

Pennsylvania's State System of Higher Education
Procedure/Standard Number 2011-08-A
Human Resources Manual of Commonwealth Management Directives and Manuals

Approved by:  Date: March 3, 2016

History:

Pennsylvania's State System of Education (the System) has referenced and followed select Commonwealth of Pennsylvania Management Directives and Manuals in its daily operations since its inception. This procedure codifies this practice and organizes these directives in a central location.

Revised:

3/8/16: revised to amend the application of Management Directive 530.23 regarding fundraising; the application of Management Directive 515.20 regarding reemployment of annuitants; and to update the list of applicable Management Directives.

12/14/23: Added MD 315.17 Amended – Direct Deposit of Pay and Travel Reimbursements. All employees not represented by a bargaining unit (including student workers) are required to participate in the Direct Deposit program for pay and travel reimbursements. Represented employees will be governed by their respective Collective Bargaining Agreement. Moved MD530.24 Retired Employees Health Program Eligibility (Amended) and MD530.32 Group Life Insurance Program (Amended) from Section 1 below to Section III below, following their rescission by the Commonwealth.

Related Policies, Procedures, Standards and Manuals:

All System collective bargaining agreements; Board of Governors' Policy 1985-07-A: Management Performance and Reward Program; System Procedure/Standard Number 2013-16: Nonrepresented Employees Performance and Reward Program

Key Words/Categories:

Personnel

Additional References:

Human Resources, Personnel, Labor Relations, Benefits, Rules, Retirement, Manual, Management Directive

I. Commonwealth Management Directives

Following are Commonwealth Management Directives (MD) used by the System. Questions regarding the interpretation of these policies and application to the System should be addressed to the Office of the Chancellor.

- Restitution of Overpayments and Collection of Employee Debts, MD315.8 Amended
- Payment of Annuitant Medical and Hospital Benefits, MD315.16 Amended
- Personnel Rules MD505.7 Amended
- Maintenance, Access, and Release of Employee Information, MD505.18
- State Employee Assistance Program, MD505.22 Amended
- Commercial Driver License Drug and Alcohol Testing Requirements, MD505.34

- Confidential Employees, MD515.12 Amended
- Reemployment of Commonwealth Annuitants, MD515.20 Amended

This management directive must apply to annuitants who participated in one of the Commonwealth's pension programs. This directive is applied to reemployment of all System annuitants until such time as the System may adopt separate procedures for annuitants who participated in alternative retirement programs.

- Administrative Leave to Compete in International and World Championships. MD530.10 Amended
- Benefit Rights of Permanent and Temporary Employees, MD530.11 Amended
- Partial and Full-Day Closings of State Offices, MD530.17 Amended
- Benefit Rights of Furloughed Employees, MD530.18 Amended
- Paid Absence for Blood Donation MD530.21 Amended
- State Employee Combined Appeal, MD530.23 Amended

Universities and affiliated entities may seek contributions within the workplace for the university or affiliated entity if approved in advance by the university president (or approved by the chancellor for activities at the Office of the Chancellor). The application of this Management Directive to the State System is amended only to the extent it would preclude solicitation by the university or affiliated entities. Solicitations must be clear that contributions are voluntary.

- Absences for Military Duty, MD530.26 Amended
- Leave Related Policies for Employees Excluded from Earning Leave and Leave Service Credit MD530.27 Amended
- Sick, Parental and Family Care Absence. Military Exigency Absence and Military Caregiver Absence Policy MD530.30
- Out-Service Training, MD535.3 Amended
- Mandatory Membership in the State Employees' Retirement System, MD570.1 Amended
- Employer Contributions Required on the Purchase of Previously Uncredited State Service MD570.5 Amended
- Reinstatement of Dismissed or Furloughed Employees into the State Employees' Retirement System. MD570.8 Amended
- Reinstatement of Furloughed or Otherwise Terminated and Reemployed Employees into the State Employees' Retirement System, MD570.9 Amended
- Amending Data in Retirement and Personnel/Payroll Systems and Collecting Arrears Balances MD570.11 Amended
- State Employees' Retirement System, Regional Counseling Centers: MD570.13 Amended
- Deferred Compensation Program, MD570.14

II. Commonwealth Procedure Manuals

Following are Commonwealth Procedure Manuals (M) used as guidance by the System. Questions regarding the interpretation of these practices and application to the System should be addressed to the Office of the Chancellor.

- State Employee Assistance Program, M505.3
- Commercial Driver License Drug and Alcohol Testing and Related Procedures, M505.5
- Injury Leave Manual, M530.2

- Group Life Insurance Program Manual, M530.3
- Absence Program M530.7
- Unemployment Compensation Insurance, M530.9
- State Employee Combined Appeal Procedures Manual: M530.21

III. Former Commonwealth Management Directives Still Used by the System

The following former Commonwealth Management Directives (MD) have been rescinded by the Commonwealth, but still apply to the System. These directives are provided as attachments to this procedure/standard. Questions regarding the interpretation of these policies and application to the System should be addressed to the Office of the Chancellor.

- Sick Leave Without Pay, Parental Leave Without Pay, and Family Care Leave Without Pay, Formerly MD530.2 Amended (Attachment 1)
- State Paid Benefits While on Sick, Parental, or Family Care Leave Without Pay, Formerly MD530.4 Amended (Attachment 2)
- State Paid Benefits While on Cyclical Leave Without Pay, Formerly MD530.20 Amended (Attachment 3)
- Retired Employees Health Program Eligibility Requirements, Formerly MD530.24 Amended (Attachment 4)
- Group Life Insurance Program, Formerly MD530.32 Amended (Attachment 5)

IV. Implementation

Immediately.

MANAGEMENT DIRECTIVE

Commonwealth of Pennsylvania Governor's Office

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| <p>Subject: Retired Employees Health Program</p> | <p>Number: 530.24 Amended</p> |
| <p>Date:</p> | <p>By Direction of: Sharon P. Minnich, Secretary of Administration</p> |
| <p>Contact Agency: Governor's Office of Administration, Office for Human Resources and Management, Bureau of Employee Benefits and Services, 717.787.9872</p> | |

This directive establishes policy, responsibilities, and procedures for the Retired Employees Health Program (REHP). Marginal dots are excluded due to major changes.

1. **PURPOSE.** To establish policy, responsibilities, and procedures for the organization and administration of the REHP, and for the RPSPP as it relates specifically to disability retirement.
2. **SCOPE.** This directive applies to employees of all departments, boards, commissions, and councils (hereinafter referred to as the "commonwealth") who are enrolled or eligible to enroll in the retiree health benefits provided by the Office of Administration. It also contains provisions that apply to dependents and survivor spouses.
3. **OBJECTIVES.** The REHP and RPSPP provide health benefits to eligible retirees, their dependents, and survivor spouses in accordance with applicable laws and collective bargaining agreements.
4. **DEFINITIONS.**
 - a. **Act 120 of 2010.** The law which mandated the establishment of new pension benefit tiers applicable to most employees who became members of the State Employees' Retirement System (SERS) on or after January 1, 2011, and the Public School Employees' Retirement System (PSERS) on or after July 1, 2011.
 - b. **Active Employees Health Program (AEHP).** The health insurance program provided by the PEBTF for commonwealth employees.
 - c. **Active Pay Status.** The condition in which an employee is eligible for pay.

- d. **Approved Retirement System (ARS).** A retirement program not specifically named in this directive that is approved under Pennsylvania law as a valid retirement program for employees eligible for REHP coverage.
- e. **Birthday Rule.** A method to determine which health insurance plan is primary when a dependent child is covered by more than one plan. Unless a court decree states otherwise, the plan of the parent whose birthday falls earlier in the calendar year is the primary plan. If both parents have the same birthday, the plan that has covered the dependent child the longest is the primary plan.
- f. **Contribution Rate Coverage.** REHP coverage where the retiree must pay retiree contributions toward the cost of coverage; formerly known as majority paid coverage.
- g. **Coordination of Benefits.** A method by which two or more health insurance plans coordinate their respective benefits so that the total benefits paid does not exceed 100% of the total allowable expenses incurred.
- h. **Decline.** To refuse REHP coverage at the time of retirement.
- i. **Disability/Disabled.** (Note: the definition of this term is not the same as the definition under the Americans with Disabilities Act):
 - (1) **General.** Inability of an employee to perform assigned duties due to injury or illness.
 - (2) **State Employees' Retirement Code (Section 5308(c)).** This Code defines the eligibility for a disability annuity including "An active member...shall... be entitled to a disability annuity if he becomes mentally or physically incapable of continuing to perform the duties for which he is employed..."
- j. **Eligibility Points.** Points which are used in the determination of eligibility for retirement benefits as defined in Section 5307 of the *State Employees' Retirement Code*. Eligibility points are accrued by an employee who is enrolled in SERS, PSERS or ARS during active employment or an employee who has been reemployed from USERRA leave or a member who dies while performing USERRA leave. Employment is limited to active employment with the executive, judicial, or legislative branches of the commonwealth, and commissions, boards, departments and authorities which are eligible to participate in the Group Life Insurance Program. For employees participating in an ARS for which eligibility points are not calculated, eligibility points, for the purpose of this directive, will be determined by the employee's agency using the criteria outlined in this directive.
- k. **Employee.** An individual employed by an agency that is eligible to participate in the REHP, or for purposes of disability retirements only, an individual employed by an agency that is eligible to participate in the REHP or RPSPP.
- l. **Final Average Salary.** The highest average compensation received during any three non-overlapping periods of four consecutive calendar quarters.

- m. Final Gross Annual Base Salary.** Employee's final gross base pay rate expressed as an annual salary. Overtime, bonuses and any other additional reimbursements are excluded from this calculation.
- n. Fully State Paid.** REHP coverage where the retiree is not required to pay contributions toward the cost of the coverage. This is no longer an option for most employees who retired on or after July 1, 2005.
- o. Group Life Insurance Program (GLIP).** Term life insurance coverage that is available to permanent commonwealth employees pursuant to *Act 42 of 2007*.
- p. Intervening Military Service.** Military service that interrupts employment with an agency.
- q. Least Expensive Plan (LEP).** A health plan that is offered to retirees who were hired on or after August 1, 2003, with no additional buy-up costs.
- r. Member.** A retiree, spouse/domestic partner, dependent or survivor spouse with REHP coverage.
- s. Non-Intervening Military Service.** Military service that preceded service with an agency. Military service includes all active military service for which an employee has received a discharge other than an undesirable, bad conduct or dishonorable discharge.
- t. Opt In.** To enroll in REHP medical and/or prescription coverage after opting out.
- u. Opt Out.** To end REHP medical and/or prescription coverage after the coverage has become effective.
- v. Pennsylvania Employees Benefit Trust Fund (PEBTF).** The health and welfare fund that administers health care benefits to eligible employees and retirees.
- w. PEBTF - Eligible Position.** A position held by an employee who is receiving or is eligible to receive health care benefits administered by the PEBTF.
- x. Public School Employees' Retirement System (PSERS).** The retirement system covering most retired public school employees.
- y. Resignation.** The voluntary termination of employment.
- z. Retiree.** An employee, other than a Pennsylvania State Police enlisted member, who is retired with an active SERS or PSERS pension status or who retired and is receiving pension payments through an ARS.
- aa. Retiree Contributions.** Contributions toward REHP coverage based on a percentage of the retiring employee's final gross base salary or final average salary, or as otherwise determined by a collective bargaining agreement. Retirees who were hired on or after August 1, 2003 will pay an additional buy-up cost to enroll themselves or a dependent in a non-LEP plan.

- bb. Retired Employees Health Program (REHP).** The health insurance plan covering eligible retirees.
- cc. Retired Pennsylvania State Police Program (RPSPP).** The health insurance plan covering eligible Pennsylvania State Police enlisted retirees.
- dd. State Employees' Retirement System (SERS).** The pension plan covering most retired employees.
- ee. State Police Health Benefits Program (SPHBP).** The health insurance plan covering active Pennsylvania State Police enlisted employees.
- ff. Superannuation Age.** For classes of service other than Class A-3 and Class A-4, any age upon accrual of 35 eligibility points or age 60, except for an enforcement officer, a correction officer, a psychiatric security aide or a Delaware River Port Authority policeman, age 50, and, except for a member with Class G, Class H, Class I, Class J, Class K, Class L, Class M or Class N service, age 55 upon accrual of 20 eligibility points. For Class A-3 and Class A-4 service, any age upon attainment of a superannuation score of 92, provided the member has accrued 35 eligibility points, or age 65, or for park rangers or capitol police officers, age 55 with 20 years of service as a park ranger or capitol police officer, except for an enforcement officer, a correction officer, a psychiatric security aide or a Delaware River Port Authority policeman, age 55. A vestee with Class A-3 or Class A-4 service credit attains superannuation age on the birthday the vestee attains the age resulting in a superannuation score of 92, provided that the vestee has at least 35 eligibility points, or attains another applicable superannuation age, whichever occurs first.
- gg. Survivor Spouse Coverage.** Purchased coverage which is available to the spouse or domestic partner of a deceased retiree who had maintained the medical and prescription benefits at the time of death.
- hh. Three Year Rehire Rule.** Previously accrued eligibility points can only be applied toward REHP coverage if the employee has accrued at least three eligibility points from the most recent date of employment or re-employment.
- ii. Uniformed Services Employment and Reemployment Rights Act (USERRA).** The federal law which sets forth requirements relating to the employment and reemployment rights of members of the uniformed services.
- jj. \$5/\$10 State Paid Coverage.** REHP coverage where the commonwealth pays either \$5 or \$10 towards the cost of REHP coverage.

