Premium Accounts

Monthly Statement / Invoice

PEIA does all monthly invoicing of agencies electronically through the Web Contributions System. Each participating agency is required to name a Web Contributions Coordinator whose responsibility it is to reconcile and pay the invoice each month.

Further instructions for using the Web Contributions system can be accessed by logging in www.peia.wv.gov/benefit_coordinators/on-line-courses/Pages/default.aspx and choosing Web Contributions Course for the appropriate agency. This section contains some details of how PEIA premiums are calculated, when premiums are paid, and details of other fees PEIA charges.

Determining Premiums

How PEIA Premiums Are Determined

Each year the PEIA Finance Board sets premium rates for the PEIA PPB Plan. The premiums must generate sufficient revenue to cover anticipated claims for the plan year as well as a 10% reserve.

Managed care premiums are set each year prior to Open Enrollment. These rates are based on the capitation rates negotiated with the Managed Care Organizations.

Active Policyholders of State Agencies, Colleges, Universities, and County Boards of Education

Employee Contributions are determined by the salary level of the employee, the tier of coverage (single, employee/child(ren), family, family with employee spouse), the plan chosen (PPB, Managed Care), and the health coverage discount status of covered members.

Salaries are collected by PEIA through OASIS. The salary used is the annualized salary based on the latest figure available. Incidentals such as annual increment, overtime, and additional compensation for extra duties (such as coaching) are not included. Any across-the-board, merit, or promotional increases during the year that change index codes will affect the monthly insurance premium being paid the first of the following month.

Agency Contributions are set annually by the PEIA Finance Board based on the revenue estimate provided by the Governor.

Active Policyholders of Non-State Agencies

Employee Contributions are determined by the Non-State agency. The percentage of the premium that the employee pays shall be whatever the employer deems reasonable.

Agency Contributions are established differently than State agencies. Non-State agencies are segregated into a separate risk pool from the State agencies. Premiums for this risk pool are set by the Finance Board each year upon recommendation of the Finance Board's actuary. The premiums must generate sufficient revenue to cover anticipated claims for the plan year as well as a 10% reserve.

PEIA invoices Non-State agencies 100% of the premium due. The participating agency decides how that premium will be allocated.

Policyholders with Employee Spouses Eligible for PEIA Coverage (ESPS)

Contributions for "Family with Employee Spouse" (ESPS) coverage for active employees of state agencies, colleges, universities and county boards of education are based on the average of the two employees' salaries. PEIA adds the annual salaries together and divides by two to get the basis for the premium. OASIS adds the salaries together and divides by two to determine the premium.

If the policyholder is employed by a State agency, and the policyholder's spouse is employed by a non-State agency, then the State employee's salary alone is used to determine the monthly contribution.

This is also true when the spouse is a retired public employee. The couple still gets the advantage of the family with employee spouse (ESPS) discount, but only the active employee's salary is used to determine the premium.

The Family with Employee Spouse premium is available only if the spouse is enrolled as a policyholder for at least Basic Life Insurance through PEIA.

Retired Policyholders

Retirees who were hired before July 1, 1997, pay premiums based on the plan they choose, their tobacco-use status and eligibility for Medicare. Generally, retired employees pay approximately 30% of the cost of their coverage. The remaining 70% of the cost is paid in part by both the retiree's former employer and its active employees. Eligible retired policyholders may use sick or annual leave to extend employer-paid health coverage.

Retirees who were retired on or after July 1, 1997, pay premiums based on the plan they choose, their eligibility for Medicare, their credited years of service and their tobacco-use status.

Retirees who were hired on or after July 1, 2010, will not receive any plan subsidy of their health insurance premiums at retirement. They may continue coverage in the plan at retirement, but must pay the unsubsidized premium for the coverage of their choice. Two exceptions are made to this rule:

- Active employees hired before July 1, 2010, who separate from public service but return within two years of their separation may be restored to their original pre-July 1, 2010 hire date.
- Retired employees who had an original hire date prior to July 1, 2010, may return to active employment and retain their pre-July 1, 2010 original hire date for purposes of determining their eligibility for premium subsidy.

