid

Other permitted
Death of dependent
Loss of coverage
Begin paid leave
End paid leave
Court order for child
PH Open Enrollment
Spouse open enrollment
Retiree open enrollment
Resident child care change (dependent day care)

**Life Qualifying Events**

Children can be added at ANY time
Life Marriage
Life Death

*More specific information can be found in your Admin Manual Chapter 5

# Qualifying Events

- When an employee experiences a qualifying event, the employee will complete the appropriate form. The forms* can be obtained at:
  - The KEHP website: *https://personnel.ky.gov/Pages/KEHP-Forms-for-members.aspx*
  - The GLI website: *https://personnel.ky.gov/Pages/KGLI%20memos,%20forms,%20manuals.aspx*
- Once the employee has completed, signed and dated the form, the employee must submit the form to his/her HRG.

***Please use current forms for 2015**

# Qualifying Events

- The timing of the signature date is **critical.**
  - Employees must complete the forms and sign the applicable forms before the signature date deadline of 35 days.
  - **The employee does NOT need to wait for any supporting documentation to arrive before the form is signed.**
  - The supporting documentation can be submitted at a later date.
- Once the employee and the HRG have signed and dated the form, the HRG will submit the form to EIB for health insurance **and** to GLI for life insurance.

***Please use current forms for 2015**

# Knowledge Check

1. What does an HRG do with QE paperwork?

2. When an employee experiences a qualifying event which requires supporting documentation that the employee doesn't currently have, should the HRG submit the form to KEHP Enrollment Branch without the support documentation?

# Lesson 3 Review

## In this lesson you learned:

- The reasons for a **qualifying event**
- The process on how to **submit qualifying event paperwork** to KEHP/GLI

# Course Map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Lesson 8: Other Processes

Wrap Up

# Lesson 4 Objectives

**By the end of this lesson participants will be able to:**

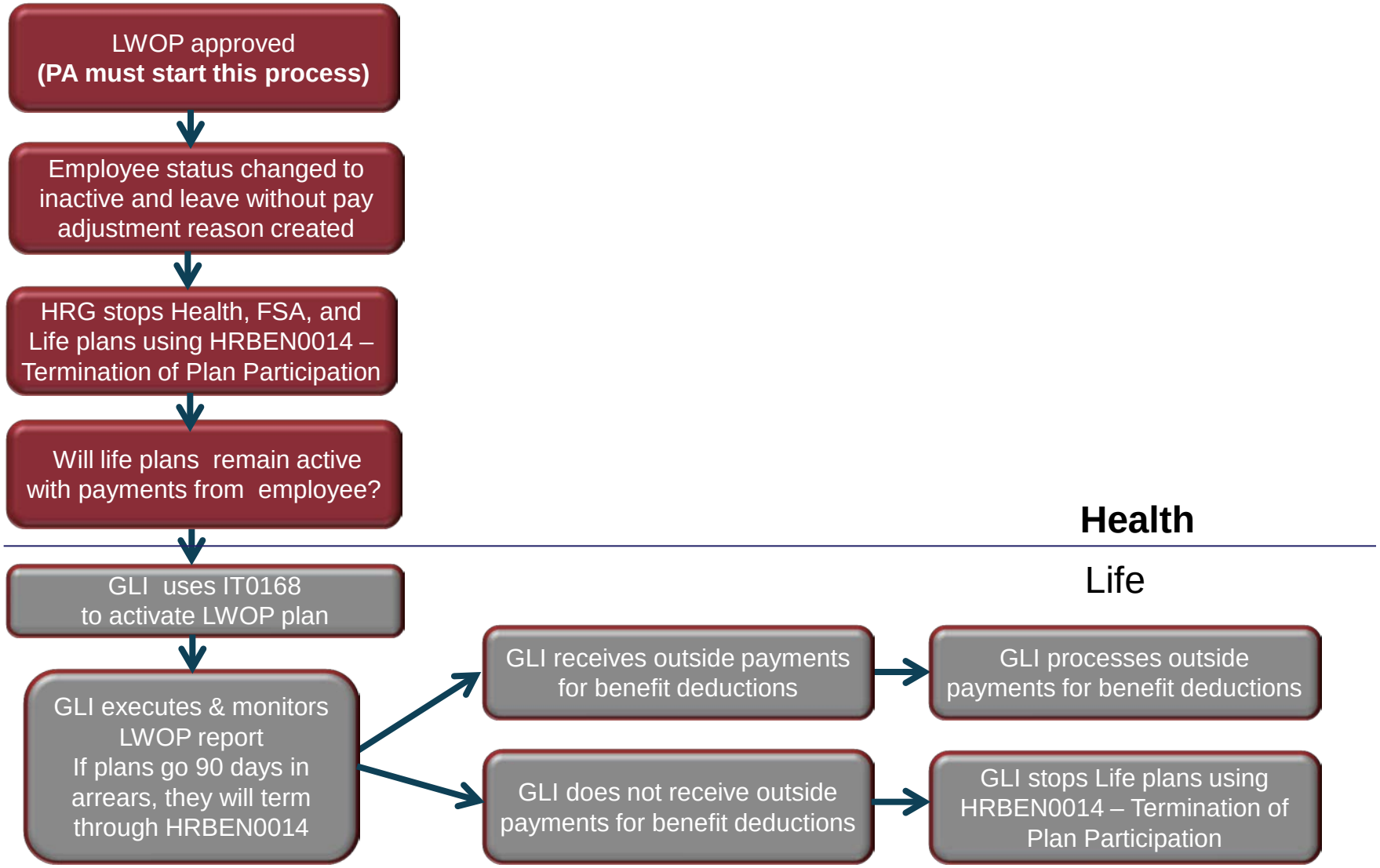
- Explain the Leave Without Pay **(LWOP) process flow**
- Start the LWOP benefits **termination process**
- **Process a return** from LWOP, benefit reinstatement