5. POLICY.

- a. Eligibility Requirements.** A retiree is eligible for the REHP if he or she meets all of the following criteria:
 - (1)** Was a permanent full-time employee or permanent part-time employee (working 50% or more) in a PEBTF-eligible position for the 12 months preceding separation from commonwealth employment. The employee also must meet at least one of the following criteria:

- (a)** Enrolled in the PEBTF, as either the enrollee or the spouse/domestic partner, on his or her last day in an active pay status; or
 - (b)** Was eligible for enrollment in the PEBTF on his or her last date in an active pay status. Employees who have a PEBTF debt and are not on a payment plan will not be eligible until a payment plan has been established.
- (2)** Was employed for three years from his or her most recent date of hire, unless:
 - (a)** The employee was furloughed and returned during the recall period; or
 - (b)** The employee was previously eligible for Contribution Rate Coverage REHP, as described in section 5.b.1, other than through a disability; or
 - (c)** The employee was in a management position and was separated due to a lack of funds or the loss of an appointed position and he or she returned to commonwealth employment within one (1) calendar year from the date of losing his or her most recent employment with the commonwealth.
- (3)** All applicable REHP retiree contributions or monthly premiums must be made on time and in accordance with PEBTF billing and collection policies.
 - (a)** Termination of REHP benefits for delinquency for any member will be considered a member's one opportunity to opt out. All delinquent premiums, retiree contributions, or other payments due must be paid back before the member will be allowed to opt in one time.
 - (b)** Any member that is delinquent may choose to opt out before having benefits terminated. However, such members also will be required to have all delinquent amounts repaid before being allowed to opt in.
- (4)** Once a member becomes eligible for Medicare, whether due to: the receipt of Federal Disability benefits; End Stage Renal Disease; or reaching age 65, the member must enroll in Medicare Part A and Part B to be eligible for medical and prescription benefits under the REHP. If given the option to enroll retroactively in Medicare, the member must do so in order to be eligible for the REHP, or to remain eligible if already enrolled. Failure to enroll in Medicare retroactively will result in the termination of REHP benefits effective the date first eligible for Medicare until the date the member has enrolled in both Medicare Part A and Part B.
- (5)** In determining eligibility for an employee participating in an ARS retirement, eligibility points earned as a commonwealth employee in an agency eligible to participate in the commonwealth's Group Life Insurance Program should be considered in lieu of eligibility points in SERS or PSERS.

- (6) For employees that separated prior to July 1, 2003 and elected not to retire until a later date (i.e. vested their retirement benefit), eligibility and benefits (such as benefit levels and retiree contributions) will be based on the benefit levels and retiree contributions in force at the time of the separation.
 - (7) For employees that separate(d) on or after July 1, 2003 and elect(ed) not to retire until a later date (i.e. vested their retirement benefit), benefits (such as benefit levels and retiree contributions) will be based on the benefit levels and retiree contributions in force on the date of retirement.
 - (8) If a retiree who was eligible or enrolled in the REHP returns to commonwealth employment, REHP eligibility upon subsequent retirement will be based on the rules applicable on the date of the latest retirement.
 - (9) Employees who are enrolled in SERS, PSERS or an ARS in an Age 60 (65 for employees subject to *Act 120 of 2010* and for employees enrolled in ARS who were hired on or after January 1, 2011) superannuation age group who change to an Age 50 (55 for employees subject to *Act 120 of 2010* and for employees enrolled in ARS who were hired on or after January 1, 2011) superannuation age group will be required to remain in the new position for one year before qualifying for the REHP at Age 50 (55 for employees subject to *Act 120 of 2010* and for ARS employees hired on or after January 1, 2011) superannuation age.
 - (10) Employees who are enrolled in SERS, PSERS or an ARS in an Age 50 (55 for employees subject to *Act 120 of 2010* and for employees enrolled in ARS who were hired on or after January 1, 2011) superannuation age group who change to an Age 60 (65 for employees subject to *Act 120 of 2010* and for employees enrolled in ARS who were hired on or after January 1, 2011) superannuation age group who qualified for Contribution Rate Coverage prior to the change do not lose eligibility they earned for Contribution Rate Coverage. Employees who have not qualified for Contribution Rate Coverage prior to the change must now qualify as an Age 60 (65 for employees subject to *Act 120 of 2010* and for employees enrolled in ARS who were hired on or after January 1, 2011) superannuation age group.
 - (11) REHP coverage will not be available to any active commonwealth employee; including employees receiving retirement/pension payment through SERS, PSERS or ARS.
- b. Requirements for Contribution Rate Coverage.** The commonwealth shall pay a portion of the cost of coverage for retirees who retire under Section 5.a. of this directive and who have elected coverage and meet the requirements for Contribution Rate Coverage.
- (1) Eligibility for Contribution Rate Coverage for employees requires one of the following:
 - (a) 25 or more eligibility points; or

- (b) An employee who leaves state employment prior to, at or after superannuation age and is subsequently rehired and then retires at or after superannuation age must have at least 20 eligibility points in SERS, PSERS, or ARS; or
 - (c) A combination of 20 eligibility points and superannuation age; or
 - (d) Disability retirement, in SERS, PSERS, or ARS. Note: If an employee who had previously qualified for disability retirement based on an approved disability retirement returns to commonwealth employment, and later retires under other than a disability retirement, he or she must meet the qualifications that apply to non-disability retirements.
 - 1 Retirement under ARS with at least five eligibility points as a commonwealth employee should be considered as disability retirement if the retiree is granted disability life insurance for total and permanent disability under the commonwealth's Group Life Insurance Program.
 - 2 Employees seeking disability retirement should contact their agency (for ARS members), SERS or PSERS, as appropriate, for specific details and instructions.
- (2) For employees who transfer from an agency that participates in the REHP to an agency that is eligible to participate in the commonwealth's Group Life Insurance Program, but does not participate in the REHP (See Enclosure 1): if the employee met the eligibility requirements under Section 5.a.(1) and (2) and 5.b.(1) at the time of the transfer, the employee will be eligible for Contribution Rate Coverage upon retirement.
 - (3) For employees who transfer from an agency that is eligible to participate in the commonwealth's Group Life Insurance Program, but does not participate in the REHP, to an agency that participates in the REHP: the employee must be employed for three years from his or her most recent date of transfer and meet the requirements in Section 5.a.(1) and (2) and 5.b.(1).
 - (4) For employees who transfer from an agency that participates in the REHP to an employer that does not participate in the REHP or is not eligible to participate in the Group Life Insurance Program: if the employee met the eligibility requirements under Section 5.a.(1) and (2) and 5.b.(1) at the time of transfer, the employee will be eligible for Contribution Rate Coverage upon retirement.

c. Requirements for \$5/\$10 State Paid Coverage.

- (1) A retiree who did not meet the requirements for a \$10.00 state share in July 1974, but who has been grandfathered into that group, will continue to receive the \$10.00 per month state share.

- (2) For any other SERS, PSERS, or ARS retiree who did not meet the requirements for Fully State Paid or Contribution Rate coverage, the state will contribute \$5.00 per month toward the cost of the coverage and the retiree is responsible for the remaining cost of the coverage. To qualify for the \$5.00 state contribution, employees who entered SERS or ARS membership prior to January 1, 2011 (PSERS prior to July 1, 2011) must have at least five eligibility points when retiring prior to superannuation age and at least three eligibility points when retiring at or after superannuation age. Employees who entered SERS or ARS membership on or after January 1, 2011 (PSERS on or after July 1, 2011) must have at least ten eligibility points when retiring prior to superannuation age and at least three eligibility points when retiring at or after superannuation age.

d. Requirement for Survivor Spouse Coverage. Survivor Spouse Coverage may be elected under the following circumstances:

- (1) An active employee who was enrolled in PEBTF coverage and was eligible for REHP coverage dies and the spouse/domestic partner was enrolled as an eligible dependent under the active employee's PEBTF coverage; or
- (2) A retiree enrolled in REHP coverage dies and the spouse/domestic partner was enrolled as an eligible dependent under the retiree's REHP coverage.

e. Eligibility Points Requirements.

- (1) When determining REHP eligibility, eligibility points earned on or after July 1, 2007 will be limited to service as a commonwealth employee with an agency eligible to participate in the commonwealth's Group Life Insurance Program. Employees hired on or after July 1, 2007 who earned eligibility points under SERS, PSERS, or ARS with another employer will not have those eligibility points counted for purposes of eligibility for REHP coverage, unless they had employment with the commonwealth with an agency eligible to participate in the commonwealth's Group Life Insurance Program prior to July 1, 2007. If it is determined by SERS, or the appropriate Human Resources office for PSERS or ARS members, that a commonwealth employee with an agency eligible to participate in the commonwealth's Group Life Insurance Program is eligible for additional eligibility points for military service, such eligibility points will be included in the determination of eligibility for REHP coverage.
- (2) Up to five years of non-intervening military service shall be counted in determining eligibility for the REHP; intervening military service and USERRA leave shall also be counted in determining eligibility for the REHP if the service is purchased upon the end of military duty and within the timeframe provided by SERS.

f. Disability Benefits, Employment, and Retiree Health Care for Retiring Employees With a Disability.

- (1) Benefits available to an employee with a disability are authorized by collective bargaining agreements, memoranda of understanding, and issuances of the Directives Management System.

(2) Paid or unpaid absence may be requested and approved in accordance with applicable collective bargaining agreements, memoranda of understandings, and issuances of the Directives Management System when an employee with a disability:

(a) Is unable to work, or

(b) Has an application for disability retirement pending.

(3) Application for Disability Retirement.

(a) An employee may apply for disability retirement while on a paid or unpaid absence; however, the application must be received by a SERS Regional Counseling Field Office location for SERS members, or at the appropriate HR office for PSERS or ARS members, before employment is terminated.

(b) Once a disability retirement application has been submitted to SERS for SERS members, or the appropriate HR office for PSERS or ARS members, the employee must select one of the following options:

1 An employee may resign. The resignation cannot be withdrawn without approval of the agency head; or

2 An employee may request to use paid or unpaid absence and resign later; however, the resignation must be effective no later than the end of the pay period in which SERS, or the HR office for PSERS or ARS members, gives notice of approval of disability retirement benefits. The resignation cannot be withdrawn without approval of the agency head.

(4) Disability Retirement Decision.

(a) The effective date of disability retirement benefits (i.e. monthly pension annuity) may not necessarily coincide with an employee's resignation. SERS, in concert with the HR Service Center (HRSC) and the employee's agency human resource office, establishes the effective date for the disability retirement and resignation for SERS members. For PSERS or ARS members the appropriate HR office establishes the effective date for the disability retirement and resignation. Disability retirement benefits are effective the later of:

1 The date the SERS, or appropriate HR office for PSERS or ARS members, medical examiner determines the employee became disabled based on the medical evidence submitted for review; or

2 The first day the employee is no longer eligible to receive pay (i.e., regular pay or paid absence).

- (b) If the disability retirement is approved, whether permanent or temporary, while the employee is on a paid or unpaid absence, then the employee's resignation is to be effective no later than the end of the pay period in which SERS, or the appropriate HR office for PSERS or ARS members, gives notice of approval of the disability retirement. The employee may not request an earlier resignation date or delay the resignation. All guaranteed rights of return expire.
 - (c) If the disability retirement is disapproved and the employee is on paid or unpaid absence, the employee may continue on approved absence or resign. If the employee does not request additional leave or additional leave is not approved and the employee does not return to work with a medical release in accordance with applicable policy, action may be initiated to terminate employment.
- (5) **Disability Retirement REHP and RPSPP Effective Date.** Provided the retiree has met all of the eligibility requirements outlined in Section 5.a, REHP coverage will be effective on the later of:
- (a) The effective date of the disability retirement (e.g. monthly pension annuity); or
 - (b) The date the individual is no longer covered under the AEHP, including leave without pay without benefits.
 - (c) If the effective date of the disability retirement is retroactive more than one year, REHP coverage can only be made effective retroactive one year due to claims processing guidelines. Retirees who have purchased other medical or prescription coverage or had eligible medical or prescription claims during the time between the effective date of the disability retirement and the effective date of the REHP will be eligible for reimbursement provided the retiree is able to submit the necessary documentation.
- (6) Reference the enclosure for examples on applying the policy for disability retirement (Enclosure 2).

g. Decline/Opt Out Requirements.

- (1) Retirees may decline REHP coverage under the following circumstances:
 - (a) Retirees who retire on or after June 1, 2007 may decline REHP coverage. A retiree must attest that he or she has other healthcare coverage and complete the applicable enrollment/change forms. The retiree will be permitted to enroll at a later date. There is no time limit on this later enrollment.
 - (b) The initial declination of REHP coverage does not count toward the limit on reenrollments in the REHP.
 - (c) Retirees who declined REHP coverage prior to June 1, 2007 do not have the option of enrolling at a later date.

- (2) Retirees, dependents and survivor spouses may opt out of REHP coverage under the following circumstances:
- (a) Effective January 1, 2013 retirees and survivor spouses who chose to opt out must opt out of both medical and prescription coverage. There is an exception for retirees and survivor spouses enrolled in PACE/PACENET, TRICARE or VA coverage, who may opt out of prescription coverage only. A retiree or survivor spouse must attest that he or she has other healthcare coverage and complete the applicable enrollment/change forms. The retiree or survivor spouse has one opportunity to opt in at a later date. There is no time limit on the opt in.
 - (b) Retirees and survivor spouses who opted out of REHP coverage prior to June 1, 2007 do not have the option of opting in at a later date.
 - (c) Once a retiree or survivor spouse has opted out and then elected to opt in, the retiree or survivor spouse may opt out again but CANNOT opt in for a second time, unless either opt out is due to, or in conjunction with, the retiree's or survivor spouse's enrollment for coverage under the PEBTF, RPSPP or SPHBP as an employee or dependent.
 - (d) Retirees and survivor spouses who choose to opt out from REHP coverage are subject to the following requirements:
 - 1 Dependents may not be enrolled in any coverage under which the retiree is not enrolled (this does not apply to a survivor spouse/domestic partner who receives single coverage only).
 - 2 The effective date of the opt out is the later of the date on the Retiree Change Form or the end of the month in which the requested opt out date occurs if the survivor spouse or retiree or any dependent is enrolled in Medicare.

h. Dual Enrollments.

- (1) If a retiree is eligible for enrollment in the REHP and the retiree's spouse/domestic partner is enrolled in the AEHP, there shall not be a duplication of medical coverage. A retiree who elects to be enrolled under his/her spouse's/domestic partner's AEHP plan for medical and supplemental must decline REHP coverage.
- (2) A retiree may be covered as a dependent under the AEHP until his or her spouse/domestic partner is no longer covered under the AEHP. When the spouse/domestic partner is no longer covered under the AEHP, the retiree may enroll in the REHP, either under his or her own contract or as a dependent under the spouse's/domestic partner's REHP contract.
- (3) Two married/domestic partner retirees may enroll as a retiree or as a dependent of the spouse/domestic partner, but not as both. Other eligible dependents may be covered as the dependent of one of the retirees, but not both.

- (4) The birthday rule is used to determine primary coverage for coordination of benefits, but does not apply when determining on which retiree's contract to enroll dependent children.

i. Retiree Contribution Requirements.

