

Health Insurance Buy-Out/Pre-Tax Premium Deductions

Health Insurance Buy-Out

To be eligible for the Health Insurance Buy-Out, you must have other non-GIC health insurance coverage through another employer-sponsored plan that meets Internal Revenue Service “minimum value” criteria and must maintain GIC basic life insurance.

What is the Buy-Out Program?

Under the Buy-Out plan, eligible state employees receive 25% of the full-cost monthly premium in lieu of health insurance benefits for one 12-month period of time. Employees in HR/CMS and UMASS agencies will receive the remittance monthly in their paychecks; employees of housing and other authorities will receive a monthly check. The amount of payment depends on your health plan and coverage.

For Example:

State employee with Tufts Health Plan Navigator family coverage:

Full-Cost premium on July 1, 2020 (Monthly):	\$1,944.65
12-month benefit =	25% of this premium
<hr/>	
Employee receives 12 payroll deposits or monthly checks of:*	\$486.16
Yearly Earnings (12 monthly payments):*	\$5,833.92

**subject to federal, Medicare, and state taxes*

When to Enroll

There are two buy-out periods, and your reimbursement will be determined based on the GIC product you are enrolled in at the end of the covered period.

- **During Annual Enrollment:** If you were insured with the GIC on January 1, 2020 or before, and continue your coverage through June 30, 2020, you may apply to buy out your health plan coverage effective July 1, 2020.
- **October 5 – October 30, 2020:** If you are insured with the GIC on July 1, 2020 or before, and continue your coverage through December 31, 2020, you may apply to buy out your health plan coverage effective January 1, 2021. The enrollment period for this buy-out is October 5 – October 30, 2020.

Form Submission

Submit your completed Buy-Out form no later than May 1, 2020 for the July 1, 2020 buy-out or October 30, 2020 for the January 1, 2021 buy-out. Forms received after the deadline will not be accepted.

Questions?



1.617.727.2310



bit.ly/gicbuyout

Pre-Tax Premium Deductions

The Commonwealth deducts your share of basic life and health insurance premiums on a pre-tax basis. During Annual Enrollment, or when you experience a qualified status change as outlined on the pre-tax form, you may change the tax status of your premiums:

- If your deductions are taken on a pre-tax basis, you may elect to have them taxed, effective July 1, 2020.
- If your deductions are taken on an after-tax basis, you may switch to pre-tax effective July 1, 2020.

Contact your payroll coordinator or the GIC with questions.



COMMONWEALTH OF MASSACHUSETTS
GROUP INSURANCE COMMISSION

Health Insurance Buy-Out Election Form

YOU MUST READ PAGE TWO BEFORE COMPLETING FORM – PRINT CLEARLY

Social Security Number

Insured Name (First) (MI) (Last)

Street Address

City State Zip Code

1. I hereby elect a monetary allowance in lieu of a Group Insurance Commission sponsored group health insurance plan. I understand that the allowance will be paid monthly, beginning in February/March, in twelve equal payments. I understand that taxes will be withheld from these payments. I understand that I must maintain basic life insurance and be a state employee or retiree to receive these payments; municipal enrollees are not eligible. I was covered by a Group Insurance Commission health insurance plan on July 1, 2020, and I will continue that GIC health coverage through December 31, 2020.

Type of coverage you're canceling January 1, 2021: Individual Family

GIC health plan in which you are enrolled: _____

2. I will have non-GIC employer-sponsored health insurance coverage as of January 1, 2021, with: _____ and the subscriber is _____. This coverage meets minimum essential coverage under the Affordable Care Act.

Name of Employer *Name of Subscriber* *Relationship to GIC Insured*

3. I understand that I may cancel this election only:

- during the GIC spring annual enrollment period;
- after involuntary loss of my other coverage through no fault of my own;
- if the other health insurance is revoked; or
- if there is a qualifying status change such as marriage, divorce, birth of a child, or end of spouse's employment.

4. I understand that forms received at the GIC after **October 30, 2020**, will not be accepted.

Signature of Insured Date

Form and Document Submission

Online: Visit bit.ly/myGICLink to request and submit your enrollment form(s).

Mail: Return completed form and documentation to Commonwealth of Massachusetts-Group Insurance Commission, PO Box 556, Randolph, MA 02368

FOR GIC USE ONLY

- 1. Agency/Division # _____
- 2. Current Health Plan _____
- 3. Effective Date _____
- 4. Coverage changed to _____ Effective _____
- 5. Buy-out period From _____ To _____
- 6. Processed by _____ By _____



COMMONWEALTH OF MASSACHUSETTS
GROUP INSURANCE COMMISSION

Health Insurance Buy-Out

Under the terms of the Buy-Out program, eligible state employees and retirees who are enrolling as of January 1, 2021, in another employer-sponsored plan that meets minimum essential coverage under the Affordable Care Act (ACA) may cancel their Group Insurance Commission (GIC) health coverage and receive 12 taxable monthly payments equal to 25% of the full-cost premium based upon:

- your current health plan; and
- type of coverage (individual or family) as of December 31, 2020

Municipal members are not eligible for buy-out. To qualify for this plan, you must meet ALL of the following requirements:

- you were covered by a Group Insurance Commission Health Plan on July 1, 2020, and you will continue that GIC health plan coverage through December 31, 2020; you are enrolling in another employer-sponsored plan as of January 1, 2021, that meets minimum essential coverage under the ACA.
- you are a state employee or retiree; and
- you must continue to maintain basic life insurance.