Disabled Retiree premiums are assessed on twenty-five years of service in accordance with the guidelines for retirees who retired before July 1, 1997 (see above).

Surviving Dependents pay premiums based on the Medicare or non-Medicare (depending on the survivor's age) retiree premium and the years of service earned by the deceased policyholder. Surviving dependents are eligible for health coverage only; they are not eligible for Life Insurance coverage.

Extending Employer-Paid Insurance upon Retirement

Using Accrued Sick and Annual Leave to Extend Coverage

When a retired employee is eligible to use sick and/or annual leave or years of service to extend employer-paid insurance coverage, the retiree will remain on the former employer's billing for as long as they have months of credit or years of service credit. The months or years of credit are reported on the retirement form, so you have documentation of how long the retiree should remain on your billing.

If an employee and spouse are both public employees eligible for extended employer-paid insurance coverage, they may combine their accrued leave to extend their family coverage, as long as they are both retired policyholders, and as long as the policyholder's former employer is willing to accept the months of credit from the spouse's employer.

The benefit is calculated as follows:

Before July 1, 1988 -- If employees have been continuously covered by PEIA since before July 1, 1988, their additional coverage is calculated as follows:

2 days of accrued leave = 100% of the premium for one month of single coverage

3 days of accrued leave = 100% of the premium for one month of family coverage

Between July 1, 1988 and June 30, 2001:

If employees were hired after July 1, 1988, or had a lapse in coverage after July 1, 1988, their additional coverage is calculated as follows:

2 days of accrued leave = 50% of the premium for one month of single coverage

3 days of accrued leave = 50% of the premium for one month of family coverage

On or after July 1, 2001:

If employees were hired on or after July 1, 2001, or if they had a lapse in coverage during this period, they are not eligible for extended employer-paid insurance upon retirement.

Extending Coverage for Higher Education Faculty

Full-time faculty members employed on an annual contract basis for a period other than 12 months may extend employer-paid insurance coverage based on their years of teaching service. Their benefit is calculated as follows:

3 1/3 years or 40 months of teaching service = 1 year of single coverage

5 years or 60 months of teaching service = 1 year of family coverage

The calculation should be done as follows:

Number of years of service	______________
Multiply by 12 for number of months	x 12
Total months of service	______________
Divide by 40 for single coverage or 60 for family coverage to get years of service credit	÷ 40 **or** 60
Total Years of service credit	______________
Multiply by 12 to get total months of employer paid insurance	______________

Round total down if there are partial months, since partial months are not allowed.

Here's an example: Dr. Smith has 34 years of teaching service and family coverage.

Number of years of service	34
Multiply by 12 for number of months	x 12
Total months of teaching service	408
Divided by 60 for family coverage to get years of insurance credit	÷ 60
Years of insurance credit	6.8
Multiply by 12 to get total months of employer paid insurance	81.6
Rounded down for a total of 81 months of employer-paid insurance	

Surviving Dependents

Premiums for some surviving dependents are deducted from their annuity on a monthly basis. Some surviving dependents pay premiums directly to the PEIA each month, and for them, premiums are due by the fifth day of the month following the month for which the premium was invoiced. Example: May premium is due June 5. They are due the 5th of following month, if no payment then (15) fifteen days after that they are sent a delinquency letter. If 15 days after notice they have not paid their premium, then medical and pharmaceutical claims are suspended. If payment is not received 30 days after notice, coverage will be cancelled, and all claims incurred will be their personal responsibility.

For surviving dependents that pay their premiums directly to PEIA, there is now a Direct Draft program which allows PEIA to deduct premiums from the member's checking account each month. For details, contact PEIA at (877)-233-4295.

Premium Discounts Available

Tobacco-Free

PEIA's premiums for Health and Optional Life Insurance are based on the tobacco use status of insureds. Tobacco-free insureds will receive the preferred monthly premium rate rather than the standard rate. Tobacco-free insureds must sign an affidavit upon entry into the plan, and at any time that their tobacco status changes.

