

# The Opt-Out Program

## NYSHIP Code #700

The Opt-out Program is available to eligible employees who have other employer-sponsored group health benefits. If eligible, you may opt out of NYSHIP coverage in exchange for an incentive payment. **Note:** The State Opt-out Program is not available to employees of PEs; however, a PE may offer a similar option.

The annual incentive payment is \$1,000 for opting out of Individual coverage or \$3,000 for opting out of Family coverage. The incentive payment is prorated and credited in your biweekly paycheck throughout the year (payable only when you are eligible for NYSHIP coverage at the employee share of the premium). **Note:** Opt-out incentive payments increase your taxable income.

**Enrollment in the Opt-out Program does not continue automatically from year to year.** To be eligible for the incentive payments, you must enroll during each Option Transfer Period and attest to having other coverage for the coming plan year.

### Eligibility Requirements

To be eligible for the Opt-out Program, you must:

- Have been enrolled in the Opt-out Program for the prior plan year or enrolled in a NYSHIP health plan by April 1, 2017, (or on your first date of NYSHIP eligibility if that date is later than April 1) and
- Remain continuously enrolled while eligible for the employee share of the premium through the end of 2017.

To qualify for the Opt-out Program, you must be covered under an employer-sponsored group health insurance plan through other employment of your own or a plan that your spouse, domestic partner or parent has as the result of his or her employment. New York State employees cannot opt out of NYSHIP if they are covered under NYSHIP as a dependent through another NYS employee.

According to NYSHIP rules, an individual cannot be enrolled in two NYSHIP options in his or her own right. Since the Opt-out Program is considered a NYSHIP option, an individual cannot opt out

through one employer and be enrolled in NYSHIP health benefits in his or her own right through another employer.

If the employee is covered as a dependent on another NYSHIP policy through a local government or public entity, he or she is only eligible for the Individual Opt-out incentive amount (\$1,000).

**Make sure the other employer-sponsored plan will permit you to enroll as a dependent. You are responsible for making sure your other coverage is in effect during the period you opt out of NYSHIP.**

**Note:** Opt-out Program participation satisfies NYSHIP enrollment requirements at the time of your retirement. The Opt-out Program is not available to retirees.

### Electing to Opt Out

If you are currently enrolled in NYSHIP and wish to participate in the Opt-out Program, you must elect to opt out during the annual Option Transfer Period and attest to and provide information regarding your other employer-sponsored group health benefits for the next plan year.

To elect the Opt-out Program, you must submit a completed and signed *NYS Health Insurance Transaction Form (PS-404)* and an *Opt-out Attestation Form (PS-409)* to your HBA. Your NYSHIP coverage will terminate at the end of the plan year, and the incentive payments will begin with the first pay period affecting coverage for 2018.

Once enrolled in the Opt-out Program, you are not eligible for the incentive payment during any period that you do not meet the requirements for the State contribution to the cost of your NYSHIP coverage. Additionally, if you are receiving the opt-out incentive for Family coverage and your last dependent loses NYSHIP eligibility, you will only be eligible for the Individual payment from that date forward.

**Reminder:** All options are available to you during the Option Transfer Period. If you are currently enrolled in the Opt-out Program, you may choose other NYSHIP coverage or elect to opt out again for 2018.