

PEEHIP Accounting for Invoicing and Payments

Greg Clemmons, MBA
AASBO_May 2023



PEEHIP Employer Contributions

To earn an Employer Contribution for any given month a person must be in a **Hired Status** for at least half the days in the month. To be considered in a **Hired Status** on any particular day, **all** the following conditions must be met:

- ◆ The person **must have a PEEHIP eligible enrollment** whose hire date is on or before the date in question and whose termination date (if applicable) is on or after the date.
- ◆ The enrollment **must have an LOA status of Not on Unpaid Leave, Unpaid FMLA, Maternity FMLA, or Unpaid Military** for the date in question.
- ◆ The date in question **must be within the contract begin and end date associated with the enrollment OR the agency has adopted the plan provision to cover out of contract employees** who have an active enrollment (this can be viewed in the ESS Portal under Services > Employer Information).

Reminders

PEEHIP Employer Contributions

- Always add new positions before ending the old positions for the same person whether it is due to incorrect hire date, change in position status or contribution group.
- Enter all Unpaid Leave dates timely in order to prevent the member from owing several months at one time
- If a manual entry is made in the ESS Portal, the enrollment needs to be updated in your payroll system as well. Otherwise, it reverts back to old status.

Reminders

ESS Position Statuses

Position Status Codes and Descriptions	
Alphanumeric Code	Description
01 – Regular**	Should be used for employees who have a regular work schedule. Can be used for both full-time and part-time employees.
03 – Seasonal/Irregular	Should be used for employees who do not have a regular work schedule. This should be used for retirees who have returned to work part-time.
04 – Temporary	Should be used for employees who are hired with a pre-determined termination date that is less than one year from their start date.
05 – Adjunct	Should be used for employees who are paid per course by universities and community colleges only.
08 – Ineligible to Contribute**	Should be used for employees that are hired in a position that is never eligible for participation regardless of any previous eligibility or full-time/part-time status.
09 – Ineligible to Contribute to TRS and Ineligible for PEEHIP**	Same as position status 08 but should be used by agencies that offer PEEHIP when the employee is ineligible for both TRS participation and PEEHIP benefits.

** Impacts PEEHIP eligibility

Leave of Absences

A Leave of Absence (LOA) is when an employee goes on an **unpaid leave** that lasts **longer than a pay period**. This includes, but is not limited to, Unpaid Maternity Leave, Medical Leave, and Military Leave.

- **00_ Not on Unpaid Leave** For enrollment purposes, everyone will have an LOA Status, but most people will remain with the status of **00_ Not on Unpaid Leave** and will earn PEEHIP Employer contributions.
- **01_ Unpaid FMLA and 07_ Maternity FMLA** The employee continues to earn PEEHIP Employer contributions and therefore, a contribution is due for each month that an employee is on Unpaid or Maternity FMLA.

Leave of Absences

- **A new line should be created each time an employee goes on or comes off of a leave of absence.**

The **effective date** would be the date the employee went on LOA and/or when the employee came off LOA.

Example: If an employee was approved to use FMLA for Unpaid Leave then the LOA status should be updated from 00_Not on Unpaid Leave to 01_Unpaid FMLA with an effective date of the first day the leave begins. When the employee comes off LOA, another line should be added with the effective date as the date the employee came off LOA and the status should be updated back to 00_Not on Unpaid Leave.

Employee Transfers

Employees transferring from one system to another system are considered current employees.

- They must keep existing PEEHIP coverage and cannot make insurance changes until the Open Enrollment period for an October 1 effective date.
- **Please notify** transferred employees that they may have to pay OOP for the first transferred month.
- If a member works the full year, but has transferred school systems during the middle of the year, it is the current employer who will be responsible for all 3 summer contributions.

Employee Transfers

When an employee transfers from one participating system to another without a break in coverage, the **new** system will be responsible for paying the contribution for the **first full month**, including when hired on the August 1st of the employee's contract and all additional months of coverage, thereafter.

Example: Coach Smith has worked with system TXYZ for 3 consecutive years, but will terminate as of 5/21/23. She will transfer to system TABC on 7/26/23. TABC will be responsible for the August Employer Contribution.