- (1) **Retired July 1, 2007 through June 30, 2011.** Effective January 1, 2012, non-Medicare eligible employees who retired on or after July 1, 2007 through June 30, 2011, who meet the age and service requirements for Contribution Rate Coverage and who elect REHP coverage shall contribute three percent of the employee's final average salary at the time of retirement, as determined by the methodology utilized by the State Employees' Retirement System to calculate pension benefits, provided said methodology results in a lower retiree contribution rate than results from the use of final gross annual base salary; in situations where use of final gross annual base salary yields a lower contribution rate, final gross annual base salary shall continue to be used. Medicare eligible employees who retired on or after July 1, 2007 through June 30, 2011 shall contribute a percentage equal to 1.5 percent of the lesser of the final average salary or final gross annual base salary effective January 1, 2012.
- (2) **Retired on or after July 1, 2011.** Non-Medicare eligible employees who retired on or after July 1, 2011, who meet the age and eligibility points requirements for Contribution Rate Coverage in the REHP and who elect coverage under the REHP shall contribute three percent of the employee's final annual gross base salary from July 1, 2011 through December 31, 2011. Beginning on January 1, 2012, for non-Medicare eligible employees who retired on or after July 1, 2011, the amount paid shall be based on the retiring employee's final average salary. Effective January 1, 2012, Medicare eligible retirees who retired on or after July 1, 2011 shall contribute an amount equal to 1.5 percent of the final average salary.
- (3) Employees covered under a collective bargaining agreement when they retire should refer to the applicable collective bargaining agreement to determine the specific parameters that control their Contribution Rate Coverage.
- (4) If an employee whose Contribution Rate Coverage is based on final annual salary voluntarily transferred to a lower paid position or decreased the number of hours worked less than one year prior to retirement, the employee's final annual gross base salary shall be based on the employee's gross annual base salary prior to the decrease in pay or decrease in hours.
- (5) Retirees who were hired on or after August 1, 2003, and who are enrolled in a plan other than a Least Expensive Plan (LEP), are subject to a monthly LEP premium in addition to the retiree contribution rate. Retirees subject to the LEP provision and enrolled in family coverage will continue under the LEP premium for as long as one or more dependents are not covered under Medicare.

- j. Reservation of Rights.** This document is not a contract for benefits and should in no way be considered a grant of any rights, privileges or duties on the part of the commonwealth, its agents or the PEBTF. The commonwealth, as sponsor of the REHP, reserves the right at any time to amend or modify any and all benefits under the REHP, including, but not limited to, eligibility requirements, retiree contribution rate, LEP provisions, etc., without prior notice to or consent of retirees or their dependents.

6. RESPONSIBILITIES.

a. Office of Administration, Secretary of Administration shall:

- (1)** Issue all directives (i.e., management directives, manuals, and other related policy) regarding the REHP.
- (2)** In conjunction with the Executive Deputy Secretary of the Budget, approve annual agency biweekly contribution rates for the REHP.

b. Office of Administration, Office for Human Resources and Management, Bureau of Employee Benefits and Services shall:

- (1)** Prepare policy recommendations and, where appropriate, recommend issuance of, amendments to or revisions to Executive Board Resolutions, collective bargaining agreements, management directives or legislation related to the REHP.
- (2)** Respond to questions posed by the PEBTF and SERS concerning benefits available, collective bargaining agreement provisions related to retiree health care, and claims problems.
- (3)** Monitor income and expenditure reports concerning the REHP provided by the Office of the Budget (OB), Office of Comptroller Operations, Bureau of Commonwealth Payroll Operations and PEBTF, and resolve any unanticipated income or expenditure variations.
- (4)** Determine the monthly cost of coverage for Survivor Spouse Coverage and \$5/\$10 State Paid Coverage on an annual basis and forward to the PEBTF and SERS.

c. State Employees' Retirement System shall:

- (1)** Verify that a retiring SERS-covered employee, and any dependents, meets the eligibility requirements to enroll in the REHP.
- (2)** Process the enrollment form for the retiring employee and any eligible dependents and forward the enrollment data to the PEBTF.
- (3)** For disability retirement applicants:
 - (a)** Provide an estimate of disability retirement benefits.

- (b) Advise an employee who is actively working at the time the application for disability retirement is made, that he or she may not continue to work and must either resign or utilize paid or unpaid leave as referenced in Paragraph 5.f.3.b.
- (c) Advise an employee that if he or she is approved for disability retirement the employee's resignation must be effective no later than the end of the pay period in which SERS gives notice of approval of the disability retirement as referenced in Paragraph 5.f.3.b.
- d. **OB, Executive Deputy Secretary of the Budget** shall, in conjunction with the Secretary of Administration, approve annual agency biweekly contribution rates for the REHP.
- e. **HRSC and Agency Human Resources Offices** shall:
 - (1) Verify that a retiring employee covered under PSERS or ARS, and any dependents, meets the eligibility requirements to enroll in the REHP.
 - (2) Process and record data from the REHP enrollment form for the retiree and any eligible dependents, and forward the data to the PEBTF.
 - (3) If disability retirement is approved: send a letter to employee regarding resignation within 10 business days; update SAP with appropriate coding to reflect the status of group insurance benefits as a result of an employee's absence or termination; and notify the Bureau of Employee Benefits and Services of the disability retirement applications.
- f. **Employees** shall:
 - (1) Complete the required REHP enrollment form for themselves and any eligible dependents, through SERS if SERS-covered, or the HRSC if covered under PSERS or ARS, to enroll in the REHP.
 - (2) Complete the required change form for themselves and any eligible dependents, through SERS if SERS-covered, or the HRSC if covered under PSERS or ARS, to opt out of the REHP.
 - (3) If appropriate, initiate a request for paid or unpaid absence and disability retirement.

7. PROCEDURES.

a. SERS Retirement Counselor.

- (1) Verify that the retiring employee possesses the required eligibility points to enroll in the REHP.
- (2) Process and record data from the REHP enrollment form or the REHP change form for the retiree and any eligible dependents, and forward the data to the PEBTF.

b. Agency Human Resources Offices or HRSC.

- (1)** Verify that a retiring employee covered under PSERS or ARS meets the eligibility requirements to enroll in the REHP.
- (2)** Forward the enrollment forms to the PEBTF.

Enclosure 1 – List of Agencies Eligible to Participate in the Group Life Insurance Program & REHP

Enclosure 2 – Examples of Disability Retirement Application Processes

This directive replaces, in its entirety, *Management Directive 530.24*, dated July 25, 2013.

List of Agencies Eligible to Participate in the Group Life Insurance Program REHP

| Personnel Area | | Eligible* to Participate in GLIP | Participating in REHP |
|-----------------------|---|---|------------------------------|
| 3 | Treasury Department | YES | YES |
| 10 | Department of Aging | YES | YES |
| 11 | Department of Corrections | YES | YES |
| 12 | Department of Labor and Industry | YES | YES |
| 13 | Military Affairs | YES | YES |
| 14 | Office of Attorney General | YES | YES |
| 15 | General Services | YES | YES |
| 16 | Education | YES | YES |
| 17 | Public Utility Commission | YES | YES |
| 18 | Revenue | YES | YES |
| 19 | Department of State | YES | YES |
| 20 | Pennsylvania State Police | YES | YES (except for L1 or L3) |
| 21 | Human Services | YES | YES |
| 22 | Fish and Boat Commission | YES | YES |
| 23 | Game Commission | YES | YES |
| 24 | Community & Economic Development | YES | YES |
| 25 | Board of Probation and Parole | YES | YES |
| 26 | Liquor Control Board | YES | YES |
| 27 | Milk Marketing Board | YES | YES |
| 28 | Lt. Governor's Office | YES | YES |
| 30 | Historical and Museum Commission | YES | YES |
| 31 | PEMA-Emergency Management Agency | YES | YES |
| 32 | Civil Service Commission | YES | YES |
| 33 | PENNVEST | YES | YES |
| 35 | Dept of Environmental Protection | YES | YES |
| 37 | Environmental Hearing Board | YES | YES |
| 38 | Dept of Conservation and Natural Resources | YES | YES |
| 39 | PHEAA | YES | YES |
| 40 | State Ethics Commission | YES | YES |
| 41 | Senate | YES | NO |
| 42 | House | YES | NO |
| 43 | PA Health Care Cost Contain Cncl | YES | YES |
| 44 | Legislative Reference Bureau | YES | NO |
| 45 | Local Government Commission | YES | NO |
| 46 | Joint State Government Commission | YES | NO |
| 47 | Legislative Budget & Finance Comm | YES | NO |
| 48 | Legislative Data Processing Center | YES | NO |
| 49 | Joint Legislative Air & Water Pollution Control & Cons. Comm. | YES | NO |
| 57 | Judiciary | YES | NO |

| Personnel Area | | Eligible* to Participate in GLIP | Participating in REHP |
|-----------------------|---|---|------------------------------|
| 65 | PA Gaming Control Board | YES | YES |
| 67 | Department of Health | YES | YES |
| 68 | Agriculture Department | YES | YES |
| 70 | SERS | YES | YES |
| 71 | PA Municipal Retirement System | YES | YES |
| 72 | Public School Employes' Retirement System | YES | YES |
| 74 | Department of Drug and Alcohol Programs | YES | YES |
| 75 | Banking and Securities | YES | YES |
| 78 | Department of Transportation | YES | YES |
| 79 | Insurance Department | YES | YES |
| 81 | Executive Offices | YES | YES |
| 82 | Supreme Court - Eastern PA | YES | NO |
| 84 | PA E-Health Partnership Authority | YES | YES |
| 89 | Thaddeus Stevens | YES | YES |
| 90 | State System of Higher Education | YES | YES |
| 92 | Auditor General | YES | YES |
| 98 | State Public School Building Authority | YES | YES |
| 99 | Governor's Office | YES | YES |
| 720 | ICA | YES | YES |
| 743 | Capitol Preservation Committee | YES | NO |
| 748 | Senate Leadership OPNS - R | YES | NO |
| 749 | Senate Appns Comm - R | YES | NO |
| 751 | House Special Leadership | YES | NO |
| 752 | House Special Leadership - R | YES | NO |
| 753 | House Appns Comm - D | YES | NO |
| 754 | Independent Regulatory Review Commission | YES | NO |
| 757 | Administrative Off - PA Courts | YES | NO |
| 791 | Turnpike Commission | YES | NO |
| 951 | House Appropriations Comm - R | YES | NO |
| 978 | PA Housing Finance Agency | YES | NO |
| 979 | University of Pittsburgh | YES | NO |
| 8101 | Human Relations Commission | YES | YES |
| 8102 | Juvenile Court Judges Commission | YES | YES |
| 8801 | Phila. Regional Port Authority | YES | YES |
| 8802 | Port of Pgh. Commission | YES | YES |
| 9011 | Indiana University | YES | NO |
| 9021 | Bloomsburg University | YES | NO |
| 9022 | California University | YES | NO |
| 9023 | Cheyney University | YES | NO |
| 9031 | Clarion University | YES | NO |
| 9041 | East Stroudsburg University | YES | NO |

| Personnel Area | | Eligible* to Participate in GLIP | Participating in REHP |
|---|--------------------------|---|------------------------------|
| 9051 | Edinboro University | YES | NO |
| 9061 | Kutztown University | YES | NO |
| 9062 | Lock Haven University | YES | NO |
| 9063 | Mansfield University | YES | NO |
| 9064 | Millersville University | YES | NO |
| 9065 | Shippensburg University | YES | NO |
| 9066 | Slippery Rock University | YES | NO |
| 9067 | West Chester University | YES | NO |
| | | | |
| *some agencies are eligible for the GLIP, but choose not to participate | | | |

Examples of Disability Retirement Application Processes

Example 1 – Disability retirement application while on paid or unpaid absence

6/1/15 Paid absence begins

- Employee continues to be eligible for benefits

9/1/15 Unpaid absence with benefits begins

- Employee continues to be eligible for benefits
- PEBTF bills the employee for applicable employee contributions, and if the employee fails to pay the contribution, employee's benefits will end

9/5/15 Application for disability retirement filed

- Employee continues to be eligible for benefits
- SERS notifies the HR Service Center or Agency of application

10/1/15 Disability retirement approved retroactive to first unpaid day

- Employee resigns effective 10/1/15, since employee cannot retroactively resign even though the disability retirement date is retroactive
- SERS notifies the HR Service Center or Agency of approval
- Active benefits end 10/1/15
- REHP/RPSPP benefits begin 10/2/15
- Employee may apply for disability life insurance

Example 2 – Disability retirement approved after employee resigns

3/1/15 On unpaid absence with benefits

- Employee continues to be eligible for benefits
- PEBTF bills the employee for applicable employee contributions, and if the employee fails to pay the contribution, employee's benefits will end

9/1/15 Unpaid absence without benefits begins

- Benefits end 8/30/15
- COBRA and life insurance continuation notices are sent

9/1/15 Application for disability retirement filed

- SERS notifies the HR Service Center or Agency of application

10/1/15 Resignation notice received from employee

11/1/15 Disability retirement approved retroactive to 3/1/15

- REHP/RPSPP benefits begin 9/1/15 (when active benefits ended)
- PEBTF refunds COBRA premiums paid

Example 3 – Disability retirement application submitted while employee is working

6/1/15 Application for disability retirement filed

- SERS provides employment continuation options to employee
- Employee continues to be eligible for benefits
- SERS notifies the HR Service Center or Agency of application

6/10/15 HR counsels employee about employment continuation options

- Since employee is currently working and has no medical information to substantiate an absence, employee requests to use annual leave and agency approves
- Employee continues to be eligible for benefits

9/1/15 Annual leave exhausted

- Employee requests and is granted additional unpaid absence (AO)
- PEBTF direct bills the employee for September AEHP benefits

10/1/15 Employee fails to pay for September AEHP benefits

- Benefits retroactively terminated to 8/30/15
- Life insurance continuation notice is sent
- No COBRA notice is sent since the AEHP benefits were terminated for non-payment

1/1/16 Disability retirement approved retroactive to 9/1/15

- Employee resigns effective 1/1/16, since employee cannot retroactively resign even though the disability retirement date is retroactive
- REHP/RPSPP benefits begin 9/1/15 (the later of the disability retirement date, or the date AEHP benefits ended)

MANAGEMENT DIRECTIVE

530.2
Amended
Number

COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE

Subject:

Sick Leave Without Pay, Parental Leave Without Pay, and Family Care Leave Without Pay

By Direction Of:

Naomi Wyatt

Naomi Wyatt, Secretary of Administration

Date:

March 12, 2008

This amendment changes the scope to exclude employees covered by Management Directive 530.30, *Sick, Parental and Family Care Absence Policy*, and removes references to processes in IPPS.

