

Leaves Without Pay/Returning from Leaves Without Pay

When does the state premium contribution end for an employee on leave without pay?

The state contribution to health plan coverage continues to the end of the month in which the leave without pay (LWOP) begins, providing the first day of the leave is after the first work day of the month. For example, if the first day of the LWOP is on or before the first work day of the month of March, coverage with the state contribution ceases on the last day of February, and there would be no contribution for the month of March. (NOTE: A LWOP cannot begin on a non-working day.) Employees may make a reduction in membership based on a LWOP if they do so within 60 days of the event.

General Information

Following are general policies and procedures for continuing health benefits coverage during LWOP. The Virginia Retirement System (VRS) is the resource for policies and procedures for maintaining life insurance and retirement contributions.

If an employee is on LWOP for any portion of a month and returns from LWOP the following month and works at least half of the workdays in the month, the employer contribution will be continuous.

An employee may elect to waive coverage or reduce membership at the start of a LWOP if it is requested within the 60-day qualifying midyear event window. Coverage would end or change, as applicable, at the end of the month in which the LWOP request is received.

A reduction of hours is an Extended Coverage/COBRA qualifying event if it results in a loss of coverage (including a change in terms and conditions of coverage). If DHRM policy allows for continuation of coverage in the active group for any period after the start of LWOP (see chart on next page), regardless of whether the employer contribution continues, those months would run concurrently with the Extended Coverage/COBRA coverage period. See the ***Extended Coverage/COBRA*** section of this manual regarding concurrent COBRA eligibility for instructions on how to offer Extended Coverage.

The agency must key the waiver in BES if the employee elects to waive coverage for the period of leave. Upon the employee's return to work, verify that all information in BES is correct and re-enter the employee into the active group.

Changing Coverage or Membership while on LWOP

Rules concerning changes in coverage and/or membership during LWOP are the same as those followed by active employees (at Open Enrollment or due to a consistent qualifying midyear event).

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NOTE: If the employee is enrolled in a Flexible Spending Account (FSA), see the FSA Sourcebook for guidance.

Periods of Active Coverage and Employer Contribution while on LWOP

There are varying periods of available coverage in the active employee group for persons who are on LWOP, with or without continued employer contribution, based on the reason for the leave—see chart below.

When an enrollee who is on LWOP terminates while still covered under a state plan, any remaining Extended Coverage period based on the reduction of hours event would still be available. See the **Extended Coverage/COBRA** section of this manual for more information.

The designation of a LWOP as “conditional” does not change the coverage available in any of the categories shown below. The same rules apply whether or not the leave is conditional or changes from one type to another.

Type of LWOP	Active Coverage Period of Continuation	Continuation of Employer Contribution
Personal	6 months	No
Educational*	24 months	No
Agency Convenience (Temporary Reduction of Work Force)	690 Hours in a 365 day period	Yes
Layoff**	12 months	Yes
Sick Leave (non-VSDP)—may run concurrently with FMLA	12 months	Yes
Military Leave (Active Duty)***	24 months	Yes

* Not including an educational leave with full or partial pay

** See the **Workforce Transition Act** section of this manual for more information

*** See the **Military Leave Without Pay** section of this manual for more information.

Sick Leave Availability and Documentation

Consult HR Policy 4.55 for information about sick leave under the Traditional Leave Plan. Sick leave is not available to employees in the Virginia Sickness and Disability Program.

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Premium Payment during LWOP

Employees who may continue coverage in the active group during LWOP must pay their premiums (with or without employer contribution) timely. Premiums are payable to Treasurer, Commonwealth of Virginia, and due on the first workday of the month of coverage. If a premium is not received timely, notify the employee in writing that there is a grace period of 30 days from the first of the month when the total premium is due. If the premium becomes over 30 days past due, terminate the coverage on the last day of the month for which the full premium was made, and notify the employee. Once terminated due to non-payment, coverage will not be reinstated for the duration of the LWOP.

If the employee returns to work in less than 30 days, he must maintain the same plan and membership in which he was enrolled prior to the leave. If the leave is longer than 30 days, the employee may make a plan and membership election if he does so within 30 days of the return to work.

Paying Premium Contributions in Advance of Leave

Employees may choose to pay their premium contributions on a pre-tax basis out of taxable compensation in advance of the LWOP period up to the end of the current tax year. Otherwise, premium contributions will be paid on an after-tax basis. Contributions may not be paid in advance for any subsequent tax year.

Terminating Employment while on LWOP

If an employee terminates employment while on LWOP, his coverage in the active group will end on the last day of the month in which the termination event occurred. He may exercise any additional Extended Coverage period remaining after deducting any period that ran concurrently based on the reduction of hours event. See the ***Extended Coverage/COBRA*** section of this manual for more information.

Conversion to non-group health plan coverage may be available at the expiration of the COBRA period.

Returning from LWOP

If an employee has maintained coverage while on LWOP, the employer contribution will resume on the first of the month following the month in which the employee returns to work. However, if the employee was on LWOP for a portion of the month in which the LWOP began and works at least half of the workdays in the following month, the employer contribution toward coverage will be continuous, and no new enrollment will be required.

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If coverage was not maintained during the LWOP and the leave was more than 30 days, the employee must actively enroll within 60 days of his return to work, and he may elect plan and membership as if he were a new employee.