3-1 or August to August Rule

- **3-1 Rule** - The Employer contribution count starts on August 1st and ends August 31st of the next year. For every three months worked (in Hired Status), one extra month is earned.
- Regardless of the Employment End Reason **OR** if the contract period is 9, 10, 11 or 12 month, **IF** an employee works nine or more months out of the year, they are eligible to burn 3 allocations with **the last month they would be able to burn being August.**

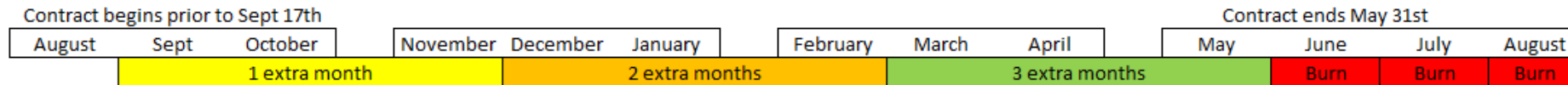
3-1 or August to August Rule

- **The 3-1 Rule** applies to any employee regardless of whether they are paid on a 9, 10, 11, or 12 month contract.
- Each month will be examined by the PEEHIP system to determine if the individual was in Hired Status for **at least half the days** in that month. If they were, the person will earn an Employer Contribution for that month that will be billed on the Invoice.
- When the system determines that a person has earned 3 of these months, an additional Employer Contribution is stored in the system for that person.
- If in any month a person does not meet the Hired Status conditions, the system will examine if any additional Employer Contributions were earned and are available, if so the Employer will be billed for the Contribution that month.
- **The additional Employer Contribution count resets each August 31st.**

3-1 or August to August Rule

- **3-1 Rule** An employee does not burn allocation months until the **end date of their contract**. If a new contract is not entered, a termination date for non-renewals **should be** entered. An employee can earn or burn an allocation in **August**.
- **Example:** An employee has been in hire status for a consecutive 9 months and contract ends after June 15th. The member will have a contribution to burn for July, August but not September.

3-1 or August to August Rule Examples



Use 1 extra month in June
 Use 2nd extra month in July
 Use 3rd extra month in August
if still in Hired Status



Use 1 extra month in July
 Use 2nd extra month in August
if still in Hired Status
 No coverage (COBRA) for September

End of School Year/Beginning of School Year Earn and Burn Dates

The Member will be Terminated on or contract will end on...

May	June
1 Burning	1 Burning
2 Burning	2 Burning
3 Burning	3 Burning
4 Burning	4 Burning
5 Burning	5 Burning
6 Burning	6 Burning
7 Burning	7 Burning
8 Burning	8 Burning
9 Burning	9 Burning
10 Burning	10 Burning
11 Burning	11 Burning
12 Burning	12 Burning
13 Burning	13 Burning
14 Burning	14 Burning
15 Earning	15 Earning
16 Earning	16 Earning
17 Earning	17 Earning
18 Earning	18 Earning
19 Earning	19 Earning
20 Earning	20 Earning
21 Earning	21 Earning
22 Earning	22 Earning
23 Earning	23 Earning
24 Earning	24 Earning
25 Earning	25 Earning
26 Earning	26 Earning
27 Earning	27 Earning
28 Earning	28 Earning
29 Earning	29 Earning
30 Earning	30 Earning
31 Earning	

The Member will be rehired on or contract will be resumed on...