Remember that being "tobacco-free" means that the person does not smoke cigarettes, e-cigarettes, cigars or pipes, or use any form of smokeless tobacco, including snuff and chewing tobacco, and has not used any form of tobacco in the six months preceding the effective date of coverage.

For family coverage, all enrolled family members must be tobacco-free to qualify for the reduced premium. Non-State agencies that pay 100% of the monthly premium for employees are responsible for their employees signing the affidavits to insure that the employer receives the reduced monthly premium.

New employees are required to confirm their or their covered dependents' tobacco status upon entry into the Public Employees Insurance Agency's employee benefit program. Existing employees whose tobacco status has been documented will continue in the documented status until the employee submits a changed affidavit. PEIA reserves the right to audit compliance at any time.

Tobacco-free discounts are applied to premiums the first of the month after tobacco status change.

Administrative Expense Fees

The PEIA determines every year the amount that is needed to cover the administrative costs of the Plan. Each year all participating employers will pay a per-member-per year administrative fee. This fee is billed annually on July 1. In addition, employers are billed on an individual basis for new employees enrolled during the year. The administrative fee cannot be prorated.

Administrative fees will be billed to employers based upon the following criteria:

- Employees transferring from State Agency to State Agency are not billed.
- Employees transferring from State Agency to State Agency, with a lapse in coverage are billed.
- Employees transferring from a State Agency to a Non-State Agency, or vice versa, are billed.
- Employees transferring from a Board of Education to a State Agency or a Non-State Agency, or vice versa, are billed.

Remittance of Monthly Premiums during Leave of Absence

It is the employer's responsibility to collect and remit the total monthly premium due to PEIA for all coverages in effect for employees on leaves of absence. If the employee fails to remit to the employer their respective share of the premium for two consecutive months, the employer must terminate the employee online (or complete and forward a Termination form to PEIA), canceling the employee's coverage for non-payment of premium. It is suggested that the employer, after the employee fails to pay the first month's premium share, notify the employee via Certified Mail, that coverage will be canceled for failure to pay premium while on leave, if the total premium is not paid within the next 10 business days. PEIA does not require the policyholder's signature on the termination form when coverage is canceled for non-payment. However, a second signature of an agency employee and title must accompany the Benefit Coordinator's signature as verification.

Approved Medical Leave (Non-Workers' Compensation)

The employee and employer must continue monthly to pay their respective shares of the premium cost to keep coverage in effect. The employer is obligated to pay its share only for a period of one year, after which the employee shall pay the full cost (100%) of the coverage monthly.

If the employee has exhausted all leave time and is not receiving a paycheck, the employer is responsible for collecting the monthly share of the premium from the employee.

Medical Leave (Workers' Compensation)

The employer and employee must continue monthly to pay their respective shares of the premium for as long as the employee receives or formally claims to be entitled to receive temporary total disability benefits.

Personal Leave / Family Leave

An employee may continue insurance coverage while on a personal leave of absence approved by the employer. The premium shall be paid monthly according to the policy or agreement established by the employer.

Refunds of Premium Overpayments

Where a refund is requested due to the termination of an employee's coverage and the failure of the employer to timely submit the termination information to PEIA, the PEIA is not obligated to refund more than two (2) months' premium. If such employee has incurred health care claims between the date intended for termination by the employer and the actual termination date, no refund is due. Any premiums beyond two (2) months premium shall be treated as forfeited to PEIA and no coverage will be provided for such forfeited premium amounts.

Where the error occurred on the part of the Public Employees Insurance Agency, refunds shall be made without regard to time lapsed.

Active Employee

If an overpayment occurs on a monthly invoice due to an incorrect amount being deducted and all correct enrollment and/or Change-in-Status forms have been submitted to PEIA in a timely manner, a refund is due the employee. To correct this overpayment, the employer shall make a refund directly to the employee, and will receive a retroactive credit on that month's PEIA invoice to reflect the refund of the previous overpayment.