# Start Leave Without Pay

Any LWOP action that causes the employee to no longer receive a paycheck serves as a trigger for the HRG to terminate benefits.

There are no systematic triggers that notify the HRGs to stop benefits.  Agencies should set up an internal notification process outside of KHRIS to ensure Health and FSA benefits are terminated.

# Leave Without Pay Processing



## 18A procedure
## HRG must extend Insurance

- 6/7 Last day of work
- **HRG must go to PA30**
- **Change date to 6/30 to EXTEND** out their Health Insurance
- 18A are eligible for state portion of insurance for an extra ½ month (an extra pay period) **AFTER** they stop work

**Reference Admin Manual Chapter 4, Page 2**

# Exercise 4.1

**Observe as the instructor demonstrates the steps. You will then have the opportunity to complete the exercise on your own.**

**Purpose:**

Terminate benefits for an employee going out on leave without pay.

**BPP:**

Terminating Commonwealth Paid Employee Benefits Due to LWOP

# Return from Leave Without Pay (Health)

When an employee returns from approved LWOP:

- HRGs must manually reinstate the employee's previous health elections using their HR regulations, unless those plans are no longer offered
- The date rules shown below generally apply to18A employees (*refer to your KEHP Admin Manual for 18A*):

| Return date between: | |
|---|---|
| **1st – 15th**<br>Reinstate as of 16th | **16th – 31st**<br>Reinstate as of 1st of the following month |
| Employees returning from active military duty must be reinstated on their first day back to work | |

Health Insurance and FSA

- KEHP Enrollment Branch must manually reinstate the FSA
- The employee cannot make changes to insurance elections unless they experienced a qualifying event

# Return from Leave Without Pay (Life)

When an employee returns from approved LWOP, GLI processes life insurance reinstatements using the following guidelines:

- The date rules shown below generally apply to18A employees (refer to your manual for specifics):

| Return date between: | |
|---|---|
| **1st – 31st**<br>Reinstate as of 1st of the following month | |
| **Not Paid** | Reinstate Basic Life and Dependent Plan E on first day next month<br>(If they had optional and dependent coverage on spouse, then they must complete the EOI process) |
| **Paid** | Reinstate to active – 1st day next month following return date, and any optional coverage and spousal dependent coverage would have to go through EOI and children added automatically |
| **Military** | Reinstate to active – All Life Coverages<br>(Whether they paid or not, reinstate to first day of next month) |

- GLI must manually reinstate the life benefits if coverage was maintained
- If they did not maintain, GLI will set up Basic only, first day next month and send EOI for any extra
- HRGs may reinstate life benefits if they were terminated in error or were on LWOP and did not continue benefits while on leave.

# Exercise 4.2

**Observe as the instructor demonstrates the steps. You will then have the opportunity to complete the exercise on your own.**

**Purpose:**

Reinstate health benefits for an employee that has returned from LWOP and participated within the same plan year.

