

**COMMON QUESTIONS - LEGISLATIVE CHANGES TO ADOA BENEFITS &
RETIREMENT PLAN ELIGIBILITY (SB1609, SB1614 AND HB2024)**

1. Who is impacted by the implementation of A.R.S. §38-671?

Answer: Any employee (state or university) initially hired on or after July 20, 2011, is subject to a 90-day waiting period for Arizona Department of Administration (ADOA) Benefits. An employee is not eligible to become a member of the Arizona State Retirement System (ASRS) and ASRS Long-term Disability (LTD) plan before the 27th week of employment unless hired before July 20, 2011, or already a member of the Arizona State Retirement System.

2. What are the changes to ADOA Benefits eligibility?

Answer: Any person (state or university) hired on or after July 20, 2011, is subject to a 90-day waiting period for ADOA Benefits

3. What are the eligibility changes to participation in the ASRS?

Answer: Any person initially hired on or after July 20, 2011, is not eligible to become a member of the ASRS including ASRS Long-term Disability (LTD) before the 27th week of employment unless the new employee is already a member of the ASRS.

4. How does an agency identify an initial hire date?

Answer: The first day worked or adjusted hire date if the employee had a break in service of less than two years that is not the result of discipline.

5. What is the ASRS/ASRS LTD membership date for employee's hired after July 20, 2011?

Answer: The ASRS/ASRS LTD membership date will be the first day of the pay period that includes the 183rd day of regular employment.

6. When do deductions start for ASRS/ASRS LTD plans for those employees who are not already ASRS members?

Answer: Deductions for ASRS retirement and ASRS LTD will begin the first of the pay period that the 183rd day of employment occurs for new hires employed on or after July 20, 2011.

7. Since July 20th is in the middle of a pay period, will all new hires during that pay period be subject to the 90-day waiting period, or just the employees hired on July 20th and thereafter?

Answer: Only employees hired on or after July 20, 2011.

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8. If an employee has prior State employment, will he/she still have the 90-day waiting requirement for ADOA Benefits?

Answer: If the employee's prior state employment is within two years of re-employment, he/she will not be subject to the ADOA Benefits waiting period.

9. If an employee is not subject to a waiting period, when do basic life, LTD and retirement plans begin?

Answer: The first day worked.

10. If a prospective employee receives an offer letter prior to July 20th, can we consider them "hired" and waive their 90-day waiting period for benefits?

Answer: If the employee accepts an offer letter with a start date on or after July 20, 2011, the waiting period starts on the first day of work, not the date the offer letter was signed or received.

11. Are we allowing new hire benefit enrollment only during the first 31 days of employment?

Answer: No. New hire systems are set up to allow for enrollment throughout the first 90 days of employment, with an effective date on the first day of the pay period following 90 days of employment. Employees will be offered an additional 31 days to complete a paper enrollment if he/she does not complete an electronic enrollment in the first 90 days. The start date of benefits coverage will be the first of the pay period following receipt of a properly executed enrollment form following the 90th day of employment.

12. Will a new hire entering elections through YES be allowed to make changes after the initial election?

Answer: No. The employee has one opportunity to make elections through YES, if he/she has a mind change before the effective date, a paper enrollment form will be required to make those changes and the form will need to be sent to the ADOA Benefit Services Division for keying into HRIS.

13. What is the effective date for transfers or newly eligible employees who have been employed for 90 days?

Answer: If the employee is hired and working a regular schedule prior to July 20, 2011, the benefits are effective the first day of the pay period following completion of a completed enrollment. If the employee is hired on or after July 20, 2011; the 90-day waiting period is in effect. For transfers; if the original hire date is prior to July 20, 2011, the waiting period does not apply. The employee must be working a regular schedule.

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14. How long is the waiting period if an employee has been employed for 45 days?

Answer: If the hire date is prior to July 20, 2011, there is no waiting period. If the hire date is on or after July 20, 2011, the waiting period applies and benefits cannot be effective until the first of the pay period following 90 days.

