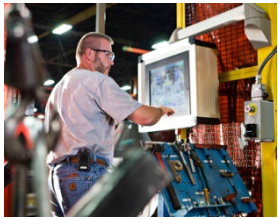




# NORTH CAROLINA Office of *State Human Resources*



# NCFlex HBR Admin Manual Review

January 2025

# Agenda

- NCFlex Team and NCFlex Vendors
- History of NCFlex
- Eligibility
- Enrollment Procedures
- HBR and Payroll Contacts
- Leave of Absence
- Coverage Termination
- Qualifying Life Events (QLE)
- Annual Enrollment
- HIPPA
- Resources

# NCFlex Team - OSHR

## **Benefit Manager**

- Linda Forsberg

## **Administrative Specialist**

- Dianne Griffiths

## **Benefit Consultants**

- Amy Tyndall
- Aprielle Pettaway
- Cindy McNeil
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# NCFlex Vendors

Dedicated NCFlex Account Managers to assist HR, Benefits and Payroll staff



# History of NCFlex

- State of NC established NCFlex on December 5, 1994 by Governor's Executive Order #66
- State Human Resources Director to coordinate the program
- Benefits began for the first time on January 1, 1996
- Offered to eligible State of North Carolina employees
- Established under the IRS Code Section 125
- Employees purchase benefits on a pre-tax basis

# Eligibility - Employee

- Employees of a state agency, university, participating community college or participating charter school, working 20 or more hours per week in one of the following positions: Permanent, Probationary, or Time-Limited
- For Disability Plan, must be working 30 or more hours per week
- University employees are not eligible for NCFlex Group Term Life, AD&D or Voluntary Disability Plans
- Must be **Actively at Work** or on a **Paid Leave of Absence** to enroll or make changes to coverage under the NCFlex plans

# Eligibility – Dependents

Dependent Eligibility is noted in the guide and most plan pages now link to a [Dependent Eligibility Page](#)

- Dependent eligibility for most plans
  - Legally married spouse
  - Children until the end of the month in which they turn 26
  - Children of any age who are unable to make a living because of a mental or physical handicap
  - HCFSA and DDCFSA have special rules
- Note about Hidden Dependents
  - Please be sure before hiding dependents that none are listed as beneficiaries

# Eligibility – Dependents (cont.)

- Voya has additional requirements for child eligibility:
  - Accident, Critical Illness, Term Life and Voluntary AD&D plans
  - Unmarried children up to age 26
- Important considerations:
  - An employee must be enrolled in a plan for their dependent to participate
  - An employee nor their dependent can be dually enrolled
  - For Voluntary AD&D and Group Term Life, if a person is eligible to participate as an employee, they must choose to be covered as an employee, not as a dependent



# Eligibility - Disabled Children

- A disabled child can remain on an employee's benefits if:
  - The child's disability started *before* age 26
  - The child was covered on the plan before age 26
- The request to keep a disabled child on the NCFlex plans should be submitted via an exception. For most plans, the State Health Plan Disabled Dependent Document is sufficient for us to approve the child to remain on the plans.
- The MetLife Dental Plan requires a separate document, which can be obtained from MetLife or NCFlex. MetLife must approve this document before we can approve the child to stay on the dental plan.

# Enrollment and Effective Dates

## New Hires and Newly Eligible

- Employees must enroll within 30 days of hire date, or newly eligible date
- Benefits are effective first of the month following hire date
  - Disability is effective the first of the month after an employee enrolls, unless the enrollment date is the first of the month, then the plan is effective that day
- If employee moves from part-time permanent (less than 20 hours) to full time permanent (more than 20 hours), the employee is 'Newly Eligible' and has 30 days to enroll
  - Submit NCFlex exception for processing

## Nine (9) or Ten (10) Month Employees

- Employing Unit should ensure that per pay period deductions are calculated to cover the premiums due for the entire plan year
- If the employing unit does not deduct correctly for a full 12 months of premiums, the HBR is responsible for collecting any missed premiums during the period the employee is not working, submitting to vendor and letting vendor know who and what the premiums are for

# Rehires and Transfers

- Rehires

- Break in employment is more than 30 days
- Treated as New Hire for NCFlex benefits

- Transfers

- Break in employment is 30 days or less
- Employee must keep same NCFlex elections
- Review the [NCFlex Transfer Process](#) for how benefits are transferred within or between enrollment system(s)
- If there is a gap in coverage, this gap will need to be bridged by the enrollment system and the receiving agency should take the additional premiums from payroll

# Enrollment Procedures

- Employees can enroll via web (benefits enrollment platform) or telephone
- Employees of the University System of NC have two enrollment platforms
- Effective date of benefits:

NCFlex	Effective Date		
Coverage	New Hires	Terminations*	Changes**
All Benefits	30 days to elect. Effective first of the month following the date of hire.***	Coverage is lost at the end of the month of termination or loss of eligibility, or retro back to the end of the last period that premium was payroll deducted.	30 days to elect. Effective first of the month following the date of the life event.***

- Annual Enrollment changes become effective January 1 of the following year (unless Evidence of Insurability – EOI – is required)

\*\* For birth, adoption or placement for adoption, the effective date for most plans is the date of event.

