October 2026

PRE-TAX CONTRIBUTION PROGRAM

For active employees | NYS



NEW YORK STATE

Department of Civil Service
New York State Health Insurance Program

New York State Department of Civil Service, Employee Benefits Division, Albany, New York 12239 • nyship.ny.gov

The Pre-Tax Contribution Program (PTCP) is a voluntary program in which your share of the NYSHIP premium is deducted from your wages before taxes are withheld. This decreases your reported income, reducing your overall tax burden.

However, according to federal regulations, PTCP participation restricts your ability to change your plan (outside of Open Enrollment and certain PTCP qualifying events). In addition, you cannot disenroll from the PTCP midyear.

ELIGIBILITY AND ENROLLMENT

You are only eligible for the PTCP through New York State if you are an active employee with premiums deducted from a regular paycheck. Retirees, direct-pay enrollees and COBRA enrollees are not eligible.

You may only enroll in the PTCP during Open Enrollment or during your initial 28-day new employee waiting period for NYSHIP coverage.

During Open Enrollment:

- If you enroll in or disenroll from the PTCP, that change will become effective at the beginning of the upcoming plan year.
- If you take no action, your PTCP status will not change for the upcoming year.

To enroll, submit a signed *Health Insurance Transaction Form* (PS-404) with Section 3 completed.

Once you have enrolled in the PTCP or declined to enroll, **you may not change your PTCP status midyear for any reason**—even if you return to work from leave without pay (LWOP).

When you retire or otherwise stop working for New York State, you are no longer eligible to participate in the PTCP.





PLAN CHANGE RESTRICTIONS

As a PTCP enrollee, federal law only allows you to change your plan option (The Empire Plan or a NYSHIP HMO), change your coverage type (Individual vs. Family) or cancel coverage **during Open Enrollment** or if you experience a **PTCP qualifying event**.

PTCP qualifying events—and the changes they permit—are subject to the following restrictions.

Gaining a Dependent

If a PTCP qualifying event causes you to **gain a dependent**, you may *add that dependent. If you do, you may also add any other eligible dependents with no waiting period*. **If you have Individual coverage, you will switch to Family coverage.** All requests must be made within 30 days of the qualifying event.

You may not drop dependents, switch from Family to Individual coverage or cancel coverage entirely.

Changes Allowed Due to Gaining a Dependent	
Event	**Allowed Plan Changes**
You **gain a new dependent** (spouse, federally qualified domestic partner or child) you wish to cover under NYSHIP	Add **newly gained dependent(s)** plus **any previously eligible dependents**
You wish to **add a dependent who recently lost eligibility for their health benefits**	Add **dependent(s) who lost eligibility for their health benefits** plus **any previously eligible dependents**
You receive an order **requiring you to provide coverage for a child**	Add **dependent named in the order** plus any **previously eligible dependents**





Losing a Dependent or Disenrolling

A PTCP qualifying event causing you to **lose or disenroll a dependent** only allows you to drop that dependent. **If all dependents are disenrolled, you will switch from Family to Individual coverage.** All requests must be made within 30 days of the qualifying event.

Changes Allowed Due to Losing/Disenrolling a Dependent	
Event	**Allowed Plan Changes**
You **lose a covered dependent** (through divorce, end of domestic partnership, dependent death, dependent child exceeding age limit)	Drop coverage only for dependent(s) losing eligibility
Your covered dependent becomes **newly eligible for their own health benefits** and **you *are not* added to their plan**	Drop coverage only for dependent(s) newly added to dependent's plan
Your covered dependent becomes **newly eligible for their own health benefits** and **you *are* added to their plan**	Drop NYSHIP coverage entirely (including for your NYSHIP dependents)
Open enrollment under a non-NYSHIP employer plan **causes *one or more NYSHIP dependents* to join that plan**	Drop coverage only for dependent(s) newly added to other employer plan
Open enrollment under a non-NYSHIP employer plan **causes *you* to join that plan**	Drop NYSHIP coverage entirely (including for your NYSHIP dependents)
An order **requiring you to provide coverage for a child is terminated AND requires another individual to provide coverage for the child**	Drop coverage only for child named in order *only when coverage is provided to them by the other individual named in the order*

Other Events

If a PTCP qualifying event **does not directly involve a dependent**, rules vary. All requests must be made within 30 days of the qualifying event.

Changes Allowed Due to Other Qualifying Events	
Event	**Allowed Plan Changes**
You become **eligible for Medicare, Medicaid or CHIP**	Drop NYSHIP coverage entirely (including for your NYSHIP dependents)
You **move or begin working** in the service area of a new NYSHIP HMO	Choose newly available plan option
You **no longer reside or work** in your NYSHIP HMO's service area	Choose new plan option Drop NYSHIP coverage entirely (including for your NYSHIP dependents)
You **begin leave without pay**	Drop NYSHIP coverage during leave without pay (including for your NYSHIP dependents)
You **return from leave without pay**	Reenroll in NYSHIP coverage dropped during leave without pay





MAKING A CHANGE

To make a change following a PTCP qualifying event, you must submit a *Health Insurance Transaction Form* (PS-404) within 30 days of the event (60 days for a change in Medicaid or CHIP eligibility).

After this deadline has passed, the following restrictions apply:

- You may change from Individual to Family coverage, and your dependents will be subject to a late enrollment waiting period of five pay periods. However, only the Individual portion of the Family premium will be pre-tax. The remainder will be post-tax.
- You may add a dependent to existing Family coverage, but the dependent will be subject to a late enrollment waiting period (of five pay periods). Your premium deduction will remain the same.
- You may drop a dependent as long as you do not remove the last dependent on your plan (changing you from a Family plan to an Individual plan).
- You may not choose a new plan option, change from Family to Individual coverage or cancel coverage.

Split Deductions

In the following situations, the Individual portion of your Family premium will be a pre-tax deduction and the dependent portion will be a post-tax deduction:

- Changing to Family coverage more than 30 days after or without a PTCP qualifying event. In this case, your total premium will be a pre-tax deduction in the next tax year.
- Adding a non–federally qualified domestic partner to your coverage.
- If you notify your health benefits administrator (HBA) more than 30 days after *marrying* your already covered non–federally qualified domestic partner. In this case, your total premium will be a pre-tax deduction in the next tax year.

QUESTIONS

If you have questions about the PTCP or Open Enrollment, contact your HBA.

It is the policy of the New York State Department of Civil Service to provide reasonable accommodation to ensure effective communication of information in benefits publications to individuals with disabilities. These publications are also available on the NYSHIP website at nyship.ny.gov. Visit the NYSHIP website for timely information that meets universal accessibility standards adopted by New York State for NYS agency websites. If you need an auxiliary aid or service to make benefits information available to you, please contact your agency health benefits administrator.

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