1. **PURPOSE.** To establish policy and clarify the application of sick leave without pay, parental leave without pay, and family care leave without pay.

2. **SCOPE.** Applies to represented employees in agencies under the Governor's jurisdiction whose unions have not adopted the absence provisions outlined in Management Directive 530.30, *Sick, Parental and Family Care Absence Policy*.

3. **POLICY.**

a. The provisions of this directive shall be consistent with *The Family and Medical Leave Act of 1993 (FMLA) (29 U.S.C. §2601, et seq.)* except when more generous benefits are granted by collective bargaining agreements and the Personnel Rules.

b. Specific policies regarding these leaves are contained in applicable collective bargaining agreements and memoranda of understanding; *Management Directive 505.7, Personnel Rules; and Manual M530.7, Leave and Holiday Programs*. Policies and procedures for benefits entitlement while on these leaves are contained in applicable collective bargaining agreements and memoranda of understanding; *Management Directives 505.7 and 530.4, State Paid Benefits While on Sick, Parental, or Family Care Leave Without Pay; and M530.3, Group Life Insurance Program Administrative Manual*.

c. **Sick Leave Without Pay.** Upon written request and proof of disability or illness, permanent employees shall be granted sick leave without pay for periods of at least two consecutive weeks, or for less than two consecutive weeks if the illness or disability is due to a serious health condition as defined in the FMLA. Medical certification shall include a prognosis and expected date of return. Requests for use of sick leave without pay shall be made in advance if circumstances permit. (Note: Some unions require employees to have at least six months of service to be eligible to use this leave.)

(1) The initial sick leave without pay entitlement shall not exceed six months (982.5 hours for employees who normally work a 37.5 hour week or 1,048 hours for employees who normally work a 40 hour week). The hours of entitlement shall be prorated for part-time employees.

(2) Employees are entitled, but not required, to use accrued sick leave before, during, after, or instead of sick leave without pay, provided the leave would qualify as sick leave without pay.

(3) Upon written request, an extension of up to an additional six months of leave shall be granted if the employee can provide proof of continuing disability or illness.

(4) Employees shall not again be eligible for the full sick leave without pay entitlement until six months in an active pay status have elapsed from the last day of sick leave without pay under the initial entitlement, as described in paragraph 3.c.(1).

d. Parental Leave Without Pay. Upon written request, parental leave without pay shall be granted to permanent employees who become parents through childbirth, adoption, or foster care placement. Requests for use of parental leave without pay shall be made at least two weeks in advance if circumstances permit and must state the anticipated duration of leave.

(1) The parental leave entitlement shall not exceed six months (982.5 hours for employees who normally work a 37.5 hour week or 1,048 hours for employees who normally work a 40 hour week). The hours of entitlement shall be prorated for part-time employees.

(2) The leave begins upon the employee's request; however, it may not be used prior to the date of birth, custody, or placement, except when required for adoption or foster care placement to proceed. Sick leave without pay is available prior to birth, if necessary.

(3) Employees are entitled, but not required, to use accrued sick leave for the period that they are unable to work due to childbirth or other reasons as certified by a physician. Leave may not be anticipated. Employees are required to forward the physician certification to the Human Resource Office as soon as possible; it must state the period of disability. Sick leave is not intended to provide employees with time for child rearing.

(4) Parental leave may be extended at the discretion of the agency head for an additional period not to exceed six months. However, no unpaid parental leave shall be granted beyond one year from the date of birth of a natural child, of assuming custody of an adoptive child, or of placement of a foster child.

e. Family Care Leave Without Pay. Upon written request and proof of family member's disability or illness, permanent employees with at least one year of service (total employment, even if the employment was not continuous) shall be granted family care leave without pay. The leave may be taken one day at a time if medically necessary or for less than one day if the illness or disability is due to a serious health condition as defined in The Family and Medical Leave Act of 1993.

(1) The family care leave without pay entitlement shall not exceed 12 weeks (450 hours for employees who normally work a 37.5 hour week and 480 hours for employees who normally work a 40 hour week) every leave calendar year. The hours of entitlement shall be prorated for part-time employees.

(2) The family care leave without pay entitlement cannot be extended.

(3) The documentation necessary for approving family care leave shall include written notification stating the family member's name and relationship to the employee and medical documentation stating at least that the individual needs care from the employee or needs to have care arranged by the employee. The medical documentation must also include the date that the illness or disability began and its anticipated duration.

(4) Family members, for the purpose of family care leave, are defined as spouse, parent, child, or other person qualifying as a dependent under IRS eligibility criteria. A parent can be a biological parent or an

individual who stood as a parent (in loco parentis) to the employee when the employee was a child. A child can be a biological child, adopted child, foster child, stepchild, legal ward, or a child in the care of a person who is standing as a parent (in loco parentis); a child must be under age 18 or 18 years or older and incapable of self-care because of mental or physical disability. Note: The definition of family member for employees represented by some union agreements also includes the employee's domestic partner and the biological or adopted child of the domestic partner.

f. General.

(1) All sick, parental, and family care leave without pay used shall be designated as leave under the provisions of the FMLA.

(2) Benefits entitlements can be different than the leave entitlement and can expire and renew at different times.

(3) Employees are entitled, but not required, to use accrued annual, personal, and when applicable, sick leave before, during, after, or instead of any of these leaves without pay provided the leave would qualify as sick, parental, or family care leave without pay. The use of paid leave shall not be included when calculating the leave entitlement. Employees may not anticipate paid leaves in conjunction with parental leave without pay.

(4) Regardless of other provisions in this directive, compliance with the FMLA must be ensured. Therefore, employees who have been employed at least 12 months (total employment, even if the employment was not continuous) and have worked at least 1,250 hours (includes regular and overtime hours, but excludes holidays and other paid time off) during the previous 12 month period are entitled up to 12 weeks of leave (with or without pay) with benefits in a rolling 12 month period.

Note: The only time that this provision will be applicable is when employees meet the above conditions and the leave without pay with benefits entitlement has expired. Employees who meet these conditions shall be granted up to 12 weeks (minus any FMLA qualifying leave used within the last 12 months) of leave without pay with benefits.

(5) Beginning at any time, but subject to the following conditions, employees may work on an intermittent or reduced-time basis, provided that the leave entitlement has not expired or been depleted.

(a) For sick leave without pay and family care leave without pay, agency heads must approve intermittent or reduced-time leave when requested, medically necessary and due to a serious health condition as defined in the FMLA. Employees should attempt to schedule intermittent or reduced-time leave at times when it is least disruptive to normal operations. For sick leave without pay, intermittent or reduced-time leave shall not be granted after the initial (first six months) leave entitlement expires; however, employees may be changed to a part-time status at agency discretion.

(b) For parental leave without pay, the use of intermittent or reduced-time leave shall be at the discretion of the agency head. If approved, the parental leave entitlement shall expire one year from the date of birth, adoption, or foster care placement, regardless of whether or not the full leave entitlement has been used. Intermittent or reduced-time leave shall not be granted after the initial (first six months) leave entitlement expires; however, employees may be changed to a part-time status at agency discretion.

(c) Employees who work on an intermittent or reduced-time basis before their benefits entitlement expires will continue to earn personal leave as they did before beginning leave, in accordance with the personal leave policies.

(d) Employees who work on an intermittent or reduced-time basis after their benefits entitlement expires (and, therefore, must be coded as part-time employees) will earn prorated personal leave as part-time employees, in accordance with the personal leave policies.

(6) Leave time shall be requested, used, and recorded to the nearest quarter hour.

(7) Hours of leave without pay used shall count on an hour for hour basis against the entitlement. All time in a leave without pay status, including unpaid holidays and intermittent or reduced-time leave, must be recorded as such.

(8) *Title 29, Section 825.300 of The Code of Federal Regulations* requires the posting of a notice explaining the provisions of the federal FMLA. The notice is attached as Enclosure 1. Agencies must distribute copies to all work locations for conspicuous posting. Agencies may duplicate the notice or obtain copies from local offices of the U.S. Department of Labor's Wage and Hour Division.

(9) *Title 29, Section 825.301(a) of The Code of Federal Regulations* requires that any written guidance to employees concerning employee benefits or leave rights, such as employee handbooks, contain information concerning FMLA entitlements and employee obligations under FMLA. Accordingly, agencies which provide employee handbooks or other written guidance to employees must include information on the leave without pay policies of this directive.

(10) As required by *Title 29, Sections 825.301(b) and (c) of The Code of Federal Regulations*, the notices labeled as Enclosures 2, 3, and 4, must be given to any employee who inquires about sick, parental, or family care leave without pay and must also be attached to the letters, labeled as Enclosures 5, 6, 7, and 8, when a leave without pay is approved.

(11) *Title 29, Section 825.500* requires that certain FMLA records be maintained. Records must be maintained for three years. Agencies are responsible for maintaining the following records:

(a) **Copies of employee requests for use of a FMLA related leave.** This could include letters/forms completed by employees requesting FMLA.

(b) **Pertinent medical documentation.** This information should not be filed in the Official Personnel Folder; it should be kept in a confidential medical file.

(c) **Records showing leave usage.** These records are available in SAP.

(d) **Records of any disputes regarding a FMLA related request that was denied.** In the event that a dispute occurs, provide information about the dispute to the Bureau of Employee Benefits and Services, Office of Administration.

(12) *Title 29, Section 825.500* also allows for reviews/audits by the Department of Labor at any time. If such a review/audit is requested by the Department of Labor at an agency or field location, notification of such review/audit must be made to the Bureau of Employee Benefits and Services, Office of Administration, so that it can be coordinated centrally.

4. PROCEDURES.

a. System-Related Codes to Effect Sick, Parental, and Family Care Leaves Without Pay.

(1) **Absence Codes.** Used to record absences.

SO - Sick leave without pay with benefits

PO - Parental leave without pay with benefits

FL - Family care leave without pay with benefits

AO - Regular leave without pay with benefits (Use for intermittent or reduced-time leave after benefits entitlement has expired, but only up to 60 calendar days. If longer than 60 days, change the employee to part-time status.)

(2) **PA-40 Actions.** For long-term leaves without pay, those leaves that are expected to be for periods of more than one full pay period of full-time leave, refer to the Business Process Procedures *Begin & Return LWOP w/Benefits, PA40* and *Begin & Return LWOP without Benefits, PA40*, available online at <http://www.ies.state.pa.us/hr/cwp/view.asp?a=537&q=168297>.

b. **Agencies are to:**

(1) Post, in all work locations, *Your Rights Under the Family and Medical leave Act of 1993*. (See Enclosure 1.)

(2) Upon inquiry about one of the three leaves covered under FMLA, provide the appropriate notice. (See Enclosure 2, 3, or 4.)

(3) Upon notice from an employee, timekeeper, or supervisor that an employee is or will be beginning sick, parental, or family care leave without pay, determine if documentation has been provided to determine if the leave should be approved or denied.

(4) If an employee is absent from work due to a reason covered by FMLA and medical documentation has not yet been provided, send the letter labeled Enclosure 8.

(5) Approve or disapprove leave.

(6) Determine if leave is to be with or without benefits.

(7) Monitor leave without pay quotas and benefits entitlements for employees on leave of absence and change to without benefits status as appropriate.

(8) For employees that work on an intermittent or reduced-time leave status, after a long-term leave without pay, enter a PA-40 action to return employees from leave.

(a) As long as the benefits entitlement has not yet been depleted, enter absences as SO, PO, or FL. **Do not** change the employee to part-time status.

(b) If the benefits entitlement has been depleted, and at agency discretion the employee is permitted to return to work on a part-time basis, enter regular leave without pay (AO) for absences as long as the part-time basis is not expected to continue beyond 60 calendar days. If greater than 60 calendar days, change the employee to part-time. In order for benefits to continue, an employee must work at least 50 percent of time. (See *Management Directive 530.4*.)

(9) Provided the employee was not on an intermittent or reduced-time leave status, upon notification of a full return to work or at the end of the leave entitlement period, input the PA-40 action to return the employee. No PA-40 action needs to be input for employees who were on an intermittent or reduced-time leave prior to the expiration of the leave entitlement.

c. **Supervisors are to:**

(1) Ensure that the Information Sheet about the FMLA is posted in the work location.
(See Enclosure 1.)

- (2) Notify the Human Resource Office of any sick, parental, or family care leave without pay used or expected to be used. **Note:** A supervisor cannot approve the use of sick, parental, or family care leave without pay without authority from the Human Resource Office.

Enclosures:

- 1 Your Rights Under *The Family and Medical Leave Act of 1993*
- 2 Notice to Employees Sick Leave Without Pay
- 3 Notice to Employees Parental Leave Without Pay
- 4 Notice to Employees Family Care Leave Without Pay
- 5 Letter to Employees Approving Sick Leave Without Pay
- 6 Letter to Employees Approving Parental Leave Without Pay
- 7 Letter to Employees Approving Family Care Leave Without Pay
- 8 Letter to Employees Requesting Medical Documentation
- 9 Notes and Guidelines from *The FMLA Regulations*

- This directive replaces, in its entirety, *Management Directive 530.2* dated January 13, 1997.

YOUR RIGHTS UNDER THE FAMILY AND MEDICAL LEAVE ACT OF 1993

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons. Employees are eligible if they have worked for a covered employer for at least one year and for 1,250 hours over the previous 12 months.

REASONS FOR TAKING LEAVE: Paid or unpaid leave must be granted for any of the following reasons:

- To care for the employee's child after birth, adoption, or foster care placement.
- To care for the employee's spouse, child, or parent, who has a serious health condition.
- For a serious health condition that makes the employee unable to perform the employee's job.

At the employee's or employer's option, certain kinds of paid leave may be substituted for unpaid leave.

ADVANCE NOTICE AND MEDICAL CERTIFICATION: The employee may be required to provide advance leave notice and medical certification. Taking of leave may be denied if requirements are not met.

- The employee ordinarily must provide advance notice when the leave is "foreseeable."
- An employer may require medical certification to support a request for leave because of a serious health condition and may require second or third opinions (at the employer's expense) and a fitness for duty report to return to work.