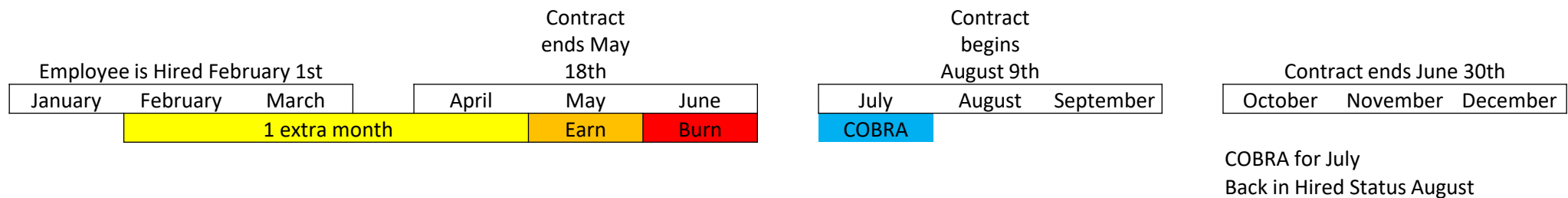
August	September	October
1 Earning	1 Earning	1 Earning
2 Earning	2 Earning	2 Earning
3 Earning	3 Earning	3 Earning
4 Earning	4 Earning	4 Earning
5 Earning	5 Earning	5 Earning
6 Earning	6 Earning	6 Earning
7 Earning	7 Earning	7 Earning
8 Earning	8 Earning	8 Earning
9 Earning	9 Earning	9 Earning
10 Earning	10 Earning	10 Earning
11 Earning	11 Earning	11 Earning
12 Earning	12 Earning	12 Earning
13 Earning	13 Earning	13 Earning
14 Earning	14 Earning	14 Earning
15 Earning	15 Earning	15 Earning
16 Earning	16 Earning	16 Earning
17 Earning	17 Not earning/Burning	17 Earning
18 Not earning/Burning	18 Not earning/Burning	18 Not earning/Burning
19 Not earning/Burning	19 Not earning/Burning	19 Not earning/Burning
20 Not earning/Burning	20 Not earning/Burning	20 Not earning/Burning
21 Not earning/Burning	21 Not earning/Burning	21 Not earning/Burning
22 Not earning/Burning	22 Not earning/Burning	22 Not earning/Burning
23 Not earning/Burning	23 Not earning/Burning	23 Not earning/Burning
24 Not earning/Burning	24 Not earning/Burning	24 Not earning/Burning
25 Not earning/Burning	25 Not earning/Burning	25 Not earning/Burning
26 Not earning/Burning	26 Not earning/Burning	26 Not earning/Burning
27 Not earning/Burning	27 Not earning/Burning	27 Not earning/Burning
28 Not earning/Burning	28 Not earning/Burning	28 Not earning/Burning
29 Not earning/Burning	29 Not earning/Burning	29 Not earning/Burning
30 Not earning/Burning	30 Not earning/Burning	30 Not earning/Burning
31 Not earning/Burning		31 Not earning/Burning

Mid-Year Hire

- If an employee was hired mid-year during the 2022-2023 school year **and** did not earn the right to coverage under the 3-1 rule as an employee during the entire Summer 2023 **and** will be returning to work at the beginning of the 2023-2024 school year, then the employer should **NOT** terminate the employee.
- Instead, the PEEHIP system will determine if any additional Employer Contributions were earned and if one is available. When coverage under the 3-1 rule has been exhausted, the PEEHIP system will change the employee's account status to COBRA and will automatically send the appropriate COBRA notice to the employee. Then at the beginning of the 2023-2024 scholastic year, the PEEHIP system will return the employee to employed status, bill the employee rate (rather than COBRA) along with the employer contribution.

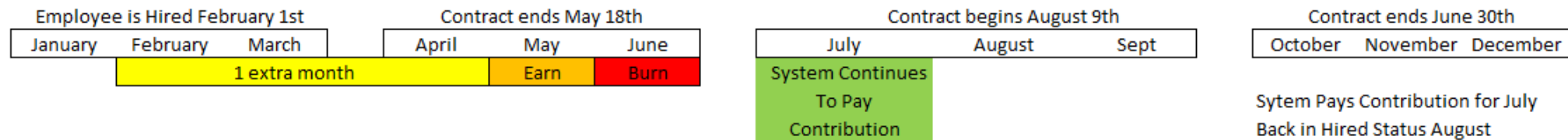
Mid-Year Hire - Example

Sally was hired by County School System on February 1, 2023 and works until the end of her contract on May 18, 2023. Sally will continue to work for County School System the following 2023-2024 scholastic year where her contract begins August 9, 2023. Sally is entitled to health insurance coverage as an employee for February 2023-June 2023 under the 3-1 rule. If Sally wanted to continue her health insurance coverage for July 2023, she would have to pay the COBRA rates and County School System would not be charged the \$800 employer contribution for July 2023. Then, for August, Sally would pay the employee health insurance premium rate. **The employer does not have to terminate Sally at the end of May 2023 in order for this above to occur.**



Mid-Year Hire Resolution

- Some employers have expressed a desire to pay the employer contribution and allow the employee to pay the employee premium rate as opposed to the COBRA rate for mid-year hires through the summer regardless of whether the employee has earned enough months by the 3-1 rule.