**BPP:**

Reinstatement of Health and Life Benefits

# Knowledge Check

1. Who terminates the insurance plans due to LWOP?

2. Who may reinstate FSA benefits?

# Lesson 4 Review

**In this lesson you learned:**

- The Leave Without Pay **(LWOP) process flow**
- The LWOP **benefits termination process**
- **Processing a return** from LWOP, benefit reinstatement

# Course Map


Lesson 1: Benefits Administration Overview

Lesson 2: Enrollment

Lesson 3: Qualifying Event

Lesson 4: Leave Without Pay

Lesson 5: Termination

Lesson 6: Flexible Spending Account

Lesson 7: Life Insurance

Lesson 8: Other Processes

Wrap Up

# Lesson 5 Objectives

**By the end of this lesson participants will be able to:**

- Explain the **reasons for benefit termination**
- Explain **when HRGs may process** terminations

# Benefit Termination

Benefit terminations may occur for several reasons.

Some examples include:

- Leave without pay (LWOP)
- Termination of employment
  - **NOTE:** If an employee is terminated in KHRIS, the termination flows to benefits and terminates DEI/GLI plans automatically.
- Use transaction code HRBEN0014 to manually terminate benefits for LWOP

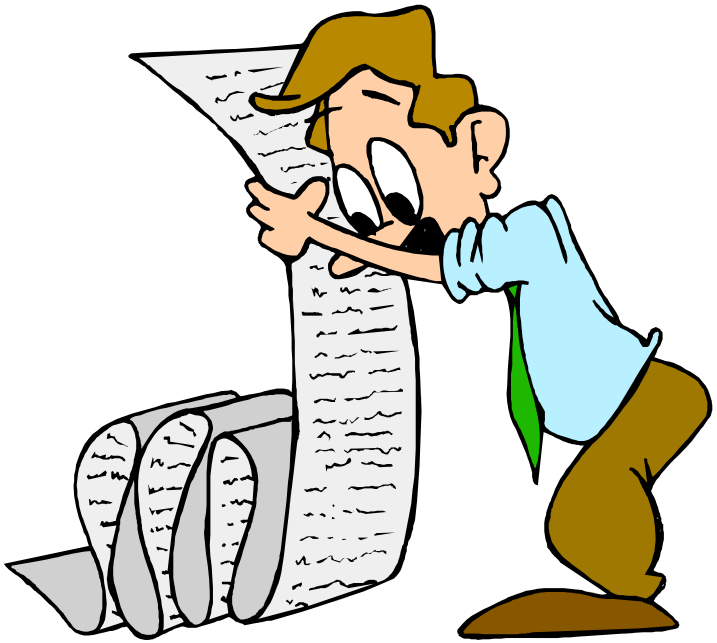
*For actions greater than 60 days contact KEHP Enrollment Branch.

# Benefit Termination

- When Personnel Administration terminates an employee, KHRIS automatically terminates benefit plans.
- When an employee is termed the information is automatically sent to WageWorks to send COBRA notification.
- ZBNF002 – Benefits Policy Conversion Letter
  - Termination of life insurance would require that the policy conversion letter be sent to the employee using the SAP easy access user menu and T-code ZBNF002. After you enter this transaction, make sure it is for the correct employee and then print and mail.
  - The employee has 31 days after termination to convert life insurance.

# Rescission

- Rescission rules prohibit retroactive terminations of coverage.
- Rescission rules apply both to the employee and his/her covered dependent (child or spouse).
- KEHP's normal business process is transitioning from 90 to 60 days. **Actions greater than 60 days must be processed <u>prospectively</u>.**
- Life may differ.



# Knowledge Check

1. When can an HRG process a retroactive benefit termination?

2. If an employee terminates employment, does DEI/GLI have to process a benefit termination?

3. How is the COBRA notification processed?

# Lesson 5 Review

**In this lesson you learned:**

- The reasons for benefit termination
- That HRGs may process terminations

# Course Map


Lesson 1: Benefits Administration Overview

Lesson 2: Enrollment

Lesson 3: Qualifying Event

Lesson 4: Leave Without Pay

Lesson 5: Termination

Lesson 6: Flexible Spending Account

Lesson 7: Life Insurance

Lesson 8: Other Processes

Wrap Up

# Lesson 6 Objectives

**By the end of this lesson participants will be able to:**

- Explain **FSA guidelines** in KHRIS
- Explain how **KEHP Member Services or Enrollment Branch** processes FSA reinstatements