15. Does a former board/commission member (compensated or non-compensated) who terminated less than 2 years ago qualify for an adjusted hire date?

Answer: A compensated board member does qualify for an adjusted hire date but not a non-compensated board member.

16. What if summer falls during the waiting period for 9 month employees? Does the summer count towards the 90 days?

Answer: Summer does not count if the employee is not regularly scheduled to work, so if the employee accepts a contract in June for a start date on or after July 20, 2011, the waiting period starts on the first day of work, not the date the contract was signed.

17. Is Hartford LTD (only available to non-ASRS participants) effective after 90 days of employment?

Answer: Yes, the first day of the pay period following the 90 day waiting period.

18. In terms of enrollment files to ADOA, does the lengthened enrollment period (from current 30 days to 90) create a need for business process changes?

Answer: No, the business process will not change. Files can be transmitted with a future effective date.

19. If a newly hired employee goes into a Leave Without Pay (LWOP) status, is the benefit eligibility waiting period adjusted for the LWOP period?

Answer: If the employee is working regularly for a period of time then goes out on approved leave for a short period of time, paid or unpaid, the time will be considered as part of the waiting period. For leave that is out of the ordinary, please contact the ADOA Benefit Services Division for guidance.

20. The legislation states that an employee "is not eligible for state employee benefits until the employee has worked regularly for at least ninety days". Based on that statement, how will non-work days (i.e. weekends, holidays, sick leave, annual leave, LWOP) factor in towards the waiting requirement?

Answer: The system will track the waiting period based on calendar days from the hire date or if applicable, the adjusted hire date. For leave that is out of the ordinary, please contact the ADOA Benefit Services Division for guidance.

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21. Will temporary employees hired before July, 20, 2011 and later move into a benefit eligible position July 20, 2011 or later be subject to the 90-day waiting period?

Answer: No, if an employee is hired before July 20, 2011, there will not be a waiting period.

22. For the ASRS waiting period, will past PSPRS employees who enroll in ASRS have a waiting period?

Answer: If the employee is hired on or after July 20, 2011 and is participating in an optional retirement plan or PSPRS plan, and is transferred to a position and is eligible to contribute to the ASRS plan, the waiting period is calculated from the date of hire. In short, the employee has a wait period of 183 days but gets credit back to the date of hire.

23. What is the impact to the RASL employer contribution?

Answer: There are no changes to the RASL contribution and RASL contribution is not subject to any wait period.

24. Are university employees hired on or after July, 20, 2011 subject to the waiting period?

Answer: Yes, universities are a state budget unit subject to the wait period.

25. Will an employee who transfers to another state agency/university who was not yet eligible for benefits be subject to a new 90-day waiting period, or will the waiting period continue as if they had never left?

Answer: The waiting period will continue as if there was no break in service, the 90 day waiting period will be calculated from the date of hire.

26. Will retirees and former employees who maintain their insurance through an ADOA-sponsored plan (i.e. COBRA or LTD/Retiree benefits) and later return to State service be subject to the 90-day waiting period for active employee benefits?

Answer: No, if they have coverage as a retiree or COBRA participant, the waiting period will be waived.

27. If an employee in a LWOP status is coded as L5, L3, W3, or M3 in HRIS will this automatically stop them from becoming benefits eligible once their 90-days have elapsed?

Answer: HRIS will prevent them from being able to enroll unless they enrolled prior to the leave status change. The agency will need to verify that the employee does not have active enrollments at the time the leave commences.

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28. Is the 90-day waiting period to become benefits eligible cumulative or consecutive?

Answer: Cumulative (As long as the employee remains employed or an employee that had a break in service of less than two years)

29. Will employees that are hired in the September/October time-frame who will not become benefits eligible until December/January also have to participate in Open Enrollment?

Answer: No, it will be optional if eligible prior to January 1.

30. What is the definition of “worked regularly”?

Answer: If an agency believes that they have an employee not working regularly, the agency should contact the ADOA Benefit Services Division.