\*\*\* Voluntary Disability plan, the effective date is the first day after enrollment in the plan, unless enrollment is on the first day of the month, benefits are effective that day.

# Enrollment Procedures (cont.)

## Vendor notification

- Vendors are notified of terminations or changes in status on electronic files from the enrollment platform
- The enrollment platform will report COBRA-qualifying life events so that COBRA notifications can be mailed

## Change of Name or Address

- These changes should be made through their HRIS system or the enrollment platform for hand keyed employing units
- This info will feed from the enrollment system to the vendors

## Changing a Beneficiary

- NCFlex Cancer, Critical Illness, Core and Voluntary AD&D, and Term Life beneficiary designations should be made in the enrollment platform and can be changed anytime during the plan year.

## Premium Deductions

- Deductions for NCFlex premiums are taken in the month the coverage is for

# Enrollment Procedures (cont.)

## NCFlex Exception Process

- For changes outside of a QLE or Annual Enrollment window
- Submitted by HBR on behalf of the employee
- Typically, administrative error or unavoidable situation
- Include all pertinent information such as:
  - Details of why the window was missed and life event (if applicable)
  - Has the employee utilized benefits – HBR should reach out to vendors prior to exception request
  - Which plan(s) and coverage level(s) are affected, include any dependent info
- We review on a case-by-case basis
- Section 125 and plan rules taken into account to be in compliance
- If granted any retro payments will be required or retro premiums refunded
  - An excel spreadsheet is sent to the enrollment system twice a week of approvals
  - Once changes are made by the enrollment system and NCFlex is notified, an approval letter is sent to the HBR and sometimes vendors or payroll are copied
  - Vendors are notified of changes via file feed each Monday

# HBR and Payroll Contacts

- Vendors have dedicated account managers and contacts for HBRs and Payroll Centers
- Please do not give out to employees
  - Employees should use contact information for the vendors on the back of the guide, also located on each plan page on [ncflex.org](http://ncflex.org)
- Reach out to these contacts for:
  - Complicated claim items, vendors may reach directly to employees if needed
  - Answers to benefit questions not found in the guide
  - Other product specific inquiries that cannot be found in the NCFlex resources
  - Employee payment activity while on leave to help reinstate benefits correctly when the employee returns

# Leave of Absence\*

\*UNC Institutions and Affiliates have additional guidelines

- Paid leave
  - Benefits will continue, cannot make changes
- Disability through the NC Retirement System
  - Short-Term Disability
    - Follow payment rules for Leave of Absence
  - Payroll Center policy determines if benefits may be deducted from Short Term check
  - Long Term/Extended Short Term
    - Benefits should be terminated in Enrollment System



# Leave of Absence (cont.)

- Waiver of Premium is available on the following plans if an employee goes out due to a disability
  - Cancer (Allstate)
  - Critical Illness (Voya)
  - Voluntary AD&D (Voya)
  - Term Life (Voya)
  - Voluntary Disability (The Standard)
- Most plans have a time limit to apply – see **pg. 14** of Admin Manual

# Leave of Absence (cont.)

- Unpaid leave
  - Benefits are termed in the enrollment platform
  - Premiums paid directly to vendors (separate from COBRA)
  - Prepay or pay as you go
  - Employee may decide not to pay for benefit(s) while on unpaid leave and not have the coverage (EOI may be required upon return)
- Leave of Absence Chart (**pg. 16**) notes where to send payments, this **may** be shared with employees
- Additional considerations if a leave of absence falls around Annual Enrollment
- Continuation periods of coverage (**pg. 18**)
  - This chart details how long an employee can continue under the “active group” while on a leave of absence and what type of coverage is offered after that period
  - For Voya plans (Accident, Critical Illness, Term Life and AD&D), regardless of if the employee is on paid leave or unpaid leave, there are rules around when an employee has to port coverage with the vendor