# KHRIS FSA Processing

## KHRIS FSA

- KHRIS only displays annual FSA amount
- FSA can be any amount up to $2500 – KHRIS divides the annual amount by the number of paychecks left in the year, rounds down the total and deducts the remaining amount from the last check of the year

## Annual FSA Amount

**Example 1:**

**Annual Amount: $2500 / 24 checks a yr**

How its calculated:

23 checks @ $104.17 = $2395.91

Last check @ $104.09 = 104.09

**Total $2500.00**

~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

**Example 2:**

**Amount for remainder of year: $700**

November & December (2 checks per month):

4 checks @ $175 = **$700**
~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~

## KHRIS Arrears

Arrears automatically deducted from the next paycheck, KHRIS deducts as much as it can take at one time

**Example:**
Employee FSA arrears $100 as of 6/15 check.

EE normal $20 deduction plus additional $100 arrears will all be taken from next check on 6/30, for a total of $120 arrears deduction.

**Order in which arrearage money is taken from check (*Note: If personal check is sent in, the check will be applied as post tax payment, which will affect their W2…this assumes no tax levy or garnishment exists):**

1. Claims
2. Retirement
3. Health
4. FSA
5. Life

# FSA Benefits

**Use the following guidelines to process FSA benefits in KHRIS:**

- Employee must have a health plan or a medical waiver (with or without HRA) on IT0167 prior to FSA enrollment
- The maximum annual contribution amount is $2500 for **Healthcare FSAs**.
- If you are enrolling in the **Dependent Care FSA**, your maximum is based on your tax filing status as listed:
  - Married, filing a joint return $5000
  - Head of household $5000
  - Married, filing separate returns $2500
- KHRIS allows **cross referenced employees** to have their own maximum of $2500 – for health and dependent care; however, they should only contribute $5,000 combined maximum for dependent care

HRGs may process FSAs for new employees and open enrollment. Member Services Branch processes FSAs for reinstatements, transfers, and rehires.

# Reinstatement Example

- This example assumes the EE worked January-February, out in March and worked April 1-December
- Benefits Administration uses the following formula to determine the FSA reinstatement amount
- HRGs should NOT process FSA reinstatements, as they do not have access to specific payroll data in KHRIS, but it is good to know how to calculate

| $2500 | — | $416.66 | — | $208.33 | = | $1875.01 |
|---|---|---|---|---|---|---|
| Original FSA amount | | Amount paid to date | | Amount of semi-monthly deductions missed | | FSA Reinstatement amount |

To check your math continue the formula:

| $1875.01 | ÷ | 18 | = | $104.17 |
|---|---|---|---|---|
| Reinstatement amount | | Number of remaining paychecks | | Semi-monthly deductions |

# Knowledge Check

1. How does KHRIS process FSA arrears?

2. What is the maximum allowable combined FSA contribution amount for dependent care for married employees who cross reference?

# Lesson 6 Review

**In this lesson you learned:**

- **FSA guidelines** in KHRIS
- How the Member Services Branch processes **FSA reinstatements**

# Course Map


Lesson 1: Benefits Administration Overview

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Lesson 8: Other Processes

Wrap Up

# Lesson 7 Objectives

**By the end of this lesson participants will be able to:**

- Explain how KHRIS calculates the **optional coverage premium**
- Explain the **Evidence of Insurability** process
- Describe the **qualifying events** process flow
- Process **Leave Without Pay** for Life Insurance

# Optional Coverage Premium

KHRIS automatically re-calculates the optional coverage premiums for an employee when he/she moves from one of the following age groups to another:

