

POLICY: Leave Without Pay (LWOP) Longevity Pay and Premium Responsibilities

Purpose:

This policy outlines the responsibilities of employees and Human Resources (HR) personnel when an employee is placed on 100% Leave Without Pay (LWOP), specifically regarding the handling of longevity pay and insurance premium obligations, including both state and employee portions. The goal is to ensure compliance, clarity, and support for impacted members.

Who Is Affected:

This policy applies to employees who:

- Have five or more years of service and are eligible for **longevity pay**, and
 - Are recorded as being on **100% LWOP for an entire 80-hour pay period**
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Insurance Premium Responsibilities:

Employees on 100% LWOP are **required to self-pay** for both:

- **The employee portion** of missed insurance premiums
- **The state (employer) portion** of premiums (which will still be deducted automatically in SHARE)

Note to HR: It is critical to inform affected employees of this requirement promptly to prevent coverage issues or payroll discrepancies.

Collection and Reimbursement Process:

- **HR departments** are responsible for collecting **both the employee and employer (state) portions** of premiums from the employee directly.
- **HR department:** upon receiving the payments, HR must ensure that a copy of each payment is retained in the employee's personnel record. HR is responsible for submitting the collected premiums to State Health Benefits for processing.
- The agency's (state) portion of premiums, once collected from the employee, must be refunded back to the appropriate agency account using the **Financial Services System (FSS)** as soon as practicable.

Human Resources Responsibilities:

- HR personnel must be aware of their responsibilities concerning health insurance premiums and must notify impacted employees on 100% LWOP of their premium payment obligations promptly.
- HR personnel are responsible for ensuring that all premium payments are collected, documented, and processed accurately and that necessary deductions are processed timely and correctly in compliance with agency policies.
- Track all payments and coordinate any necessary reimbursements through appropriate financial systems.

Important Notice:

Failure to inform employees and collect premiums in a timely manner will result in the **impacted agency being held financially responsible** for any late or uncollected amounts.