

## **Employee Benefits While On A Leave of Absence**

If an employee needs to be away from work for a period of time, he or she may be eligible for a paid or unpaid leave of absence, or a combination of both. These will be approved by Human Resources on a case by case basis based on the employment contracts and FMLA laws. The information presented here is to assist the employee in understanding the effect of his or her leave on various employee benefits.

### **Benefits While On A Paid Leave of Absence**

If an employee uses paid leave, their benefits are not affected. If the employee's District paycheck is not sufficient to pay the employee contribution rates for all elected benefits, the employee will be billed directly for the difference between those rates and the amount deducted from their pay.

**Important note for Teaching Staff:** 1) Teaching Staff are Salaried employees and are paid AHEAD of actual work days throughout the school year. When an employee goes out on leave, Payroll will calculate the amount paid versus the actual number of work days and paid time off days, and will determine a final payout amount. The date range on the district paychecks does NOT apply to Salaried staff. 2) Accrued Flex Time CANNOT be used during a leave of absence.

### **Benefits While on An Unpaid Leave of Absence**

Health Benefits (Medical/Prescription/Dental/Vision)

The employee's share of premium costs for Medical, Prescription, Dental and Vision while on an unpaid leave varies depending on the type of unpaid leave. These are detailed below:

#### **Leave Qualified Under FMLA**

FMLA eligibility runs for up to 60 work days and is dependent upon medical documentation. To qualify for FMLA, an employee must have been employed with the district for at least one (1) year and worked at least 1,250 hours during the 12 months prior to the start of the FMLA leave.

If the employee elects to retain health coverage during an unpaid FMLA leave, then he or she must continue to pay the employee portion of applicable premiums via direct bill.

#### **Unpaid Leave- Not FMLA Eligible or beyond FMLA eligibility**

If the employee is approved for an unpaid leave outside of FMLA (child rearing, workers compensation, medical, personal, etc.) and elects to retain health coverage during this period, then he or she must pay the full cost of applicable premiums via direct bill.

The maximum duration an employee can purchase benefits at full cost is for 18 months.

\*\* Please note, premium rates increase on July 1 of each year. As such, your premium bills will be adjusted to reflect the rates in effect at the month of billing.

### **Adding Newborn Dependents While On A Leave Of Absence**

When going on a leave of absence, employees should be aware that coverage for newborn children is not automatic and the following applies:

- To enroll a newborn child who is an Eligible Dependent, employees must add the dependent child to the BenefitSolver System within 30 days of the date of birth.

- Employees are required to provide proof of birth (i.e. copy of birth record or letter requesting the baby's social security number) at that time.
- If the required paperwork is completed and received within 30 days of the date birth, coverage will be effective as of the date of birth and the employee will be responsible for the applicable premiums.

## Spending Accounts

### 1. Dependent Care Account

A Dependent Care Flexible Spending Account is intended to help an employee pay for eligible dependent care expenses to allow them to work. The IRS doesn't allow an employee to be reimbursed for such expenses incurred while on a leave of absence.

While on an unpaid leave, the employee's contributions to a Dependent Care Account will cease. The account will be deactivated on the last day of the month during which the leave commenced. Note- the employee can still access their account for services incurred prior to the leave of absence. If the employee returns to work during the Plan Year, he or she can adjust the per pay contribution over the remaining pays in order to meet the goal originally elected for the Plan Year. If no communication is received by the employee, the remaining pays will resume at the original per pay calculation taken before the leave commenced.

### 2. Health Flexible Spending Account

The employee may choose from the following options at the onset of their unpaid leave:

#### **Pay As You Go:**

If the employee chooses to continue making contributions into their health flexible spending account, the contribution will be included on the monthly direct billed invoice and be paid on a post- tax basis. If the employee continues to make contributions, the account will remain open and the employee will be entitled to submit a request for reimbursement of any eligible charges incurred during the months the employees is on an unpaid leave.

