



California Public Employees' Retirement System
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Date: **September 15, 2003**

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Distribution:

Special:

TO: CONTRACTING PUBLIC AGENCY HEALTH BENEFIT OFFICERS AND ASSISTANT HEALTH BENEFIT OFFICERS

SUBJECT: ASSEMBLY BILL 1606 (URGENCY LEGISLATION) - PUBLIC EMPLOYEES' HEALTH BENEFITS: MILITARY LEAVE

On September 4, 2003, the Governor signed Assembly Bill 1606, Chapter 271, Statutes of 2003, which went into effect immediately as an urgency statute. This legislation added Government Code Section 22816.1 to the Public Employees' Medical and Hospital Care Act (PEMHCA).

Government Code Section 22816.1 authorizes an active employee of a contracting agency, and his or her family members, to continue enrollment in a health plan under the PEMHCA for up to one year, if the employee is granted a leave of absence by the contracting agency for military duty.

If an employee is granted a military leave of absence, and the employee wants to continue PEMHCA health coverage, please follow the procedures noted below:

- Change the employee's appointment to Military Leave as this will not affect their health coverage. The monthly invoice you receive from the Contracting Agency Billing System will continue to include the premium owed for the health coverage of the employee and his/her dependents.
- Please **do not**: separate the employee from employment; cancel the employee's health coverage; or complete an HBD-21 for direct payment as this will result in cancellation of coverage.

If the military leave of absence extends beyond one year, the employer should then complete an HBD-21 for direct pay. This will remove the health premium from the monthly invoice for both the employee and employers' share.

If the employee elects not to continue coverage by paying the health plan directly, the HBD-21 needs to be completed to ensure the employee is placed back on active status upon return from military leave.

Once returned to active status, health coverage will be reinstated the month following

his or her return. To reinstate the employee's coverage, your agency must take the following actions immediately:

If your agency contracts for CalPERS retirement, please submit the following:

- HBD-12, using reason code 712 and a permitting event date of the day the employee returns to active status/

Non-CalPERS or CalSTRS agencies

- Submit an HBD-86.

Employers using ACES Internet Forms:

- Submit a transaction change document electronically (please refer to your ACES Training Manual)

Should you have any questions, please contact the Employer Contact Center at (888) 225-7377.

Sincerely,

Doug P. McKeever, Assistant Chief
Health Benefit Services Division