



Benefit Premium Holiday for July 2, 2020 Paycheck

State employees who participate in Benefit Options health plans will not pay premiums for certain benefits coverage for the pay period of June 13-26. This “premium holiday” for state plan participants will be reflected in the July 2 paycheck.

What is the premium holiday?

The annual benefit premiums are based on 26 pay periods for the Plan Year. Because 2020 is a leap year, the 2020 Plan Year has 27 pay periods, so premiums will not be collected from your state wages during one of the pay periods. The Department has selected the upcoming July 2 paycheck for this premium holiday.

Will I still have coverage?

Yes. Your coverage is still in effect during this period.

Which coverage is included in the premium holiday?

These premiums will not be collected:

- Medical
- Dental
- Vision
- Short-Term Disability
- Life Insurance
- Health Savings Account - no employee or employer contributions.
- Flexible Spending Accounts - be aware of any automatic medical or dependent care payments from these accounts to ensure you have enough funds.

Which coverage is not included in the premium holiday?

These premiums and contributions will be collected as applicable:

- Long-Term Disability Premiums
- Retirement Contributions - ASRS, PSRS, EORP, CORP and ORP
- Deferred Compensation Contributions
- State Employee Charitable Campaign Contributions

Does this mean I will have no benefit premium deduction on my July 2 paycheck?

In most cases, yes. However, if you owe retroactive or arrears premiums for a previous pay period that are not yet paid, those unpaid premiums will be deducted from paychecks during the premium holiday. Amounts that are not deducted for prior pay periods/coverage periods will still be billed and are due by the prescribed deadlines.

How will this affect my take home pay and taxable income?

Health coverage premiums are collected pre-tax. Since the July 2 paycheck health coverage premiums won't be collected, the amount that would normally be deducted will be included in your take-home pay as taxable income. Individual tax scenarios may vary, so please consult a tax advisor if you need assistance. To see what your deductions are, visit yes.az.gov > Your Employee Services > Pay > Paychecks.

Questions?

Please contact a Benefit Options representative by phone 602-542-5008, toll-free 1-800-304-3687, by email benefitsissues@azdoa.gov or visit benefitoptions.az.gov. We can help you Monday-Friday, 8 a.m. - 5 p.m. Arizona Time, except holidays.



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