- **<40 years**
- **40-59 years**
- **60+ years**

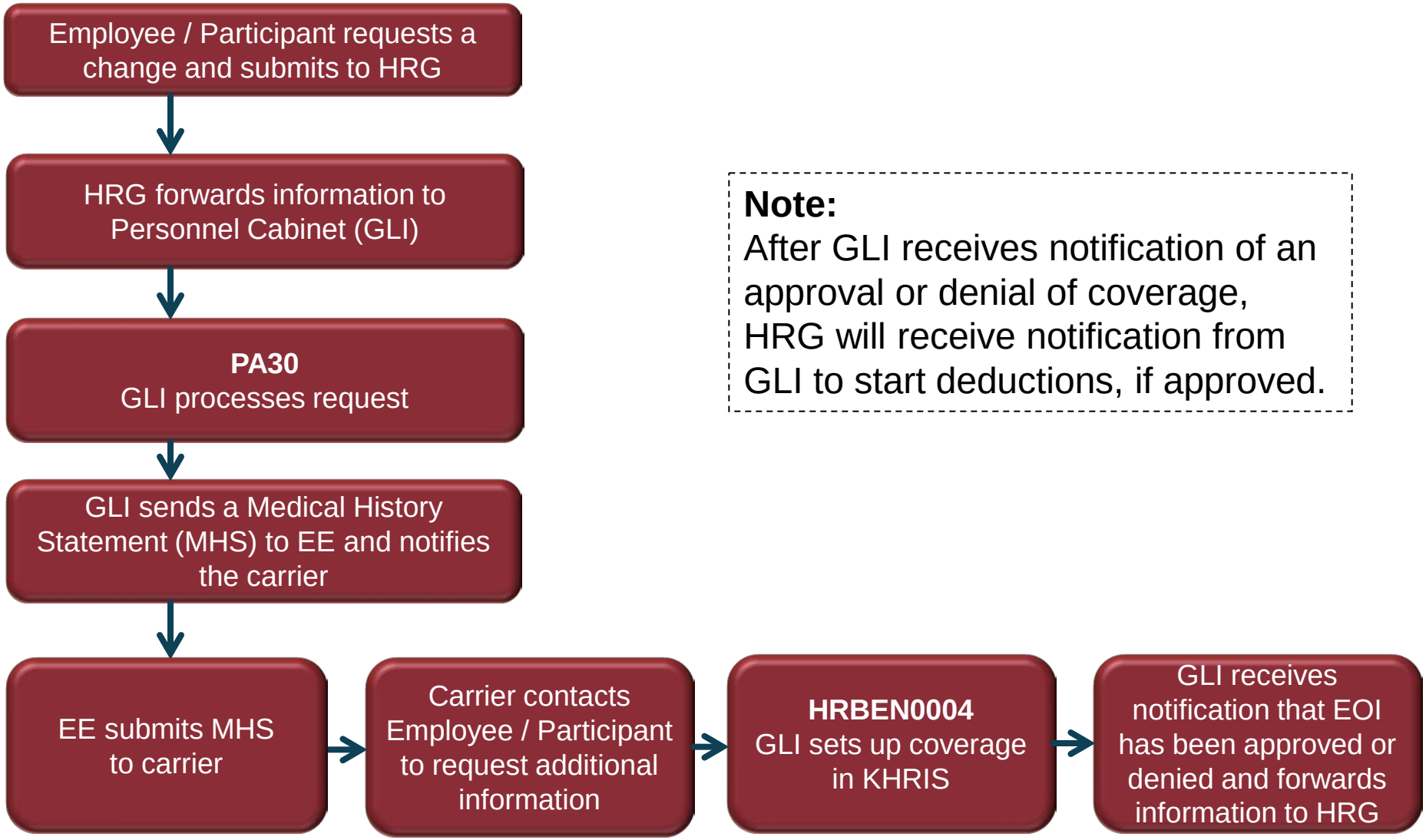
# Life Plans - Evidence of Insurability (EOI)

Participants can request to add or increase life plans without a qualifying event by submitting an Enrollment Change Termination Form. HRG will forward to GLI to initiate the EOI process.

Participants requesting coverage over the maximum limit of $150,000, Evidence of Insurability is required. Carrier approval must be obtained before coverage is effective.

***Note: EOI is not required for children. Any questions concerning eligibility, call GLI.***

# Process Flow for EOI




**Note:**
After GLI receives notification of an approval or denial of coverage, HRG will receive notification from GLI to start deductions, if approved.

# Life Beneficiary

- A participant may change his/her beneficiary at any time in ESS, ***this is the preferred method.***
- **The following instructions are to be used for individuals needing Technical Assistance, or for those who are otherwise unable to complete a Designation of Beneficiary in ESS, only:**
- HRG should have employee complete and sign a Designation of Beneficiary Form. The member and GLI should each keep a copy. (HRGs should print confirmation in HRBEN0015 for member – this confirmation is for the member to see that everything was entered correctly)
- HRGs may add or change the beneficiaries on an employee's life insurance plan
- When selecting beneficiaries for life, only use the following from the drop down list: **1 – Spouse / 2 – Child / 9003 – Other Beneficiaries**