You may not cancel your election to participate in this plan until an annual enrollment period, or unless one of the following occurs:

- the involuntary loss of your other health insurance coverage through no fault of your own; or
- there is a qualifying status change such as marriage, divorce, birth or adoption of a child, or end of spouse's employment.

If you elect to participate in the buy-out and one of the above events occurs you will be able to re-enroll and resume your health insurance through the Group Insurance Commission as long as you provide documentation within 60 days of the qualifying event.

To participate in this plan you must complete the form on the other side of this page and return it to the Group Insurance Commission. Employees in HR/CMS and UMass Agencies will receive their remittance on a monthly basis in their paycheck with "Reimburse" listed on the pay advice. Retirees and employees of Housing and Redevelopment Authorities will receive a check monthly. If your application is approved, you will receive your first payment in February/March.

The effective date of this buyout is January 1, 2021. **Do not give this form to your GIC Coordinator.** It is your responsibility to be sure the completed form is received by the Group Insurance Commission **NO LATER THAN October 30, 2020**

Group Insurance Commission, P.O. Box 8747, Boston, MA 02114

**If you are enrolled in the UniCare State Indemnity Plan/Basic with CIC benefits, the payment will not include the cost of CIC, as CIC is a member-pay-all benefit.*

MONTHLY BUY OUT RATES FOR ACTIVE EMPLOYEES EFFECTIVE JULY 1, 2020

NAME OF HEALTH PLAN	NON-MEDICARE PLANS													
	INDIVIDUAL COVERAGE							FAMILY COVERAGE						
	INDIVIDUAL	GROSS AMT.	FEDERAL	STATE	MEDICARE	TOTAL	ESTIMATED	FAMILY	GROSS AMT.	FEDERAL	STATE	MEDICARE	TOTAL	ESTIMATED
	FULL COST	25% OF F/C IND.	TAX 22%	TAX 5.25%	TAX 1.45%	FOR ALL TAX	NET PAY	FULL COST	25% OF F/C FAM.	TAX 22%	TAX 5.25%	TAX 1.45%	FOR ALL TAX	NET PAY
UniCare State Indemnity Plan/Basic	\$1,103.56	\$275.89	\$60.70	\$14.48	\$4.00	\$79.18	\$196.71	\$2,445.85	\$611.46	\$134.52	\$32.10	\$8.87	\$175.49	\$435.97
UniCare State Indemnity Plan/PLUS	721.22	180.31	\$39.67	9.47	2.61	51.75	128.56	1,716.49	429.12	\$94.41	22.53	6.22	123.16	305.96
Tufts Health Plan Navigator	796.25	199.06	\$43.79	10.45	2.89	57.13	141.93	1,944.65	486.16	\$106.96	25.52	7.05	139.53	346.63
Fallon Community Health Plan-Select Care	833.27	208.32	\$45.83	10.94	3.02	59.79	148.53	2,025.95	506.49	\$111.43	26.59	7.34	145.36	361.13
Harvard Pilgrim Independence Plan	913.98	228.50	\$50.27	12.00	3.31	65.58	162.92	2,231.38	557.85	\$122.73	29.29	8.09	160.11	397.74
Health New England	592.22	148.06	\$32.57	7.77	2.15	42.49	105.57	1,409.87	352.47	\$77.54	18.50	5.11	101.15	251.32
Allways Health Partners Complete	685.47	171.37	\$37.70	9.00	2.48	49.18	122.19	1,783.21	445.80	\$98.08	23.40	6.46	127.94	317.86
UniCare State Indemnity Plan/Community Choice	550.64	137.66	\$30.29	7.23	2.00	39.52	98.14	1,363.28	340.82	\$74.98	17.89	4.94	97.81	243.01
Tufts Health Plan Spirit	604.56	151.14	\$33.25	7.93	2.19	43.37	107.77	1,456.45	364.11	\$80.10	19.12	5.28	104.50	259.61
Fallon Community Health Plan-Direct Care	616.43	154.11	\$33.90	8.09	2.23	44.22	109.89	1,556.03	389.01	\$85.58	20.42	5.64	111.64	277.37
Harvard Pilgrim Primary Choice	663.11	165.78	\$36.47	8.70	2.40	47.57	118.21	1,691.10	422.78	\$93.01	22.20	6.13	121.34	301.44



**Commonwealth of Massachusetts
Group Insurance Commission**

**Your
Benefits
Connection**