- Around **61%** of all TRS Employers have now adopted this policy and it does remain in effect. If you have not adopted this policy and would like to, please contact PEEHIP Revenue.

PEEHIP Employer Contributions COBRA

- A member that paid an LOA rate or COBRA rate for July and returns to work after 8/1 but before 8/18, would be entitled to a full August contribution.
- PEEHIP will still send COBRA notification automatically when termination date is entered. **The term date should be the last day of the contract as this should be the last day worked.**
- If member does not elect COBRA and has a lapse in coverage, **a new enrollment form must be completed** to re-enroll within 30 days of their start date.

PEEHIP Employer Contributions

Review for Proper Terminations

On occasion, the system will reflect employees who appear to be currently employed with two different school systems.

Example: An employee actually terminates from their old system at the end of the school year and is rehired at another system. However, in order to process a summer paycheck the original school system will delay entering a termination date in the system.

- **The term date, which would be the last day of the contract,** should be entered into ESS in a timely manner. In the above scenario the system should have entered the termination date in ESS at the end of the school year but could have terminated the non-returning employee in the *Application center within Harris* which will allow them to continue paying the employee.
- Please contact your Harris School Solutions software representative for any questions you may have regarding the Application center.
- **In order for a terminating employee to have not been on your April for May invoice, their termination date would have to have been entered no later than Thursday, April 6, 2023.**

PEEHIP Invoicing and Payments

- Please communicate with **Retirees** that the first premium after the burning of contributions will be invoiced to them prior to being deducted from the retirement check.
- **NEW employees** will need to pay PEEHIP directly for the initial payment if enrolled in coverage on their date of hire or first of the next month.
- **New employees** receive a direct PEEHIP invoice because insurance is deducted from an employee's paycheck one month in advance and those new employees did not receive a paycheck for the prior month.

PEEHIP Invoicing and Payments Accounts Placed on Claim Hold

As of April 20, 2023 PEEHIP has a total of **1,156 members** on Claim Hold due to Non-payment/past due.

Because insurance premiums are always paid one month in advance, the employee may not have received a paycheck to deduct their first month of coverage. This may also happen if they enrolled in coverage on their first day of hire. In some cases we have mailed several bills to the member and they have not responded and their account has therefore been placed on **Claim Hold**.

- Even though their insurance coverage has not been cancelled, they **will not have** access to coverage until payment arrangements have been made.

On occasion we may request help from the PEEHIP/Payroll Coordinator to assist in communicating this message to the employee so that they will pay these premiums and resume having access to coverage prior to any unanticipated need while at their doctor's office or pharmacy.

PEEHIP Invoicing and Payments

There are basically two ways for the member to make payments:

- Through an additional payroll deduction that you can make at the end of the current month and then add it to your invoice reconciliation for the next month.
- Or a member may make credit card payments by visiting our Member Online Services at <https://mso.rsa-al.gov> and going through to the Make Payment site. **PLEASE NOTE: Payments made through this system may take 2 – 4 business days to be reflected in their current balance.**

TRS Open Invoices

As of April 20, 2023, there are 33 Agencies with open TRS invoices available to be resolved.

- You can find the invoices/credits under the **Report tab > Invoices**. If you need assistance using these invoices, please give us a call.

PEEHIP Open Invoices/Credits

Harris recently made a change to their payroll software to allow terminated employees to be included in Offline Deduction payment Run IDs similar to what is already allowed for Offline Deduction refunds. This should assist in processing any RF Credit invoices you have that may include terminated employees.

Please contact Harris for guidance regarding any questions you may have about this process.

The Retirement Systems of Alabama

Employer Self-Service Employer Home Report Services PEEHIP Account Admin Logout THAL - Agency Thal

Invoices

The Invoices module allows employers to manage invoices. To pay an invoice, select the invoices and click **Pay Invoice**. To view an individual invoice, click the appropriate link and the invoice will open in a new browser window.