  **Note 1:** When completing HRBEN0001, the start date must be same as signature date on Beneficiary form

  **Note 2:** For technical assistance, or if member is otherwise unable to complete in ESS, they can request help.

| STyp | Name |
|---|---|
| 1 | Spouse |
| 10 | Divorced spouse |
| 11 | Father |
| 12 | Mother |
| 13 | Domestic Partner |
| 14 | Child of Domestic Partner |
| 2 | Child |
| 3 | Legal guardian |
| 4 | Testator |
| 5 | Guardian |
| 6 | Stepchild |
| 7 | Emergency contact - Primary |
| 8 | Related persons |
| 90 | Emergency contact - Optional |
| 9001 | Court Ordered Dependent |
| 9002 | Retiree Account |
| 9003 | Other Beneficiaries |

# IT0021 Family Member/Dependents

Infotype Edit Goto Extras System Help

## Create 0021 Family Member/Dependents

Find by
- Person
  - Collective search help
  - Search Term
  - Free search

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Personnel No | 79 | | Name | Anna Roberts | | | |
| EE group | A | 18A | Personnel area | 0001 | Executive | Status | Active |
| EE subgroup | 02 | ASC Salary 37.5 | Pers. subarea | 1000 | FT Exempt | | |
| Start | | To | 12/31/9999 | | | | |

Member: Child  Child no: 01

**Personal data**

| | | | |
|---|---|---|---|
| Last name | Roberts | | |
| First name | ☑ | Initials | |
| Title | | | |
| Gender | ◉ Female ○ Male | | |
| Birth date | | | |
| SSN | | | |

☐ Disability

# Exercise 7.1

**Observe as the instructor demonstrates the steps. You will then have the opportunity to complete the exercise on your own.**

**Purpose:**

Add or change the beneficiary on an employee's life insurance plan without a qualifying event.



**BPP:**

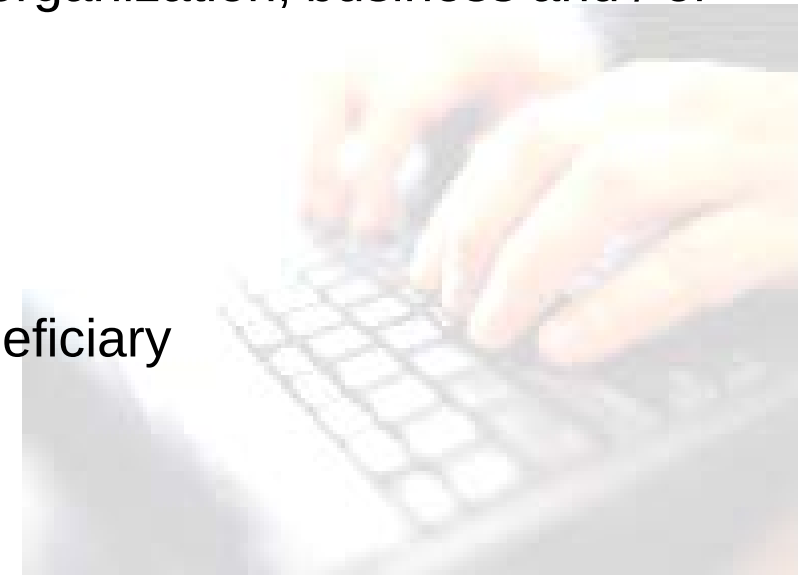
Maintain Life Beneficiary

# Exercise 7.2

**Observe as the instructor demonstrates the steps. You will then have the opportunity to complete the exercise on your own.**