If the employer deducts active premiums and the employee retires retroactively, then the agency is responsible for refunding the active premiums to the employee, even though they are now retired. The retiree will be billed for the retiree premiums.

Employer

When there is an overpayment on the employer contribution, a retroactive credit will be given on the next month's invoice cycle if all proper enrollment and/or change-in-status information is received by the PEIA in a timely manner and will result.

Retiree/Surviving Dependent

If an overpayment occurs due to an incorrect premium being deducted from the retiree's annuity or paid directly to PEIA by the retiree/survivor due to an incorrect amount invoiced by PEIA, a Request for Refund form needs to be completed by an authorized representative and submitted to PEIA for approval. The refund check will then be mailed directly to the retiree/survivor at the address submitted on the refund form, if approved.

If the employer deducts active premiums and the employee retires retroactively, then the agency is responsible for refunding the active premiums to the employee, even though they are now retired. The retiree will be billed for the retiree premiums.

Administrative Expense Fee

Use the same procedure as for Employer above.

Optional & Dependent Life Insurance

Use the same procedure as for Employee above.

Non-State Agency Plan Participation and Withdrawal

Each Non-State agency that participates in the PEIA plan is required to give the PEIA prior written notice of its intent to withdraw from the Plan. The effective date of the withdrawal will be the last day of the month following receipt of the notice (i.e., a notice received on June 15 will cancel coverage effective July 31).

If a Non-State agency has retirees/survivors who participate in the PEIA plan through their participation in one of the State's retirement systems and withdraws its active participation in the plan, WV Code § 5-16-22 requires Non-State agencies to contribute the same amount that State Agencies contribute toward the total cost of its retirees who participate in the PEIA. These agencies will be set up by PEIA as a Non-Participating Agency and billed monthly for its retirees/survivors who choose to remain in the PEIA Plan. The employer contribution assessed to the non-participating agency may not be passed on to the retirees or surviving dependents. All retirees/surviving dependents already pay a monthly premium for their coverage, in amounts set by law by the PEIA Finance Board. These premiums, however, are insufficient to cover retirees' total claims costs. The difference is funded by employer contributions from participating employers.

Section 125 Administration

The Section 125 premium Conversion plan allows employees that participate in the plan to pay their health and life insurance premiums on a pre-tax basis. All employees of Section 125 participating employers are automatically enrolled in the plan at the time of employment, unless they sign paperwork waiving participation.

Administration of the premium conversion plan is a joint effort between the benefit coordinators and the PEIA staff.

IRS rules govern the administration of the plan, and in exchange for the pre-tax treatment of the premiums, the IRS requires certain rules to be enforced regarding changes in benefits. Participants in the plan may only change the amount of premium they have deducted from their earnings in certain, specific situations called Qualifying Events.

The following are the qualifying events defined by the IRS:

- marriage or divorce of the employee;
- death of the employee's spouse or dependent;
- birth or adoption of the employee's child;
- commencement or termination of employment of the employee's spouse or dependent;
- a change from full-time to part-time employment status, or vice versa, by the employee or his or her spouse;
- an unpaid leave of absence taken by the employee or spouse;
- a significant change in the health coverage of the employee or spouse attributable to the spouse's employment;
- change in the residence or work site of the employer, spouse, or dependent;
- a dependent loses eligibility due to age or student status; or
- employment change due to strike or lock-out.

The policyholder may make a change in plan when his or her spouse or dependent changes coverage during Open Enrollment under another benefit plan if:

- the other employer's plan permits mid-year changes under this event, and
- the other employer's plan year is different from PEIA's.

For life insurance, the IRS only allows the pre-tax premium on the first $50,000 of coverage. For PEIA, the basic life insurance must be counted in that $50,000, so the active employee under age 65 gets pre-tax premiums on the $10,000 basic policy, and up to $40,000 of optional life insurance. Premiums for optional life insurance in excess of $40,000 must be paid post-tax. That means that if an employee has more than $40,000 in optional life insurance, and they want to reduce their coverage, they could reduce coverage down to $40,000 without a qualifying event since the coverage above that amount is not affected by the Section 125 plan. For active employees over age 65, whose basic life insurance amount is less than $10,000, more *optional* life insurance premium may be paid pre-tax, since the IRS rules dictate only the $50,000 limit.