Invoices

Show all **Employer:** THAL - HALE COUNTY BOE
 Recent Invoices: --Select-- **Type:** Select Invoice Type
 Date Range: to Show Paid Invoices

Invoice	Employer	Invoice Type	Date	Due Date	Amount	Balance Due	Status
<input type="checkbox"/> RF2022THAL09F0008	THAL - HALE COUNTY BOE	PEEHIP-Miscellaneous Refund	09/13/2022	10/10/2022	(\$3,200.00)	(\$3,200.00)	Unpaid
<input type="checkbox"/> CD2022THAL09F0008	THAL - HALE COUNTY BOE	PEEHIP-Miscellaneous	09/13/2022	10/10/2022	\$1,600.00	\$1,600.00	Unpaid
<input type="checkbox"/> PR2022THAL08F0009	THAL - HALE COUNTY BOE	PEEHIP-Regular	08/08/2022	09/10/2022	\$275,288.21	\$275,288.21	Unpaid

For questions regarding invoices, please contact the RSA at 334.517.7000 or 887.517.0020

PEEHIP Open Invoices/Credits

As of April 20, 2023, there are 41 Agencies with open PEEHIP RF credit invoices available.

- You can find the invoices/credits under the **Report tab > Invoices**. If you need assistance using these invoices, please give us a call.

Reminders

Previous ESS Monthly Invoices

- Some agencies have contacted us to obtain copies of previous months invoices. Please remember to save all your downloads of PEEHIP invoices to a secure file directory as the downloads are only available in your ESS portal for 3 months.

PEEHIP Invoice Reconciliation

- **Do not** ignore recurring errors on the invoice. Making corrections on the invoice does not correct the error in our system.
- **Do not** remove out of pocket premiums from the reconciliation report and also request that it be refunded to the member on this report. If you realize that you have deducted the premiums in error, please refund directly to the member at the local level.


PEEHIP Invoice Reconciliation

- **Do not** take the tobacco charge off without checking with PEEHIP. Employee may need to update tobacco status.
- **Collect** future OOP & Flex premiums for burning months if paying out a member at the end of employment.
- **Call** your PEEHIP Revenue contact person before removing or adding invoice corrections. Look for PEEHIP Coordinator monthly email on the first day of the month.

PEEHIP Coordinator Monthly Email

To receive the monthly email, please make sure those individuals who should be receiving it are checked as the **Primary PEEHIP Clerk Contact** or **Agency Head** within ESS. Both boxes must be checked.



Contact Type(s) 	
<input checked="" type="checkbox"/> Disability Contact	<input type="checkbox"/> Set as Primary Contact
<input checked="" type="checkbox"/> Enrollment Coordinator	<input type="checkbox"/> Set as Primary Contact
<input checked="" type="checkbox"/> Human Resource Director	<input type="checkbox"/> Set as Primary Contact
<input checked="" type="checkbox"/> Office Coordinator	<input type="checkbox"/> Set as Primary Contact
<input checked="" type="checkbox"/> PEEHIP Clerk	<input checked="" type="checkbox"/> Set as Primary Contact
<input checked="" type="checkbox"/> Retirement Certification	<input type="checkbox"/> Set as Primary Contact
<input checked="" type="checkbox"/> Service Purchases	<input type="checkbox"/> Set as Primary Contact
<input type="checkbox"/> Withdrawal Certification	
<input checked="" type="checkbox"/> Reporting Official	<input type="checkbox"/> Set as Primary Contact
<input checked="" type="checkbox"/> Agency Head	<input type="checkbox"/> Set as Primary Contact
<input checked="" type="checkbox"/> IT	<input type="checkbox"/> Set as Primary Contact
<input checked="" type="checkbox"/> RSA-1	<input type="checkbox"/> Set as Primary Contact

Questions?

For more Information on Invoicing or
payments, please contact:
Your PEEHIP Invoicing contact Person
at 1-877-517-0020

Questions?

School Code

A

B

C

D - F

G - I

J-L

M

N - R

S-T

U-W

Contact Person

Petrice Robinson

Matthew Olson

Chris Gehman

Kendrea Reese

Laquanda James

Tyler Thompson

Jenna Hale

Greg Clemmons

Kamryn Warren

Dawn Wood

Email

Petrice.Robinson@rsa-al.gov

Matthew.Olson@rsa-al.gov

Chris.Gehman@rsa-al.gov

Kendrea.Reese@rsa-al.gov

Laquanda.James@rsa-al.gov

Tyler.Thompson@rsa-al.gov

Jenna.Hale@rsa-al.gov

Greg.Clemmons@rsa-al.gov

Kamryn.Warren@rsa-al.gov

Dawn.Wood@rsa-al.gov