**Purpose:**

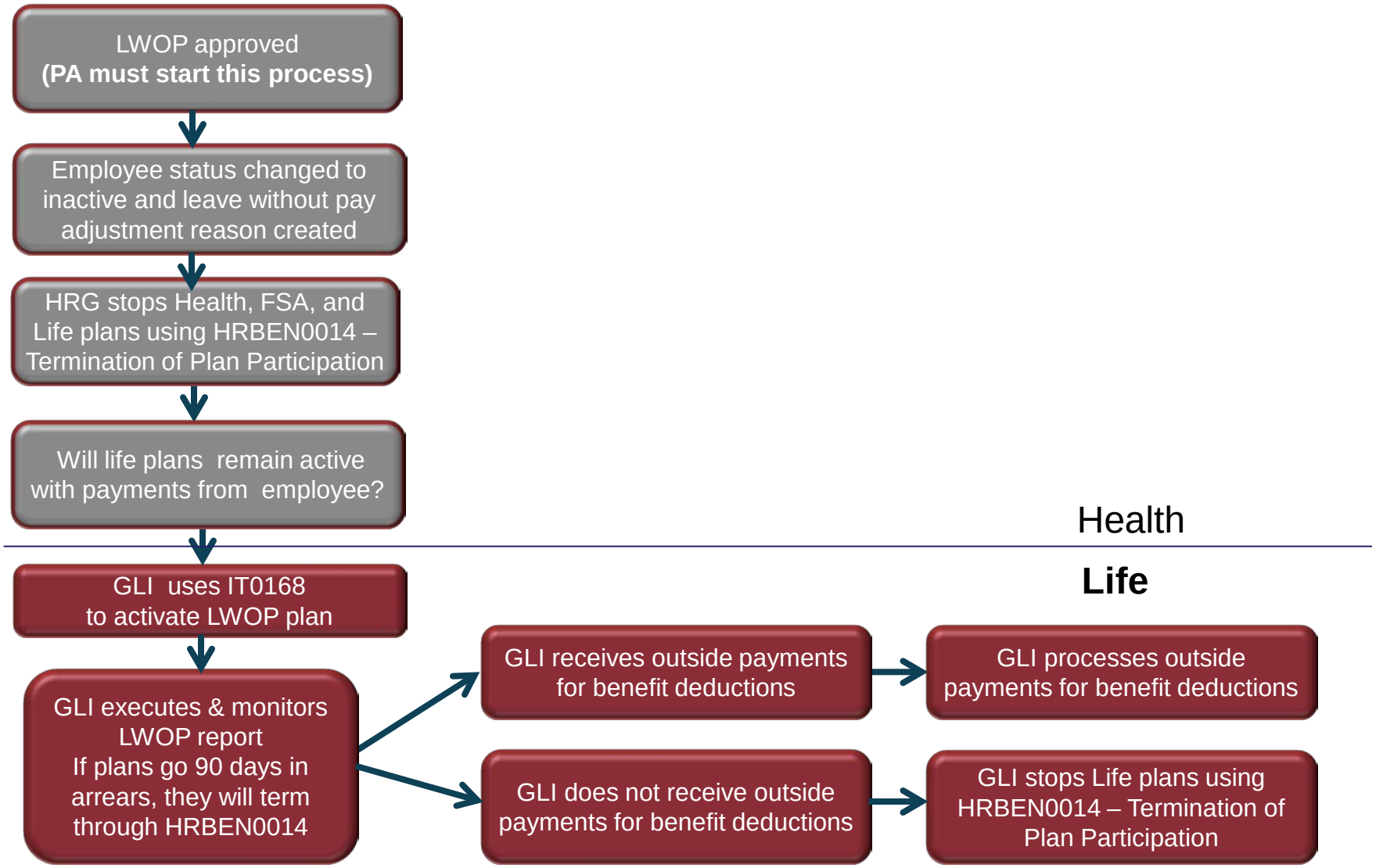
Designate a beneficiary for the life insurance plans offered by an external organization such as charity organization, business and / or trust funds.



**BPP:**

Create External Organizations for Beneficiary

# Leave Without Pay Processing (Life)



# Knowledge Check

1. What triggers a premium re-calculation for optional coverage?

2. When can you add or change a beneficiary for an employee's life insurance plan?

# Lesson 7 Review

**In this lesson you learned:**

- How KHRIS calculates the **optional coverage premium**
- The **Evidence of Insurability** process
- The **qualifying events** process flow
- How to **add or change beneficiaries** for life insurance
- **Leave Without Pay** for life insurance process

# Course Map


Lesson 1: Benefits Administration Overview

Lesson 2: Enrollment

Lesson 3: Qualifying Event

Lesson 4: Leave Without Pay

Lesson 5: Termination

Lesson 6: Flexible Spending Account

Lesson 7: Life Insurance

Lesson 8: Other Processes

Wrap Up

# Lesson 8 Objectives

**By the end of this lesson participants will be able to:**

- Explain the new **Arrears and Refund** processes
- List available **reports**

# Arrears and Refunds

- Personnel Cabinet monitors arrears after every completed payroll cycle
- If health, life, and FSA go into arrears, payroll automatically deducts the amount in arrears up to the full amount from the next paycheck
- Payroll continues to automatically deduct from subsequent checks until the amount is paid in full
- Employee may send a personal check, made out to Ky State Treasurer, to pay the amount in arrears (Employee must mail the personal check to the Financial Management Branch)
- HRGs should not enter benefit wage types on IT0015 (under payroll tab - one time payment) to deduct extra money (The payroll system performs this process automatically)
- The payroll system also automatically processes refunds on the employee's paycheck