#### **De-Activate Account**

If the employee chooses not to make the monthly contributions, the account will be deactivated. The employee will be unable to be reimbursed for services incurred during the leave. Note- the employee can still access their account for services incurred prior to the leave of absence. When the employee returns to work, his or her bi-weekly will resume and he or she will be entitled to submit a request for reimbursement of any eligible charged incurred prior to and after the unpaid leave.

### 3. Health Savings Account

If an employee's leave is unpaid and they wish to make post tax contributions to their HSA, the individual will need to submit those contributions directly to the HSA vendor. HSAs are employee-owned accounts therefore the individual is responsible for ensuring the contributions do not exceed the IRS limits including all HSA contributions through payroll deductions, district contributions, and post-tax contributions the employee or anyone else has made to the account combined. If an individual chooses to cancel their High Deductible Health Plan during unpaid

leave, they will no longer be eligible to make contributions to their Health Savings Account until they re-enroll in a qualifying High Deductible Health Plan.

### **Voluntary Supplemental Disability**

If the employee has elected to retain a Long Term Disability Supplemental plan, then he or she must continue to pay the cost of that plan via direct bill. The employee will be covered for any disability that occurred prior to the commencement of the leave or during the 12 week FMLA period. As such, if the employee elects to retain the Disability Supplemental Plan during an unpaid leave, the District will bill for this cost during the FMLA period, only. If an employee's unpaid leave continues past the 12 week FMLA period, the supplemental policy will terminate and they can re-enroll within 30 days upon returning to work.

### **Benefits Not Direct Billed**

- Humana & Aflac  
Humana and Aflac are voluntary benefits. They will not be direct billed by the District while an employee is on an unpaid leave.

Humana Policy - If an employee has not had payroll deductions for more than 90 days, Humana will transfer the policies to a direct billed arrangement, and the individual will receive a bill at their home address. The 90 day clock starts with the first missed deduction. If the individual doesn't pay the premium bill, they will eventually be notified that the policy has lapsed.

Aflac Policy – Once an employee goes out on an unpaid leave, they are responsible for contacting Aflac customer service at 1-800-433-3036 to request a port package. The individual has 30 days from the date of the unpaid leave to contact Aflac. If they do not contact Aflac within 30 days, the policy will be terminated.

For more information on contacting Humana and Aflac directly, please contact the Benefits Specialist.

### **District Paid Benefits While On An Unpaid Leave**

#### **Group Term Life/AD&D**

Employees on an approved unpaid leave will continue to be eligible for the level of Group Term Life and AD&D insurance held at the time the leave began for the period of up to two (2) years. For leaves extending past 2 years, these benefits will cease after 2 years following the beginning of the unpaid leave.

#### **Long Term Disability**

An employee will continue to be covered by the District's Long Term Disability plan if the date of the disability is prior to their leave date or occurs within the 12 week FMLA period.

**Direct Billing**

Once an employee begins an unpaid leave, they will begin receiving monthly invoices for either the employee portion or the full cost rates (see above) for all elected benefits until they return to active employment.

Payment of applicable contributions is due on the 15<sup>th</sup> day of each month. **If the payment is more than 15 calendar days late, then elected benefits will be terminated for lack of payment and will not be reinstated.** Termination of benefits will be effective on the first day of the month following the due date.

**Return to Work**

If the employee's coverage is canceled, either because they voluntarily canceled coverage or they failed to pay the required premium, the employee will have 30 days upon returning to work to re-enroll. Re-enrollment is effective the first of the month following the return date. At that time, the employee may be required to complete an Evidence of Insurability when re-enrolling in the Humana, Aflac and the Buy Up LTD plans upon returning to work. In addition, the carrier may deny the benefit based on the Evidence of Insurability.

**Employee Acknowledgement:**

I have received the attached description of **Employee Benefits While on a Leave of Absence** and will retain a copy for my records:

\_\_\_\_\_  
Employee Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Signature