# Leave of Absence (cont.)

## Reinstatement from Unpaid leave (within the same plan year their benefits termed due to LOA)

- Employee may choose to not re-enroll in their benefits, HCFSA is the only benefit re-enrollment is required
- Employee must enroll in same benefits they had prior to going out, not make changes
- HCFSA deductions, employee can choose to pro-rate or reinstate the full yearly amount (**pg. 20** has an example)
  - New yearly amount cannot fall below what has been reimbursed to the employee
- EOI may be required for gap in premium payment
- Disability plan, if the employee re-enrolls within 30 days of returning:
  - And break was less than 90 days, no EOI is required and the plan is reinstated retro back to when it ended and premiums taken from payroll
  - And break was more than 90 days, no EOI is required

# Leave of Absence (cont.)

## UNC System Leave of Absence

- Premium payments are collected by the employer and sent directly to the vendors
- Employees do not pay vendors directly
- If an employee fails to pay premiums while out on leave, be sure to term benefits in the enrollment system timely to avoid retro cancellation
- A letter is available that should be provided to employees going out on leave
- For questions, contact a UNC System Office Benefits Administrator (**pg. 13** of the Admin Manual)

# Coverage Termination

- Employee no longer meets the eligibility requirements
- HCFSA Employee and Employer risk (**pg. 22**)
- Coverage Continuation options at:
  - Separation of employment
  - Retirement
  - Loss of eligibility
  - Death of Employee
- Coverage Continuation options chart in Admin Manual
  - Notes options by plan
  - Notes if employee will be contacted or should reach out to vendor
  - Notes COBRA vendor if applicable
- NCFlex Enrollment Guide lists options but with less detail

# Qualifying Life Events (QLE)

- Set election rule
  - Under IRS section 125 pre-tax rules, once an election is made, that election is set for the entire calendar year, unless there is an eligible QLE
- Employee has 30 days from date of event to make a change
- Effective first of month following date of event
- Exceptions for:
  - Change in Medicaid or CHIP status
  - Birth or Adoption
  - Ineligible dependent due to death
  - Qualified Medical Child Support Orders (QMCSO)

# Qualifying Life Events (QLE)

- “Consistent With” rule
  - Election change corresponds to the event (i.e. adding or removing coverage)
- No changes to plan options
  - Cancer
  - Dental
  - Vision
    - If QLE allows the addition of Vision dependents, may move from Core Wellness Exam to another Vision option in order to cover the eligible dependents (This would be done by exception process)
- Qualifying Life Event Chart
  - Outlines events and actions
  - Dependent Day Care Section

# Qualifying Life Events (QLE)

- Documentation is required for most life events
  - <https://oshr.nc.gov/media/4268/open> - document detailing required documentation
  - Usually falls in line with what the State Health Plan requires
- We do not require Dependent verification at this time, but do require SSNs
- When reviewing and approving documentation for a life event, be sure it supports the change
  - Ex. Someone is adding dental for their spouse due to a “loss of other coverage”, the document should show the spouse lost dental coverage



# Annual Enrollment

- Generally, October time-frame
- Coordinated with the State Health Plan
- Changes effective Jan 1<sup>st</sup>
  - EOI – Benefits effective once approved
- New hires during 4<sup>th</sup> quarter
  - (1) Choose current plan year elections
  - (2) Make any Annual Enrollment changes to next plan year, such as FSA
- Print out confirmation statement

# HIPAA

- Health Insurance Portability and Accountability Act
- NCFlex vendors follow HIPAA
- Typically dependents 18 years or older, vendor only discuss with that person
- Vendors have HIPAA forms where an employee can grant a spouse or other person to discuss
- For complicated claims items brought to vendor attention, the vendor may contact employee directly to resolve

# Additional Plan Information

Page 35 details out some additional information you may find useful on each benefit.

- FSA limits and rollover amounts
- FSA deadline to file claims
- Group Policy numbers
- Claim processing information
- Single Sign On from the enrollment platform option
- Tax information
- Pre-existing condition limitations

# List of Participating Groups

- Starting on page 41, you'll find a list of participating NCFlex groups, with all HR Integrated Payroll System agencies broken out.
- Use this as a tool to consider if an employee is a transfer from another NCFlex participating employer
- If you need contact information for one of the employers, reach out to the NCFlex team

We now have a dedicated webpage with current employers participating in NCFlex: [https://oshr.nc.gov/employers\\_with\\_ncflex](https://oshr.nc.gov/employers_with_ncflex)

# Resources

- HBR Administration Manual
- NCFlex Enrollment Guide and Benefits Guide
- NCFlex Team and Vendor Account Managers
  - Main NCFlex email is [ncflex@nc.gov](mailto:ncflex@nc.gov)
- Attend fall Train-the-Trainer
- NCFlex.org
  - HBR section
  - New Hire section
  - Plan information and links
  - Videos
- Monthly HBR newsletter and alerts

# Thank you!