# Reports to monitor benefit plans

| Transaction Code | Name | Description |
|---|---|---|
| HRBEN0006 | General Overview of Benefit Plan Data | Display all benefits for one employee |
| ZBNR006 | Plan Change History Report | Change Plan History Report - Monitor changes to employee benefit plans, dependents, rates (deductions), salary increases |
| HRBEN0078 | FSA Contributions | Full enrollment and deduction listing for employees enrolled in Health Care or Dependent Care FSA |
| HRBEN0073 | Health Plan Costs | Full enrollment and deduction listing for employees enrolled in Health, Waiver, Forced Waiver or Waiver HRA benefit plans |
| HRBEN0074 | Insurance Plan Costs (Life) | Monthly amount on report, says semi-monthly |

# Exercise 8.1

**Observe as the instructor demonstrates the steps. You will then have the opportunity to complete the exercise on your own.**

**Purpose:**

Monitor changes to employee benefit plans, dependents, rates (deductions) and other employee information.



**BPP:**

Plan Change History Report

# Knowledge Check

1. What should you do if you try to enroll a member or dependent and the list of available benefit plans do not display for selection during the enrollment process?

2. What report should you refer to daily to monitor insurance plans?

# Lesson 8 Review

**In this lesson you learned:**

- The new **Arrears and Refund** processes
- How to **list available reports**

**Your feedback is invaluable to the success of KHRIS**

## Participants should now be able to:

- List the **benefit plans** maintained in KHRIS
- **Process benefits actions** such as new hire enrollments, transfers, and plan corrections after enrollment
- Explain the process on how to submit **qualifying event** paperwork to Benefits Administration
- Explain the Leave Without Pay **(LWOP)** process flow
- **Terminate and reinstate** benefits for LWOP
- Explain how **FSA reinstatements** are calculated
- Explain how KHRIS recalculates the **optional life coverage premiums**
- Explain the **Evidence of Insurability** process
- Add **beneficiaries and external organizations** to life insurance plan(s)
- Explain other miscellaneous processes such as **arrears and refunds, dependent search by social security number, and retroactive processing**

# Benefits Administration Contacts – Health

| Department of Employee Insurance | | |
|---|---|---|
| **Member Services Branch** | **Enrollment Information Branch** | **Financial Management Branch** |
| **Toll Free:** 888-581-8834, Opt. 1<br>**Main #:** 502-564-6534<br>**Fax:** 502-564-5278 | **Toll Free:** 888-581-8834, Opt. 2<br>**Main #:** 502-564-1205<br>**Fax:** 502-564-1085 | **Toll Free:** 888-581-8834, Opt. 3<br>**Main #:** 502-564-9097<br>**Fax:** 502-564-0715 |

**Web site: kehp.ky.gov**

**Anthem – Medical Third Party Administrator**
**CVS Caremark - Pharmacy Benefits Manager**
**WageWorks – FSA/HRA/COBRA Administrator**
**HumanaVitality – Wellness Administrator**
**Compass/Vitals SmartShopper – Transparency Administrator**

KHRIS
Kentucky Human Resource Information System
Connecting the Commonwealth

# Benefits Administration Contacts - Life

| Group Life Insurance | | |
|---|---|---|
| **Toll Free:**<br>**800-267-8352** | **Main #:**<br>**502-564-4774** | **Fax:**<br>**502-564-4034** |
| **Questions about Group Life Insurance policies or procedures, contact via e-mail:**<br>**personnel.grouplifeinsurance@ky.gov** | | |
| **Web site: https://personnel.ky.gov/Pages/LifeInsurance.aspx** | | |

# KEHP Administration Manual, Forms, Memos

**The KEHP Administration Manual is updated quarterly as KEHP establishes new internal processes.**

**Refer to this guide often for specific information and clarity regarding policy and procedures:**

**https://personnel.ky.gov/Pages/ICs-and-HRGs.aspx**

**Click on appropriate links to find:**

**KEHP Administration Manual**

**HRG/IC Listing**

**KEHP Forms**

**IC/HRG Memos**

# Questions and Answers

# Need Assistance

For assistance with KHRIS, go to https://hr.personnel.ky.gov and follow the instructions from the quick reference guide given in class.

# Next Steps

- Review course materials
- Access HR Administrators Web site
- Access the KHRIS Web site
- Complete any necessary online training (for example, ESS/MSS eLearning)
- Watch for ongoing KHRIS communications and training updates