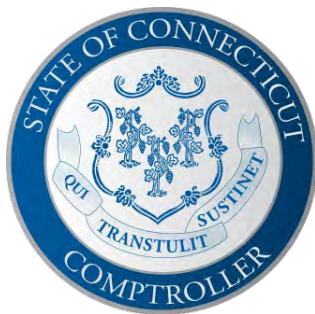


OFFICE OF THE STATE
COMPTROLLER

HEALTHCARE COST
CONTAINMENT COMMITTEE



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**DIVISION MEMORANDUM 2022-06
TO THE HEADS OF ALL STATE AGENCIES**

December 1, 2022

ATTENTION: Personnel and Payroll Officers

SUBJECT: Streamlining Retiree Health Fund Contribution Enrollment and Refunds

The purpose of the memorandum is to advise that CORE-CT has a process to automatically enroll employees and rehires for Retiree Health Fund contributions based their upon eligibility for health benefits and participation in a retirement plan. This program will eliminate the need for completion of the CO-1300 and CO-1300B forms. In addition, this is a reminder that agencies should strive to include any Retiree Health Fund contribution refund in a terminated employee's final paycheck.

I. Process for Enrollment

The health benefit new hire and open enrollment forms in CORE-CT have been modified to include Retiree Health Fund disclosure language. Agencies should review the Retiree Health Fund Contribution requirements with the employee upon hire.

CORE-CT will monitor each employee's contribution history and close the deduction automatically after 120 months of contributions for those subject to the 10-year requirement or 180 months of contributions for those subject to the 15-year requirement. This should eliminate the need for the agencies to adjust or restart contributions when an employee returns to work after unpaid leave or to obtain paper forms from new hires or rehires.

Rehired employees who received a refund of OPEB contributions should be offered the option of repaying the refund using the Form CO-1302. This option must be exercised within 60 days of rehire.

II. Refunding Contributions for Terminating Employees

The Division has accumulated a backlog of refunds of Retiree Health Fund contributions for terminated employees. This is a reminder that the best method for processing these refunds is include the payment in the employee's final paycheck.

Employees who separate from state service before completing enough service to qualify for retiree health coverage are entitled to request a refund of their contributions to the Retiree Health Fund. As part of the exit interview, HR/PY personnel should advise the terminating employee of the availability of a refund of Retiree Health Fund contributions. The only employees who are not eligible for refunds are those who are exceptions are:

- Terminating with one agency and transferring to another state agency;
- An employee terminating from a present position with your agency but staying on in another capacity (full or part-time); or
- An employee with an active secondary position at another state agency;.
- Terminating employee with sufficient service to qualify for retiree health benefits;
- Terminating employee who has applied for disability pension benefits.

If a terminating employee indicates that he or she contemplating a return to state service in the near future, point out the repayment requirement, which might influence the decision to seek a refund. Unless refunded Retiree Health Fund contributions are repaid within 60 days of rehire, the employee will not get retiree healthcare eligibility credit for any prior service during which refunded contributions were made.

A. Completing Refund Request (CO-1301)

If a terminating employee is eligible for and wants to obtain a refund, the following steps should take place. The employee fills out the CO-1301 completely and signs it. Be sure to use the most recent version of the form ([CO-1301 rev 12-2019.pdf \(ct.gov\)](#)).

B. Terminate Deduction Code

Upon receipt of a terminating employee's notice of intent to terminate, the agency should immediately stop the applicable Retiree Health Fund deduction on the General Deduction Page, effective one day before the last previously confirmed pay period. This will prevent deductions from being taken from subsequent checks and prevent the miscalculation of the refund amount.

The agency calculates the refund amount by running EPM Query #4 under the HRMS Retiree Health Fund Deduction Job Aid (OPEB/OTRS) and records that amount on the CO-1301. To process the refund, the agency completes the deduction override spreadsheet and sends it to Central Payroll, along with the calculation of the employee's unused vacation pay by Pay Confirm Thursday. This should ensure payment of the refund while the employee's record is still active. If the employee delays completion of the CO-1301 or the agency does not process the override in time for the final paycheck, payment of refund may be delayed.

C. Deferral into 457 Plan

If an employee wants to defer all or a portion of his/her Retiree Health Fund contribution to the 457 Plan, please advise that the deferral request must be submitted to Empower in the month before payment of the last paycheck and in sufficient time to allow for processing by the last paycheck.

III. Conclusion

If an agency determines that an employee has been incorrectly enrolled for Retiree Health Fund contributions, please notify this Division's Employee Benefits Unit by sending an email to osc.op eb@ct.gov with the subject line: "Auto Enroll".

Very truly yours,

Joshua Wojcik

Joshua Wojcik
Division Director