JOB BENEFITS AND PROTECTION:

- For the duration of FMLA leave, the employer must maintain the employee's health coverage under any "group health plan."
- Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.
- The use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

UNLAWFUL ACTS BY EMPLOYERS: FMLA makes it unlawful for any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA.
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

ENFORCEMENT:

- The U.S. Department of Labor is authorized to investigate and resolve complaints of violations.
- An eligible employee may bring a civil action against an employer for violations.

FMLA does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining agreement which provides greater family or medical leave rights.

FOR ADDITIONAL INFORMATION: Contact the nearest office of the Wage and Hour Division listed in most telephone directories under U.S. Government, Department of Labor.

NOTICE TO EMPLOYEES SICK LEAVE WITHOUT PAY

The *Family and Medical Leave Act of 1993 (FMLA)* requires that the Commonwealth provide at least 12 weeks of leave (with or without pay) with benefits within a rolling 12 month period to employees who have serious health conditions; who become parents through childbirth, adoption, or foster care placement; or who are needed to care for a seriously ill family member, as long as the employee has been employed at least one year (total employment, even if the employment was not continuous) and has worked at least 1,250 hours (which includes regular and overtime hours, but excludes holidays and other paid time off) during the previous 12 month period. Provided below is information about the Commonwealth's sick leave without pay with benefits program. All sick leave without pay used will be designated as leave under the provisions of the FMLA.

Permanent employees are entitled to six months (982.5 hours for employees who work 7.5 hour days, 1,048 hours for employees who work 8.0 hour days, or a prorated amount of hours for part-time employees) of sick leave without pay for illness or disability due to a serious health condition. To be eligible for this leave, some union contracts require employees to have at least six months of credited service. Leave time is calculated on an hour for hour basis against the hours of entitlement.

Written notification requesting sick leave without pay, along with a doctor's certificate which provides proof of disability, prognosis, and expected date of return to work, must be submitted in advance if circumstances permit. And, upon return to work, employees must provide a doctor's release to perform full duties.

Before, during, after, or instead of sick leave without pay, employees may use accrued annual, personal, or sick leave provided the leave would qualify as sick leave without pay. The use of paid leave shall not be included when calculating the sick leave without pay entitlement.

Employees may use leave on an intermittent or reduced-time basis at any time before the initial sick leave without pay entitlement expires. Contact the Human Resource Office for details regarding this option.

Upon request and certification from a physician which provides proof of continuing disability, prognosis, and expected return to work date, employees who are unable to return to work after the expiration of the initial six month sick leave without pay entitlement, shall be granted an additional six months of sick leave without pay without benefits.

Employees are eligible for a maximum of six months (982.5 hours for employees who work 7.5 hour days, 1,048 hours for employees who work 8.0 hour days, or a prorated amount of hours for part-time employees) of benefits while on sick leave without pay. The benefit entitlement includes both short and long-term unpaid absences, and is cumulative for both sick and parental leave. The following benefits continue during the entitlement period.

- Group Life Insurance coverage will continue to be state paid.
- Health benefits through the PEBTF will continue as long as the employee continues to pay the applicable employee contributions and buy-ups during the paid/unpaid leave of absence.
 - a.) Employees enrolled in the PEBTF using unpaid SPF Absence will receive notice regarding the payment amount and due date. Any delinquency in payment to the PEBTF will result in termination of the employee's health benefits.
 - b.) Employees must contact their local Human Resource Office to add any new dependents to medical/hospital and supplemental benefits contracts within 60 days of birth or of assuming custody of a child.

Employees have the right to return to the same position or an equivalent position with regard to pay and skill upon return from leave without pay. Employees who are granted a second six months of sick leave without pay only have the right to return, before or upon the expiration of the second six months, to a vacant position that the employee is qualified for and the agency intends to fill. Failure to return to work following the termination of a leave without pay shall subject the employee to disciplinary action up to and including termination effective on the first day after the leave without pay ends.

Questions concerning sick leave without pay or the benefit entitlements while on a leave without pay may be referred to the Human Resource Office at [telephone number].

NOTICE TO EMPLOYEES – PARENTAL LEAVE WITHOUT PAY

The Family and Medical Leave Act of 1993 (FMLA) requires that the Commonwealth provide at least 12 weeks of leave (with or without pay) with benefits within a rolling 12 month period to employees who have serious health conditions; who become parents through childbirth, adoption, or foster care placement; or who are needed to care for a seriously ill family member, as long as the employee has been employed at least one year (total employment, even if the employment was not continuous) and has worked at least 1,250 hours (which includes regular and overtime hours, but excludes holidays and other paid time off) during the previous 12 month period. Provided below is information about the Commonwealth's parental leave without pay with benefits program. All parental leave without pay used will be designated as leave under the provisions of the FMLA.

Permanent employees are entitled to six months (982.5 hours for employees who work 7.5 hour days, 1,048 hours for employees who work 8.0 hour days, or a prorated amount of hours for part-time employees) of parental leave without pay upon the birth, adoption, or foster care placement of a child. Leave time is calculated on an hour for hour basis against the hours of entitlement.

Written notification requesting parental leave without pay must be submitted at least two weeks in advance if circumstances permit and must state the anticipated duration of the leave.

When disabled due to childbirth or other disability, employees may use accrued sick leave or sick leave without pay. A doctor's certificate stating the period of disability is required and should be forwarded as soon as possible. Before, during, after, or instead of parental leave without pay, employees may use accrued annual and/or personal leave provided the leave would qualify as parental leave without pay. Paid leave may not be anticipated. The use of paid leave shall not be included when calculating the parental leave without pay entitlement.

At the discretion of the agency, employees may use leave on an intermittent or reduced-time basis at any time before the parental leave without pay entitlement expires. And, at the discretion of the agency, at the end of the initial six month parental leave without pay entitlement, an extension of parental leave without pay without benefits may be granted. Contact the Human Resource Office for details regarding these options.

The entitlement to parental leave without pay expires one year from the date of birth, adoption, or foster care placement regardless of whether or not the full parental leave without pay entitlement was used.

Employees are eligible for a maximum of six months (982.5 hours for employees who work 7.5 hour days, 1,048 hours for employees who work 8.0 hour days, or a prorated amount of hours for part-time employees) of benefits while on parental leave without pay. The benefit entitlement includes both short and long-term unpaid absences and is cumulative for both sick and parental leave without pay. The following benefits continue during the entitlement period.

- Group Life Insurance coverage will continue to be state paid.
- Health benefits through the PEBTF will continue as long as the employee continues to pay the applicable employee contributions and buy-ups during the paid/unpaid leave of absence.
 - a.) Employees enrolled in the PEBTF using unpaid SPF Absence will receive notice regarding the payment amount and due date. Any delinquency in payment to the PEBTF will result in termination of the employee's health benefits.
 - b.) Employees must contact their local Human Resource Office to add any new dependents to medical/hospital and supplemental benefits contracts within 60 days of birth or of assuming custody of a child.

Employees have the right to return to the same position or an equivalent position with regard to pay and skill upon return from leave without pay. Failure to return to work following the termination of a leave without pay shall subject the employee to disciplinary action up to and including termination effective on the first day after the leave without pay ends.

• Questions concerning parental leave without pay or the benefit entitlements while on a leave without pay may be referred to the Human Resource Office at [telephone number].

NOTICE TO EMPLOYEES – FAMILY CARE LEAVE WITHOUT PAY

The *Family and Medical Leave Act of 1993 (FMLA)* requires that the Commonwealth provide at least 12 weeks of leave (with or without pay) with benefits within a rolling 12 month period to employees who have serious health conditions; who become parents through childbirth, adoption, or foster care placement; or who are needed to care for a seriously ill family member, as long as the employee has been employed at least one year (total employment, even if the employment was not continuous) and has worked at least 1,250 hours (which includes regular and overtime hours, but excludes holidays and other paid time off) during the previous 12 month period. Provided below is information about the Commonwealth's family care leave without pay with benefits program. All family care leave without pay used will be designated as leave under the provisions of the FMLA.

Permanent employees with at least one year of service (total employment, even if the employment was not continuous) are entitled to 12 weeks (450 hours for employees who work 7.5 hour days, 480 hours for employees who work 8.0 hour days, or a prorated amount of hours for part-time employees) of family care leave without pay every leave calendar year to care or arrange care for a family member with a serious health condition. Leave time is calculated on an hour for hour basis against the hours of entitlement.

Family member, for this purpose, is defined as a spouse, parent, child, or other person qualifying as a dependent under IRS eligibility criteria. A parent can be a biological parent or an individual who stood as a parent (in loco parentis) to the employee when the employee was a child. A child can be a biological child, adopted child, foster child, stepchild, legal ward, or a child of a person who is standing as a parent (in loco parentis); a child must be under age 18 or 18 years or older and incapable of self-care because of mental or physical disability. Note: The definition of family member for employees represented by some union agreements also includes the employee's domestic partner and the biological or adopted child of the domestic partner.

Written notification stating the name and relationship of the person to be cared for and anticipated duration of the leave must be submitted to request family care leave without pay. Also required is a doctor's certificate stating that the family member has a serious health condition which requires the employee's care or requires the employee to arrange care, the date the illness or disability began, and its anticipated duration.

Before, during, after, or instead of family care leave without pay, employees may use accrued annual, personal, and/or, if applicable, sick family and additional sick family leave provided the leave would qualify as family care leave without pay. The use of paid leave shall not be included when calculating the family care leave entitlement.

Employees may use leave on an intermittent or reduced-time basis at any time before the family care leave without pay entitlement expires. Contact the Human Resource Office for details regarding this option.

Employees are eligible for a maximum of 12 weeks (450 hours for employees who work 7.5 hour days, 480 hours for employees who work 8.0 hour days, or a prorated amount of hours for part-time employees) of benefits while on family care leave without pay. The benefit entitlement includes both short and long-term unpaid absences. The following benefits continue during the entitlement period.

- Group Life Insurance coverage will continue to be state paid.
- Health benefits through the PEBTF will continue as long as the employee continues to pay the applicable employee contributions and buy-ups during the paid/unpaid leave of absence.
- a.) Employees enrolled in the PEBTF using unpaid SPF Absence will receive notice regarding the payment amount and due date. Any delinquency in payment to the PEBTF will result in termination of the employee's health benefits.

- b.) Employees must contact their local Human Resource Office to add any new dependents to medical/hospital and supplemental benefits contracts within 60 days of birth or of assuming custody of a child.
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Employees have the right to return to the same position or an equivalent position with regard to pay and skill upon return from leave without pay. Failure to return to work following the termination of a leave without pay shall subject the employee to disciplinary action up to and including termination effective on the first day after the leave without pay ends.

- Questions concerning family care leave without pay or the benefits entitlements while on a leave without pay may be referred to the Human Resource Office at [telephone number].

LETTER TO EMPLOYEES APPROVING SICK LEAVE WITHOUT PAY

Dear _____:

As you requested, you have been granted sick leave without pay from [DATE] through [DATE], unless the health care provider certifies you are able to return to work at an earlier date. This leave has been designated as leave under the provisions of *The Family and Medical Leave Act of 1993*.

The enclosed notice will inform you of your rights, benefits, and obligations while on sick leave without pay.

If you are unable to return to work on the expected date of [RETURN DATE], you must notify this office and provide the following information by [RETURN DATE].

- A written request to continue the absence.
- An updated *Serious Health Condition Certification* form completed by the health care provider.

Failure to return to work and/or provide the required information on or before the end of the approved leave of absence may result in the loss of rights and benefits explained in the *Notice to Employees - Sick Leave Without Pay*, and it may result in disciplinary action.

If you have any questions concerning this leave without pay or the benefits you are entitled to while on a leave without without pay, please contact us at [telephone number].

Enclosures: Notice to Employees - Sick Leave Without Pay
Serious Health Condition Certification

cc: Bureau Director
Supervisor
Time Advisor
Employee File
Labor Relations

LETTER TO EMPLOYEES APPROVING PARENTAL LEAVE WITHOUT PAY

Dear _____:

As you requested, you have been granted parental leave without pay from [DATE] through [DATE]. This leave has been designated as leave under the provisions of *The Family and Medical Leave Act of 1993*.

The enclosed notice will inform you of your rights, benefits, and obligations while on parental leave without pay.

Failure to return to work and/or provide the required information at the end of the approved leave of absence may result in the loss of rights and benefits explained in the *Notice to Employees – Parental Leave Without Pay*, and it may result in disciplinary action.

If you have any questions concerning this leave without pay or the benefits you are entitled to while on a leave without pay, please contact us at [telephone number].

Enclosure: Notice to Employees – Parental Leave Without Pay

cc: Bureau Director
Supervisor
Time Advisor
Employee File

LETTER TO EMPLOYEES APPROVING FAMILY CARE LEAVE WITHOUT PAY

Dear _____:

As you requested, you have been granted family care leave without pay from [DATE] through [DATE]. This leave has been designated as leave under the provisions of *The Family and Medical Leave Act of 1993*.

The enclosed notice will inform you of your rights, benefits, and obligations while on family care leave without pay.

If you are unable to return to work on the expected date of [RETURN DATE], you must notify this office and provide the following information by [RETURN DATE].

- A written request to continue the absence.
- An updated *Serious Health Condition Certification* form completed by the health care provider.

Failure to return to work and/or provide the required information on or before the end of the approved leave of absence may result in the loss of rights and benefits explained in the *Notice to Employees – Family Care Leave Without Pay*, and it may result in disciplinary action.

If you have any questions concerning this leave without pay or the benefits you are entitled to while on a leave without pay, please contact us at [telephone number].

Enclosures: Notice to Employees – Family Care Leave Without Pay
Serious Health Condition Certification

cc: Bureau Director
Supervisor
Time Advisor
Employee File
Labor Relations

LETTER TO EMPLOYEES REQUESTING MEDICAL DOCUMENTATION

Dear _____:

We have been advised that you [have been/will be] off work for a reason that may qualify under the provisions of *The Family and Medical Leave Act of 1993*. Under the Act, you are entitled to certain benefits; the enclosed notice will provide you with information about your rights, benefits, and obligations while on leave.

In order for us to determine your eligibility for the leave, please submit documentation to support your absence, as noted in the enclosure, to this office within 15 days. Your failure to provide the documentation will preclude you from receiving the benefits outlined in the enclosure. In the meantime, contingent upon receipt of the required documentation, your absence has been designated as leave under the provisions of *The Family and Medical Leave Act of 1993*.

If you have any questions concerning the leave without pay or your rights, benefits, and obligations while on leave, please contact us at [telephone number].

