

## **Pre-Tax Contribution Program (PTCP) Fact Sheet For Active NYS Employees Enrolled in NYSHIP**

Under the Pre-Tax Contribution Program (PTCP), you may have your share of your health insurance premium deducted from your wages before taxes are withheld. This program may lower your tax liability.

### **Who Is Eligible**

If you are an active State employee who receives a regular payroll check and has health insurance premiums withheld from your paycheck, you are eligible to participate in the PTCP.

**New enrollees must elect whether or not to participate in PTCP when enrolling for NYSHIP coverage. No election will be made automatically on employee's behalf.**

Employees who are not timely when requesting enrollment in NYSHIP (if the requirement is after the initial 42 or 56 day waiting period, or more than 30 days from qualifying event), will be subject to late enrollment and **will not be able to enroll in PTCP** until next option transfer period.

You will not be eligible to participate in PTCP if you pay for your health insurance directly instead of by payroll deduction (for example, if you are on Leave without Pay (LWOP)).

### **Changes Permitted for PTCP Enrollees Outside the November Election Period**

Under the Internal Revenue Service (IRS) regulations, if you participate in PTCP, you may change your health insurance deduction only when one of the following PTCP qualifying events occurs and is reported to your agency **HBA within 30 days from the date of event:**

- Change in your marital status
- Change in your number of dependents
- Change in employment status of employee, spouse, or dependent that affects eligibility
- Dependent satisfies or ceases to satisfy eligibility requirements
- Change in place of residence or worksite of the employee, spouse or dependent
- Significant changes in health benefits and/or premium under NYSHIP
- Significant changes in health benefits and/or premium under employee's or dependent's other employer's plan
- COBRA events
- Judgment, decree or order
- Change in Medicare or Medicaid eligibility
- Leaves of absences
- HIPPA special enrollment rights

Changes in coverage due to the above status changes must be consistent with the change in your family or employment. If you make a change in coverage not related to a qualifying event, your PTCP insurance deduction will not change.

### **IRS Regulations: Arbitrary Changes Not Permitted During the Year**

IRS regulations require an employer to take a fixed pre-tax contribution toward an employee's coverage throughout the PTCP year unless a qualifying event occurs. Changes that do not stem from a qualifying event are defined by the IRS as arbitrary health insurance coverage changes. These arbitrary changes in health insurance coverage cannot change the amount of your pre-tax health insurance deduction.