Dependent life insurance premiums are not paid pre-tax, so dependent life insurance may be terminated at any time.

Premium Assistance Program

Retired employees whose total annual income is less than 250% of the federal poverty level may receive assistance in paying a portion of their PEIA monthly health premium based on years of active service through a grant provided by the PEIA. Applicants must be enrolled in the PEIA PPB Plan. Managed care plan members are not eligible for this program.

Retired employees using accrued sick and/or annual leave to pay their premiums are not eligible for this program until their accrued leave is exhausted. Applications are mailed to all eligible retired employees each spring. Applications must be returned with supporting documentation that verifies the income claimed on the application, and will be processed to determine eligibility for the program. Medicare-eligible policyholders who qualify for Premium Assistance also qualify for Benefit Assistance.

The amount of assistance for which qualified employees are eligible is based on years of active service. For surviving dependents, it is based on years of service earned by the deceased policyholder. Disabled retirees are considered to have twenty-five (25) years of service.

Policyholder Only (single coverage) Monthly Premium Reduction				
This amount will be deducted from your monthly premium for Medicare or non-Medicare coverage. If the amount of the reduction is greater than the premium, then the premium due will be $0.				
Years of Service	<100% of FPL	100-150% of FPL	150-200% of FPL	200 – 250% of FPL
5-14	$51	$34	$19	$13
15-24	$65	$50	$31	$19
25+	$88	$74	$46	$24

Policyholder with Dependents (family) Monthly Premium Reduction				
This amount will be deducted from your monthly premium for Medicare or non-Medicare coverage. If the amount of the reduction is greater than the premium due, then the premium due will be $0.				
Years of Service	<100% of FPL	100-150% of FPL	150-200% of FPL	200 – 250% of FPL
5-14	$76.50	$51	$28.50	$19.50
15-24	$97.50	$75	$46.50	$28.50
25+	$132	$111	$69	$36

Life Insurance Premiums

Life insurance premiums for all participants are set by PEIA's life insurance carrier. For active employees, Basic Life Insurance premiums are paid by the employer. Retired employees must pay the Basic Life Insurance premium to keep coverage in force although Basic Life Insurance is not necessary in order to have health insurance as it is as an active employee. Optional and Dependent Life Insurance premiums are paid by the employee and are based on age and amount of coverage.

Life Insurance Waiver of Premium

Active employees with Basic Life Insurance who become totally disabled before reaching age 60 may continue Basic Life Insurance at no cost to them while they remain totally disabled. To qualify for this waiver of premium, they must furnish proof of total disability within one year after the date of disability. The date of disability is considered the last day they were actively at work. They must furnish proof of total disability after they have been disabled for nine (9) months, but not later than twelve (12) months after their last day of active work. To qualify for the waiver of premium, they must have been covered under basic life insurance when his or her disability began.

"Total Disability" exists when an employee is completely unable, due to sickness or injury or both, to engage in any gainful occupation for which they are reasonably fitted by education, training or experience. They will not be considered totally disabled while working at any gainful occupation.

To apply for a disability waiver of premium, employees must contact you, the benefit coordinator. Proof of continuing disability will be required three months before each anniversary of the initial date of disability. Employees may be asked by PEIA's life insurance carrier to submit to periodic medical exams. AD&D coverage does not continue under the waiver of premium.

If a waiver of premium is approved, the employee's basic life insurance will remain at $10,000 at no premium cost to them. At age 65, their basic life coverage decreases to $5,000, and further reduces to $2,500 at age 67. This coverage will end at the earliest of these events:

- The end of disability;
- The failure to provide proof of continued disability; or
- The failure to submit to a physical examination when required by PEIA's life insurance carrier.