- Enclosures: Notes and Guidelines from the FMLA Regulations
- Serious Health Condition Certification

- cc: Bureau Director
- Supervisor
- Time Advisor
- Employee File
- Labor Relations

NOTES AND GUIDELINES FROM THE FMLA REGULATIONS
(Federal Register January 6, 1995)

Serious Health Condition

A serious condition, at a minimum, would include more than three consecutive days of incapacity and at least two visits to a health care provider or one visit followed by a regimen of continuing treatment.

Note: Taking over-the-counter medications, bed rest, drinking fluids, exercise, and other similar activities that can be initiated without a visit to a health care provider is not by itself sufficient to constitute a regimen of continuing treatment.

A serious health condition would not include, unless complications arise: the common cold, the flu, earaches, upset stomach, minor ulcers, dental or orthodontia problems, and periodontal disease. Cosmetic surgery is also not a serious health condition, unless complications arise or inpatient care is needed.

A serious health condition can also include episodes of incapacity of less than three days for chronic conditions such as asthma. It may be appropriate to obtain medical certification for these types of short absences.

To be disabled from work, an employee must be either unable to work at all or unable to perform the essential functions of the position within the meaning of the ADA.

Relationship to ADA

Reasonable accommodation is irrelevant for the purposes of FMLA.

When ADA and FMLA overlap, the law that provides the greatest benefit to the employee is used.

The right to reinstatement to the same or an equivalent position is contingent upon the employee's ability to perform all essential functions of the job.

Notice

If an employee is able to return to work earlier than anticipated, the employee should give the employer reasonable advance notice, generally at least two working days.

Providing information to a manager or supervisor is sufficient for meeting the employee's obligations under FMLA.

Designation of leave under the provisions of FMLA must take place up front whenever possible. The employer's notification to the employee of the designation may be oral, but must be confirmed, in writing, no later than the next regular pay day. (If less than a week remains until the next pay day, the notice must be provided by the following pay day.) The notices and letters provided in this directive fulfill this obligation.

If the employer is able to determine that a leave is for a FMLA reason at the time the employee either gives notice of the need or the leave commences, the employer must notify the employee at that time that the leave is being designated as leave under FMLA. If the employer does not notify the employee, the employer may not then designate the leave retroactively. The leave may be designated only prospectively as of the date of notification to the employee. There are two exceptions:

(1) If an employee is on leave and the employer does not learn of the reason for the leave until the employee returns to work, the employer may designate the leave as FMLA promptly (within two business days).

(2) If the employer has provisionally designated the leave FMLA and is awaiting medical certification or other reasonable documentation allowed to confirm that the leave was FMLA.

Only where leave had already begun and the employer had insufficient information to determine whether it qualified as FMLA could it be retroactively designated as FMLA.

The employee is not entitled to the protection of FMLA if notice of the reason for the leave is given later than two days after returning to work.

Medical Certification

If the need for leave does not allow for advance notice, the employer should request the necessary information from the employee in order to approve the leave. The employee must be allowed at least 15 days to provide the necessary information once the employer has requested it.

A health care provider representing the employer is permitted to contact the employee's provider for purposes of clarifying information on the medical certification or confirming that it was provided by the health care provider. Additional information regarding the employee's condition can only be requested with the employee's or family member's permission. (A signed authorization for release of information would be acceptable for requesting additional information if needed.)

Where a certification provides for a minimum duration of greater than 30 days, the employer may not obtain recertification until that minimum period has passed. Exceptions are provided only if circumstances have changed significantly or the employer has reason to believe the employee was not absent for the reason indicated. In other cases, recertification every 30 days may be appropriate.

If the medical certification provided does not verify that the employee or employee's family member has a serious health condition, the employer may request the doctor to provide information to substantiate a serious health condition under the provisions of the FMLA. The Federal Government's Wage and Hour Division of the Department of Labor has created a form that can be used for this purpose.

Return to Work

The employee shall advise the employer if the leave granted needs to be extended. The employer may obtain information from employees through status reports.

An employee should be able to provide reasonable advance notice of changed circumstances affecting the employee's need for FMLA, that notice is two days.

If the employee does not return to work at the conclusion of the planned leave, the employee should give the employer reasonable notice of the need for an extension if less than 12 weeks of FMLA has been used in the last 12 months. If the employee is unable to or does not return to work at the end of 12 weeks of FMLA, all entitlements and rights under FMLA cease at that time; however, the Commonwealth's benefits may still be applicable.

Benefits

There are no limitations on the employee's right to elect to substitute accrued paid vacation (annual) or personal leave for qualifying FMLA, and the employer may not limit the timing during the year in which paid vacation may be substituted for FMLA qualifying absences or impose other limitations.

If, but for being on leave, an employee would have been furloughed or terminated, an employee's right to reinstatement is whatever it would have been had the employee not been on leave.

To the extent that the employee meets all qualifications to receive bonuses or employment benefits up to the point that FMLA begins, the employee must continue to qualify for the entitlement upon returning from FMLA. In other words, an employee may not be disqualified from perfect attendance, safety, or similar bonuses or benefits because of taking FMLA.

The taking of a FMLA qualifying leave may not be counted against the employee under the employer's attendance policy.

If the employee would have lost a "use it or lose it" benefit if the employee had worked and not been on leave, the employee is not entitled to retain the benefit simply because the employee took leave.

An employee cannot be forced to return to work to light duty under FMLA, but failure to return could jeopardize other benefits, such as workers' compensation.

Temporary Clerical Pool

An agency using a temporary clerical pool employee is not responsible for notifying the employee of the employee's rights, benefits, and obligations under the FMLA.

The Bureau of State Employment will be responsible for that notification. An agency should have the employee inform the Office of Administration, Bureau of State Employment, when the agency is aware that the employee is off due to a FMLA qualifying reason.

Miscellaneous

Reasonable documentation may be requested in order to substantiate the need for leave under FMLA, (example: copy of a birth certificate or adoption papers). Or, reasonable documentation could be as simple as a signed statement attesting to the relationship and/or need for FMLA.

An employee who marries cannot request FMLA leave for new stepchildren, unless the stepchildren are formally adopted.

FMLA leave cannot be requested to care for a parent-in-law.

Time off during a period of no work (during cyclical leave) for a FMLA qualifying reason cannot be counted against the FMLA entitlement.

Substitution of Paid Leave in Lieu of Leave Without Pay

Nothing in the FMLA requires the employer to provide paid sick leave benefits in any situation in which the employer would not normally provide those benefits.

MANAGEMENT DIRECTIVE

530.4
Amended
Number

COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE

Subject:

State Paid Benefits While on Sick, Parental, or Family Care Leave Without Pay

By Direction Of:

Naomi Wyatt

Naomi Wyatt, Secretary of Administration

Date:

March 11, 2008

This amendment changes the scope to exclude employees covered by Management Directive 530.30, *Sick, Parental and Family Care Absence Policy* and removes references to processes in IPPS.

1. **PURPOSE.** To establish policies and procedures for the continuation of benefits for employees on sick, parental, or family care leave without pay.

- 2. **SCOPE.** This directive applies to represented employees in agencies under the Governor's jurisdiction whose unions have not adopted the absence provisions outlined in Management Directive 530.30, *Sick, Parental and Family Care Absence Policy*.

3. **POLICY.**

- a. The provisions of this directive shall be consistent with the *Family and Medical Leave Act of 1993 (FMLA) (29 U.S.C. §2601, et seq.)* except when more generous benefits are granted by collective bargaining agreements and the Personnel Rules.

b. Policies regarding granting leave are contained in applicable collective bargaining agreements and memoranda of understanding; *Management Directives 505.7, Personnel Rules and 530.2, Sick Leave Without Pay, Parental Leave Without Pay, and Family Care Leave Without Pay*; and *Manual M530.7, Leave and Holiday Programs*.

c. Policies and procedures regarding granting benefits are contained in applicable collective bargaining agreements and memoranda of understanding; *Management Directive 505.7 and Manual M530.3, Group Life Insurance Program Administrative Manual*.

d. The following policies apply to the continuation of benefits for employees on sick, parental, and family care leave without pay.

NOTE: Benefits entitlements can be different than the leave entitlements and can expire and renew at different times. Employees receive one benefits entitlement for both sick and parental leave without pay with benefits.

(1) Permanent employees who are placed on sick or parental leave without pay are entitled to a continuation of health insurance, supplemental health insurance, and group life insurance benefits for a maximum of six months (982.5 hours for employees who normally work a 37.5 hour week or 1048 hours for employees who normally work a 40.0 hour week). Paid leave is not to be included when calculating the benefits entitlement. The hours of benefits entitlement shall be prorated for part-time employees.

(2) The benefits entitlements include both short and long-term unpaid absences.

(3) The benefits entitlement is cumulative for both sick and parental leave and shall be renewed under the following conditions:

(a) When an employee has returned to an active pay status for 90 consecutive calendar days, provided that the employee was in a compensable pay status on each regularly scheduled workday.

(b) When, at the end of 365 calendar days from the first usage date, an employee has not used the full benefits entitlement.

(c) When six months in an active pay status have elapsed from the last date of without pay with benefits usage, provided that the employee was in a compensable pay status during each pay period.

(4) Permanent employees who are placed on family care leave without pay are entitled to continuation of health insurance, supplemental health insurance, and group life insurance benefits for a maximum of 12 weeks (450 hours for employees who normally work a 37.5 hour week and 480 hours for employees who normally work a 40.0 hour week) every year. Paid leave is not to be included when calculating the benefits entitlement. The hours of benefits entitlement shall be prorated for part-time employees.

(5) The benefits entitlements are applicable to employees working on an intermittent or reduced-time basis provided that the leave entitlement has not expired or been depleted. Leave time used shall count on an hour for hour basis against the benefits entitlement and shall be requested to the nearest quarter hour.

(6) Full-time employees who exhaust their benefits entitlement and at agency discretion are permitted to return to work as part-time employees but are expected to return to full-time status in less than 60 calendar days will continue to receive full-time benefits. Full-time employees who exhaust their benefits entitlement and at agency discretion are permitted to return to work as part-time employees and are not expected to return to full-time status for 60 or more calendar days will be changed to part-time, and will receive benefits as part-time employees if they work 50 percent time or greater. They will not be eligible for health insurance and supplemental health insurance benefits if they work less than 50 percent time.

NOTE: Employees who are permitted to work a part-time schedule shall not be considered to be using leave on a reduced-time basis. At the point an agency permits an employee to work a part-time schedule, he or she becomes a part time employee, and the employee has no further leave or benefits entitlements under Management Directives 530.2 or 530.4.

(7) Part-time employees who exhaust their benefits entitlement and at agency discretion are permitted to return to work at less than 50 percent time, but are expected to return to 50 percent time or more in less than 60 calendar days, will continue to receive part-time benefits. Part-time employees who exhaust their benefits entitlement and, at agency discretion are permitted to return to work at less than 50 percent time and are not expected to return to their previous part-time schedule for 60 or more calendar days will not be eligible for health insurance and supplemental health insurance benefits.

NOTE: Employees who are permitted to work a part-time schedule shall not be considered to be using leave on a reduced time basis. At the point an agency permits a part-time schedule, the employee becomes a part time employee, and the employee has no further leave or benefits entitlements under Management Directives 530.2 or 530.4.

(8) Regardless of other provisions in this directive, compliance with the FMLA must be ensured. Therefore, employees who have been employed at least 12 months (total employment, even if the employment was not continuous) and have worked at least 1250 hours (includes regular and overtime hours, but excludes holidays and other paid time off) during the previous 12 month period are entitled to up to 12 weeks of leave (with or without pay) with benefits in a rolling 12 month period.

NOTE: The only time that this provision will be applicable is when employees meet the above conditions and the leave without pay with benefits entitlement has expired. Employees who meet these conditions shall be granted up to 12 weeks (minus any FMLA qualifying leave used within the previous 12 months) of leave without pay with benefits.

(9) A short-term unpaid absence is an absence that is expected to be less than, or equal to, one full pay period. A short-term absence could be 18 days long, for instance, if it were comprised of nine workdays in one pay period and nine work-days in the next pay period, because it would not involve either pay period fully. A short-term unpaid absence does not affect an employee's benefits eligibility until such absence, counted alone or in combination with any long-term unpaid absence, exceeds the leave without pay with benefits entitlement.

(10) A long-term unpaid absence is an absence that is expected to be longer than one full pay period. An absence is not considered long-term unless it is expected to encompass one pay period entirely and at least some time in another pay period. Except for an employee on a sick, parental, family care, or military leave without pay with benefits, a long-term unpaid absence causes an employee to be ineligible for benefits from the beginning of the unpaid absence.

4. RESPONSIBILITIES.

Agency Human Resource Offices are to:

a. Ensure that employees are aware of their rights, benefits, and obligations under the FMLA (see *Management Directive 530.2, Enclosures 1 through 8*).

b. Monitor the length of time each employee is on sick, parental, or family care leave and determine when an employee's entitlement to benefits while on unpaid sick and parental leave or the entitlement to benefits while on family care leave will expire or should be renewed.

c. Maintain contact with the employee concerning a date when he or she is expected to return to work and when the benefits will expire.

d. Enter PA-40 actions in SAP to maintain or terminate benefits.

5. PROCEDURES. The following procedures are to be used to effect transactions.

Action By: Agency Human Resource Office or Designee.

a. Inputs the appropriate PA-40 action in SAP to place an employee on sick, parental, or family care leave without pay with benefits.

b. Monitors sick, parental and family leave without pay quotas in SAP.

c. Informs employee when the benefits entitlement of sick or parental leave is about to end and ascertains employee's plans for continued leave or return to work.

d. Informs employee that the benefits entitlement of family care leave is about to end and ascertains employee's plans for continued leave or return to work.

e. Continues full-time benefits if a full-time employee works on an intermittent or reduced-time basis effective his or her first day of sick or parental leave without pay with benefits, or returns from sick or parental leave without pay with benefits on an intermittent or reduced-time basis before the original benefits entitlement for unpaid sick or parental leave or the benefits entitlement for unpaid family care leave has expired.

f. Continues full-time benefits if a full-time employee returns to work part-time after exhausting the benefits entitlement and is expected to return to full-time work in less than 60 calendar days.

g. If a full-time employee returns to work part-time and is expected to work part-time for 60 or more calendar days, changes the employee to part-time.

h. Informs employee that his or her medical and supplemental health insurance benefits will either be reduced or cancelled because he or she is working less than full-time for 60 calendar days or more.

i. Continues part-time benefits if a part-time employee returns to work at less than 50 percent time after exhausting the benefits entitlement and is expected to return to 50 percent time or greater in less than 60 calendar days. Terminates benefits if a part-time employee returns to work at less than 50 percent time and is expected to work at less than 50 percent time for 60 or more calendar days.

j. Inputs appropriate PA-40 actions in SAP to place an employee on a leave without pay without benefits or to return an employee to an active pay status.

This directive replaces, in its entirety, *Management Directive 530.4* dated March 21, 1996.

MANAGEMENT DIRECTIVE

530.20 Amended
Number

COMMONWEALTH OF PENNSYLVANIA GOVERNOR'S OFFICE

Subject:

State Paid Benefits While on Cyclical Leave Without Pay

By Direction Of:


Thomas G. Paese, Secretary of Administration

Date:

July 8, 1997

This amendment clarifies existing policy on payment of certain benefits to permanent employes on approved leave without pay due to cyclical work schedules or weather conditions.

1. **PURPOSE.** To provide policy and procedures to enable the state to continue payment of certain benefits to permanent employes on approved leave without pay due to cyclical work schedules or weather conditions.

2. **SCOPE.** This directive applies to all Commonwealth employes under the Governor's jurisdiction, except State Police enlisted personnel and, as appropriate, to legislative, judicial, and executive agencies not under the Governor's jurisdiction.

3. DEFINITIONS.

a. **Cyclical employe.** A permanent employe who is placed on leave without pay for up to three consecutive months every year due to a cyclical work schedule or weather conditions.

- b. **Cyclical Leave.** An absence from work
- without pay with benefits for up to three consecutive months every year due to a cyclical work schedule or weather conditions. (Cyclical leave is available only to permanent employes.)

c. **Pay option code.** A code that is used to indicate the number of regular biweekly salary payments received each academic year as selected by employes.

d. **Transaction codes.** Codes used to effect cyclical leave in the Integrated Personnel/ Payroll System. They are:

- (1) 006270 – To begin cyclical leave without pay with benefits.
- (2) 006280 – To return from cyclical leave without pay with benefits.

4. **POLICY.** Policies regarding granting cyclical leave without pay and continuing benefits are contained in applicable collective bargaining agreements and memoranda of understanding; *Management Directive 505.7*; *Personnel Rules; M530.3*; *Group Life Insurance Program Administrative Manual*; and the *PEBTF Administrative Procedures Manual*.

- a. When an employe begins cyclical leave,
- transaction codes in 3.d.(1) or (2) are to be used
- regardless of an employe's eligibility for medical/
- hospital, supplemental health insurance, or Group
- Life Insurance benefits.

- b. Employes may move directly from cyclical
- leave to sick, parental, family care, or other leave
- without pay. The one to three months of cyclical
- leave is not counted toward any other leave with-
- out pay entitlements.

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- c. Employees on sick, parental, family care, or other leave without pay when their cyclical leave is scheduled to begin, should remain on sick, parental, family care, or other leave without pay for the duration of their entitlement.

- d. Employees whose sick, parental, family care, or other leave without pay entitlement expires while they would normally be on cyclical leave and who would be unable to return, according to medical documentation or other information, should be moved to other leave without pay, as appropriate.

- e. Employees who were on sick, parental, family care, or other leave without pay and recover or would be able to return to work during the cyclical leave period, will be placed on cyclical leave for the duration of the period.

- f. Employees who are unable to return at the end of the regular cyclical leave period will be placed on other leave, as appropriate. Employees cannot remain on cyclical leave.

5. RESPONSIBILITIES.

a. Agency personnel offices are to:

(1) Identify cyclical employees and assign to them a pay option code. New employees should be assigned a pay option code at the time of hire.

(2) Counsel employees on their benefits.

(3) Input appropriate transaction into the Integrated Personnel/Payroll System to place employees on cyclical leave.

(4) Monitor the length of time each employee is on cyclical leave and determine when an employee's entitlement to benefits will expire.

(5) Input appropriate transaction in the Integrated Personnel/Payroll System to return employe from cyclical leave or to terminate benefits.


6. PROCEDURES. The following procedures are to be used to effect cyclical leave.

| Action By | Step | Action |
|--------------------------------------|------|---|
| Agency Personnel Office or Designee. | 1. | Determines that an employe will be placed on cyclical leave. |
| | 2. | Inputs in the Integrated Personnel/Payroll System transaction code 006270 to place an employe on cyclical leave. |
| | 3. | At the end of the cyclical leave period: <ul style="list-style-type: none"> a. Inputs in the Integrated Personnel/Payroll System a 006280 transaction to return an employe to active status from cyclical leave. b. If the employe is unable to return to an active pay status at the end of the cyclical leave period, inputs in the Integrated Personnel/Payroll System an appropriate transaction to place an employe on other appropriate leave without pay. When appropriate, inputs in the Integrated Personnel/Payroll System an appropriate transaction to return an employe to active pay status from the leave without pay. |

This directive supersedes Management Directive 530.20 dated November 7, 1994.

MANAGEMENT DIRECTIVE

Commonwealth of Pennsylvania Governor's Office

| | |
|---|---|
| Subject: Group Life Insurance Program | Number: 530.32 Amended |
| Date: November 18, 2019 | By Direction of:  Michael Newsome, Secretary of Administration |
| Contact Agency: Office of Administration, Employee Relations and Workplace Support Office, Bureau of Employee Benefits, Telephone 717.787.9872 | |

This directive establishes policy, responsibilities, and procedures for the Group Life Insurance Program. Issued as a companion to this directive is *Manual 530.3, Group Life Insurance Program*.

1. **PURPOSE.** To establish policy, responsibilities, and procedures for the organization and administration of the Group Life Insurance Program.
2. **SCOPE.** This directive applies to all departments, boards, commissions, offices, and councils under the Governor's jurisdiction, as well as independent agencies and other government branches that participate in the Group Life Insurance Program (collectively referred to herein as "the Commonwealth").
3. **OBJECTIVE.** To implement the group life insurance plan for permanent Commonwealth employees, as required by the *Act of July 17, 2007, P.L. 141, No. 42 (Act 42 of 2007)*, 72 P.S. §§ 1501-A—1508-A.
4. **DEFINITIONS.**
 - a. **Active Pay Status.** The condition during which an employee is eligible for pay.
 - b. **Break in Employment.** A voluntary or involuntary interruption in an individual's employment status with the Commonwealth. A Break in Employment may be caused by such events as retirement, resignation, furlough, death, or involuntary separation. The term does not include leave without pay of any kind, legal strike absences, suspensions, or transfers, regardless of their duration.
 - c. **Coverage Amount.** The total amount of money paid to a beneficiary(ies) upon the death of an Eligible Employee.

- d. **Disability Life Insurance.** A provision within the Group Life Insurance Program that permits an employee who is permanently and totally disabled to retain his or her life insurance coverage at no cost to the employee.
- e. **Effective Date.** The date on which life insurance coverage begins.
- f. **Eligible Employee.** A Permanent Employee of the Commonwealth.
- g. **Insurance Carrier.** The insurance company with which the Commonwealth secures a contract for the purpose of providing the life insurance benefits described in this directive.
- h. **Leave Without Pay With Benefits.** An absence from work during which an employee is not in an active paid status but is still eligible for health insurance coverage.
- i. **Leave Without Pay Without Benefits.** An absence from work during which an employee is not in an active paid status and is not eligible for health insurance coverage.
- j. **Nonpermanent Employee.** An employee who is hired with the expectation of being in an Active Pay Status for less than 12 consecutive months, without the expectation of working on an annually recurring basis, or who is hired with the expectation of being in an Active Pay Status for less than nine consecutive months on an annually recurring basis. The use of this term does not change or alter in any way the at-will employment relationship between the Commonwealth and its employees.
- k. **Permanent Employee.** An employee who is hired with the expectation of being in an Active Pay Status for more than 12 consecutive months or who is hired with the expectation of being in an Active Pay Status from nine to 12 consecutive months inclusive and with the expectation of working on an annually recurring basis. The use of this term does not change or alter in any way the at-will employment relationship between the Commonwealth and its employees.
- l. **Waiting Period.** The length of time a newly hired Eligible Employee must wait until the Effective Date of the life insurance coverage.
- m. **Work-Related Accidental Death.** An additional payment, as defined by Executive Board Resolution No. MGT-CB-6-271 and applicable collective bargaining agreements, to the beneficiary(ies) in the event that an Eligible Employee's death is accepted as a work-related death under Pennsylvania's *Workers' Compensation Act, Act of June 2, 1915, P.L. 736, No. 338, 77 P.S. §§ 1—2710.*

5. POLICY.

- a. **Eligibility.** Individuals meeting the definition of Eligible Employee may participate in the Group Life Insurance Program.

b. Waiting Period. Life insurance coverage begins the day after an Eligible Employee has completed 90 calendar days of employment in an Active Pay Status, unless the Waiting Period is extended as described in Section 5.c.(2).

(1) Leave Without Pay Without Benefits. Eligible Employees who return to work after being placed on Leave Without Pay Without Benefits will not serve a new Waiting Period, provided the employee was covered prior to the Leave Without Pay Without Benefits.

(2) Break in Employment Other than Furlough. Eligible Employees who terminate employment and are rehired within 180 calendar days will not serve a new Waiting Period. Employees who terminate employment and are rehired after more than 180 calendar days must serve a new Waiting Period.

(3) Furlough. Eligible Employees who are furloughed and return to work during the recall period will not have to serve a new Waiting Period.

c. Effective Date of Coverage.

(1) Coverage is effective the day after an employee has completed 90 days of employment in an Active Pay Status.

(2) The Effective Date of insurance for an Eligible Employee placed on Leave Without Pay Without Benefits or furloughed during the 90-calendar day Waiting Period will be extended by a period equal to the duration of the leave or furlough.

(3) If the Eligible Employee is not in an Active Pay Status on the day his or her coverage would normally become effective, the Effective Date of coverage will be his or her first day in an Active Pay Status.

(4) If the Effective Date of coverage is not a regularly scheduled workday, the Eligible Employee will be covered on that date if he or she was in an Active Pay Status on the preceding regularly scheduled workday.

(5) The Waiting Period for a Nonpermanent Employee who is designated as permanent without an intervening Break in Employment will be reduced by the length of time he or she was in an Active Pay Status as a Nonpermanent Employee immediately prior to being designated as a Permanent Employee.

- d. **Waiver of Group Life Insurance.** If an Eligible Employee does not want life insurance coverage, he or she may waive coverage at any time by submitting a letter to the Human Resource Service Center (HRSC) or their local human resource office if their agency is not served by the HRSC. If coverage is desired at a later date, an employee must contact the HRSC or their local human resource office if their agency is not served by the HRSC. If the waiver is received after the 90-day Waiting Period has been completed, then the waiver will be effective the first day of the month following the waiver request. If the waiver is received before the Waiting Period has concluded, then coverage will not become effective at the conclusion of the 90-day Waiting Period.
- e. **Termination of Coverage.** Coverage ends on the first of the month following the month in which the employee separates; or on the first of the month following the month in which the employee is on Leave Without Pay Without Benefits and has not paid the premium. An employee whose coverage ends for any reason has the right to convert his or her insurance as described in Section 5.g.(5). If an employee dies within the timeframe the employee could have converted the policy, benefits will be paid.
- f. **Premium Payment.**
 - (1) **Active Pay Status.** The Commonwealth pays the premium once an employee's policy becomes effective.
 - (2) **Leave Without Pay With Benefits.** The Commonwealth will continue to pay premiums for employees on Leave Without Pay With Benefits.
 - (3) **Leave Without Pay Without Benefits.** Employees in a Leave Without Pay Without Benefits status may pay the premium directly to the Insurance Carrier for continuation of coverage for up to 12 continuous months. Coverage may not be more than 12 months, except for military Leave Without Pay Without Benefits, which can continue for as long as the person remains in a military Leave Without Pay Without Benefits status.
 - (4) **Disability Life Insurance.** The Commonwealth pays the premium once an employee qualifies for Disability Life Insurance.
- g. **Benefits.**
 - (1) **Amount of Insurance.** The Coverage Amount of group life insurance is based on an employee's annual base salary as of January 1. See Enclosure 1, Schedule of Life Insurance, for insurance amount based on annual salary.
 - (a) An employee who receives an increase or decrease in his or her annual base salary during the calendar year will have his or her amount of insurance updated on the following January 1. A pay increase or decrease effective

January 1 will be included in the amount of insurance on that January 1.

- (b) An employee who is not in an Active Pay Status on either January 1 or the last regularly scheduled workday before January 1 will receive an increase or decrease in the amount of insurance on the date of return to work. The increase or decrease in the amount of insurance applied upon return to work will be the amount which would have been applied had the employee been in an active status on January 1.
- (c) The amount of insurance for an employee who terminates and is rehired after a Break in Employment of 180 calendar days or less will be the same amount as of the date the employee terminated.
- (d) The amount of insurance for an employee who terminates and is rehired after a Break in Employment of more than 180 calendar days will be based on the employee's new annual salary.
- (e) The amount of insurance for an employee who terminates and is rehired after a Break in Employment is based upon the length of the break in service as described in paragraphs (c) and (d) above, even if the separation and return to work is between an agency that uses the Commonwealth's Human Resources and Payroll System and an independent agency that does not use the Commonwealth's Human Resources and Payroll System.
- (f) The amount of insurance for an employee who has been furloughed and is rehired during the recall period shall be determined as follows:
 - 1** **Without an Intervening January 1.** The amount of insurance for an individual terminated and reemployed during the same calendar year should be the same amount that was in effect when the furlough occurred, unless a reduction is necessary because the individual turned age 70 or 75.
 - 2** **With an Intervening January 1.** The amount of insurance for an individual furloughed and reemployed during different calendar years shall be the amount appropriate for the current pay rate of the pay range and step from which the employee was furloughed.
- (g) The amount of insurance for an employee who reaches age 70 or 75 while insured, including an employee on leave with pay without benefits who elects to continue

coverage, will be reduced effective the date he or she turns age 70 or 75. At age 70, the Coverage Amount will be reduced to 65% of the employee's annual salary. At age 75, the Coverage Amount will be reduced to 50% of the employee's annual salary. Such employee is eligible to convert the amount of insurance lost as described in Section 5.g.(5).

- (h) For employees whose agency does not utilize the Commonwealth's Human Resources and Payroll System, the annual salary must be calculated and provided electronically to the Insurance Carrier. The employees' biweekly and hourly pay and other permanent payments should be used in determining the annual salary. As additional types of pay are granted or identified, a decision must be made on whether the pay should be included or excluded from the annual salary to determine the amount of insurance. Monies that are temporary or unpredictable or that compensate an employee for working beyond his or her regular workday or work week are excluded.
- (2) **Insurance Amount for a New Employee.** A new employee's amount of insurance is based on his or her annual salary on date of hire.
- (3) **Nonpermanent Employee Designated as Permanent Employee.** The amount of insurance for a Nonpermanent Employee who has been designated permanent will be based on the employee's annual salary on the date the employee is designated as permanent.
- (4) **Disability Life Insurance.** Employees who are on leave without pay or whose employment is terminated due to a permanent and total disability may qualify for continuation of coverage.

 - (a) An Eligible Employee who becomes permanently and totally disabled will be eligible to apply for Disability Life Insurance upon loss of Active Pay Status or termination of employment. The Insurance Carrier will not accept applications before these dates. The Insurance Carrier determines whether an applicant is totally and permanently disabled. Such determination is not based on the criteria used by the State Employees' Retirement System, the Social Security Administration, an agency that offers disability benefits to employees with an Approved Retirement System, or the Office of Administration for other disability benefits.
 - (b) Coverage becomes effective upon approval by the Insurance Carrier.

- (c) If the employee does not file a Disability Life Insurance application within 12 months of termination of life insurance, he or she is no longer eligible. Approval or denial may be given by the Insurance Carrier after the 12-month period has expired if the application was filed before the deadline.
- (d) If an individual becomes permanently and totally disabled while covered under the Group Life Insurance Program and dies within 12 months after such coverage ends, the beneficiaries may apply to receive benefits regardless of whether or not an application for continued insurance had been filed. Payment in such cases will be contingent upon acceptable proof of permanent and total disability being provided to the Insurance Carrier within 12 months of the date of the employee's death. The Insurance Carrier will make the final determination of whether or not a disability was permanent and total.
- (e) If an application is denied, the employee will be notified by the Insurance Carrier. Employees on Leave Without Pay Without Benefits may continue to pay the premium. Employees who have terminated employment will be provided 31 days to apply for conversion. The conversion privilege will not be extended to a terminated employee who has previously exercised the conversion privilege or whose application for continued insurance was rejected for insufficient information.

(5) Conversion Privilege.

- (a) Employees who terminate employment may purchase an individual whole life insurance policy without having to submit medical evidence of insurability. The converted policy will not include any disability provision or Work-Related Accidental Death coverage. The amount of insurance on the converted policy may not be greater than the amount of insurance under the Group Life Insurance Program.
- (b) The Insurance Carrier will mail the terminating employee a letter and a Group Life Conversion Notice informing him or her of the option to replace part or all of the lost coverage. A terminating employee must elect conversion within 31 days of termination or within 15 days of the date of the notice from the Insurance Carrier, whichever is later.
- (c) If the employee dies during the period in which conversion could have been exercised, the Insurance Carrier will pay the beneficiary(ies) the amount of insurance the employee had in force before termination.

- (d) Paragraphs (b) and (c) above also apply to an employee whose insurance terminates because of nonpayment of premiums while on unpaid absence. The time limits are calculated from the end of the period for which premiums were paid.
- (e) An employee whose amount of insurance is reduced at age 70 or 75 may replace part or all of the lost coverage with an individual whole life insurance policy acquired at his or her own expense through the Insurance Carrier. The Insurance Carrier will mail the employee a letter and a Group Life Conversion Notice.

(6) Beneficiaries.

- (a) Each employee has the right to name a beneficiary(ies) for his or her group life insurance proceeds. If there is no surviving beneficiary(ies) or if no beneficiary(ies) has been named, payment will be made as follows:
 - 1 To the surviving spouse; otherwise,
 - 2 Surviving child(ren) in equal shares;
 - 3 Surviving parents in equal shares;
 - 4 Surviving siblings in equal shares;
 - 5 Estate.
- (b) If a primary beneficiary dies, his or her share will be paid to the surviving primary beneficiary(ies). If there is no surviving primary beneficiary(ies), the contingent beneficiary(ies) will be paid. If all named beneficiaries predecease the employee, the life insurance proceeds are payable in the order indicated in Section 5.g.(6)(a) of this directive.
- (c) If a primary or contingent beneficiary(ies) is a minor or is incapable of giving a valid release for the insurance proceeds if a guardian is not named, the Insurance Carrier will require legal documentation of guardianship, such as a court order, before the claim will be paid.

(7) Accelerated Benefit Option.

- (a) Employees who are terminally ill with a life expectancy of 12 months or less may apply to have part of their group life benefits prepaid. The Accelerated Benefit Option allows a terminally ill employee the option to receive up to 80 percent of his or her insurance. This payment is made in one lump sum payable to the employee. The remaining amount of insurance will be paid to the

beneficiary(ies) upon the employee's death.

Example: Amount of Insurance is \$30,000. Employee can apply and receive up to \$24,000, which is 80 percent of the amount of insurance (\$30,000).

- (b) The following criteria must be met in order to receive payment under this option:
 - 1 The employee must elect this option in writing to the Insurance Carrier.
 - 2 The employee must furnish proof to the Insurance Carrier that his or her life expectancy is 12 months or less including certification by a doctor.
 - 3 Benefits must not have been previously assigned.
 - 4 Terminal illness proceeds will be made available on a voluntary basis only. Therefore, this option is not available if the employee is either required by law to use this option to meet the claims of creditors or required by a government agency to use this option in order to apply for, receive, or keep a government benefit of entitlement.
 - 5 This provision may be elected only once.

h. Work-Related Accidental Death Benefit.

(1) **Benefit.** A Work-Related Accidental Death benefit was established by Executive Board Resolution No. MGT-CB-6-271 and certain collective bargaining agreements. The dollar amount of this benefit may vary under certain collective bargaining agreements and for some independent agencies not under the Commonwealth Human Resources and Payroll System.

(2) **Eligibility.**

(a) An employee is eligible for the Work-Related Accidental Death benefit when eligible for the Group Life Insurance Program as stated in Section 5.a. of this directive, except when benefits are payable under the *Act of June 24, 1976, P.L. 424, No. 101 (commonly referred to as Act 101)*, 53 P.S. §§ 891—892.1, under which there is a survivor benefit, the amount for which is adjusted on July 1 of each fiscal year. Employees that have waived coverage under the Group Life Insurance Program are still covered by the Work-Related Accidental Death benefit. In such cases, the Commonwealth will notify the Insurance Carrier.

(b) Coverage is effective the day after an employee has completed 90 calendar days of employment in an Active Pay Status. The same Waiting Period rules that apply to

the Group Life Insurance Program apply to this program.

(3) Benefits.

- (a) Amount of Insurance.** The amount of coverage will be \$25,000 unless otherwise specified by an applicable collective bargaining agreement.
- (b) Beneficiaries.** The beneficiary(ies) designated under the Group Life Insurance Program will also receive the proceeds from this program unless the employee designated a different Work-Related Accidental Death beneficiary(ies).
- (c) When Benefits are Payable.** Benefits for Work-Related Accidental Death are payable only if all of the conditions below are met:

 - 1** The employee sustains a work-related accidental bodily injury resulting in death while covered under the Group Life Insurance Program.
 - 2** The employee's death results directly from the work-related injury and from no other cause. For purposes of the coverage:

 - a** Exposure to the elements will be considered an accidental injury.
 - b** It will be presumed that the employee suffered a loss of life if the body has not been found within one year of disappearance, stranding, sinking or wrecking of any vehicle in which he or she was an occupant.

(4) Losses Not Covered.

- (a)** Suicide or attempted suicide, while sane or insane.
- (b)** Intentionally self-inflicted injuries, or any attempt to inflict such injuries.
- (c)** Sickness, whether the loss of life results directly or indirectly from the sickness.
- (d)** Medical or surgical treatment of sickness, whether the loss of life results directly or indirectly from the treatment.

- (e) Any infection. However, this does not include:
 - 1 A pyogenic infection resulting from an accidental cut or wound; or
 - 2 A bacterial infection resulting from accidental ingestion of a contaminated substance.
- (f) War, or any act of war. "War" means declared or undeclared war and includes resistance to armed aggression.
- (g) An accident that occurs while employee is serving on full-time active duty for more than 30 days in any armed forces. However, loss of life incurred while on Reserve or National Guard active duty for training are covered under this program.
- (h) Commission of or attempt to commit a felony.
- (i) Being legally intoxicated or under the influence of any narcotic unless administered or consumed on the advice of a doctor.
- (j) Participation in these hazardous sports, except where required by job duties: scuba diving, bungee jumping, skydiving, parachuting, hang gliding or ballooning.

6. RESPONSIBILITIES.

- a. **Office of Administration, Bureau of Integrated Enterprise Systems (OA, BIES).** OA, BIES will electronically transmit employee eligibility data (new enrollments/changes) once a week to the Insurance Carrier. Independent agencies will transmit their employee eligibility data no less than once a month to the Insurance Carrier.
- b. **Insurance Carrier shall:**
 - (1) Maintain eligibility files for all employees covered under the Group Life Insurance Program.
 - (2) Directly bill employees on Leave Without Pay Without Benefits who opt to maintain coverage.
 - (3) Issue the Group Life Conversion Notice to employees who lose part or all of their coverage.
 - (4) Process and maintain beneficiary(ies) forms.
 - (5) Deal directly with employees and beneficiaries on questions.
 - (6) Mail a "Welcome Kit" to all employees who become eligible, which will include, at a minimum, a letter from the Insurance Carrier,

a Group Life Insurance Beneficiary/Designation Change Form, a self-addressed stamped envelope for mailing the beneficiary form back to the Insurance Carrier, and a Booklet Certificate describing the coverage.

- (7) Process claims from beneficiary(ies); make initial and ongoing disability determinations under Continued Insurance provision.
- (8) Comply with all contract requirements.

7. **PROCEDURES.** Refer to *Manual 530.3, Group Life Insurance Program* for more detailed direction.

Enclosure 1 - Schedule of Life Insurance

This directive replaces, in its entirety, *Management Directive 530.32*, dated September 19, 2013.

| Schedule of Life Insurance Class 1 employees | | | | | |
|--|----------|----------------------------|----------------------------|----------------------------|--|
| | | Amount of Insurance | Amount of Insurance | Amount of Insurance | |
| Annual Salary | | Under Age 70 | Age 70 Through 74 | Age 75 and Older | |
| less than | \$2,500 | \$2,500 | \$1,625 | \$1,250 | |
| \$2,500 & less than | \$3,500 | \$3,000 | \$1,950 | \$1,500 | |
| \$3,500 & less than | \$4,500 | \$4,000 | \$2,600 | \$2,000 | |
| \$4,500 & less than | \$5,500 | \$5,000 | \$3,250 | \$2,500 | |
| \$5,500 & less than | \$6,500 | \$6,000 | \$3,900 | \$3,000 | |
| \$6,500 & less than | \$7,500 | \$7,000 | \$4,550 | \$3,500 | |
| \$7,500 & less than | \$8,500 | \$8,000 | \$5,200 | \$4,000 | |
| \$8,500 & less than | \$9,500 | \$9,000 | \$5,850 | \$4,500 | |
| \$9,500 & less than | \$10,500 | \$10,000 | \$6,500 | \$5,000 | |
| \$10,500 & less than | \$11,500 | \$11,000 | \$7,150 | \$5,500 | |
| \$11,500 & less than | \$12,500 | \$12,000 | \$7,800 | \$6,000 | |
| \$12,500 & less than | \$13,500 | \$13,000 | \$8,450 | \$6,500 | |
| \$13,500 & less than | \$14,500 | \$14,000 | \$9,100 | \$7,000 | |
| \$14,500 & less than | \$15,500 | \$15,000 | \$9,750 | \$7,500 | |
| \$15,500 & less than | \$16,500 | \$16,000 | \$10,400 | \$8,000 | |
| \$16,500 & less than | \$17,500 | \$17,000 | \$11,050 | \$8,500 | |
| \$17,500 & less than | \$18,500 | \$18,000 | \$11,700 | \$9,000 | |
| \$18,500 & less than | \$19,500 | \$19,000 | \$12,350 | \$9,500 | |
| \$19,500 & less than | \$20,500 | \$20,000 | \$13,000 | \$10,000 | |
| \$20,500 & less than | \$21,500 | \$21,000 | \$13,650 | \$10,500 | |
| \$21,500 & less than | \$22,500 | \$22,000 | \$14,300 | \$11,000 | |
| \$22,500 & less than | \$23,500 | \$23,000 | \$14,950 | \$11,500 | |
| \$23,500 & less than | \$24,500 | \$24,000 | \$15,600 | \$12,000 | |
| \$24,500 & less than | \$25,500 | \$25,000 | \$16,250 | \$12,500 | |
| \$25,500 & less than | \$26,500 | \$26,000 | \$16,900 | \$13,000 | |
| \$26,500 & less than | \$27,500 | \$27,000 | \$17,550 | \$13,500 | |
| \$27,500 & less than | \$28,500 | \$28,000 | \$18,200 | \$14,000 | |
| \$28,500 & less than | \$29,500 | \$29,000 | \$18,850 | \$14,500 | |
| \$29,500 & less than | \$30,500 | \$30,000 | \$19,500 | \$15,000 | |
| \$30,500 & less than | \$31,500 | \$31,000 | \$20,150 | \$15,500 | |
| \$31,500 & less than | \$32,500 | \$32,000 | \$20,800 | \$16,000 | |
| \$32,500 & less than | \$33,500 | \$33,000 | \$21,450 | \$16,500 | |
| \$33,500 & less than | \$34,500 | \$34,000 | \$22,100 | \$17,000 | |
| \$34,500 & less than | \$35,500 | \$35,000 | \$22,750 | \$17,500 | |
| \$35,500 & less than | \$36,500 | \$36,000 | \$23,400 | \$18,000 | |
| \$36,500 & less than | \$37,500 | \$37,000 | \$24,050 | \$18,500 | |
| \$37,500 & less than | \$38,500 | \$38,000 | \$24,700 | \$19,000 | |
| \$38,500 & less than | \$39,500 | \$39,000 | \$25,350 | \$19,500 | |
| \$39,500 & over | | \$40,000 | \$26,000 | \$20,000 | |