

Benefits During Unpaid FMLA, OFLA, and/or PLO Protected Leave

This document is for informational purposes only and to provide guidance to employees on their benefits during a protected unpaid leave of absence, based on City and benefit provider policies and practices in accordance with applicable law. This document is not a new policy and does not supersede current policies in force.

“No-Pay” Status

You enter “no-pay” status with the City when you are (1) not working, and (2) have exhausted all accrued paid leave, or (3) are declining to use accrued paid leave while you are taking leave under Paid Leave Oregon (PLO). While you’re in no-pay status with the City, you are not earning a paycheck from which benefit premiums and contributions can be deducted. If you are on a protected family and medical leave and enter “no-pay” status, your benefits will continue with payment of premiums. If you are not on protected family and medical leave and enter “no-pay” status, your benefits may end at the end of the month in which you enter unpaid leave. Please note below how each benefit will be affected by “no-pay” status, while covered under protected family and medical leave.

Flexible Spending Account (FSA)

Health FSA

Contributions must continue to be made to your Health FSA in order to keep it active and eligible to submit claims for reimbursement. If contributions stop, your Health FSA will enter a ‘blackout’ period for the duration of your leave and you will not be eligible to seek reimbursement for expenses incurred during the blackout period. Any FSA eligible expenses occurring outside your unpaid status would continue to be eligible for reimbursement. To continue contributions to your Health FSA while on leave, you can (1) pre-pay, or (2) pay-as-you-go. The pay-as-you-go option would be paid from an employee after tax.

Pre-Pay Method

You may arrange with the payroll department to pre-pay contributions to your Health FSA in advance through payroll deductions prior to the start of your leave.

Pay-As-You-Go Method

You may make contributions to your Health FSA “as you go” throughout your leave on an after-tax basis. Please note that these after-tax contributions will not be reported on your W2 tax statement, and there is no tax benefit associated with these after-tax contributions. The main reason to utilize this “pay-as-you-go” method is to maintain eligibility to reimburse qualifying medical expenses incurred while you’re in “no-pay” status with the City, and on protected leave. You will need to arrange payment with the payroll department. Payment will need to be in cash or check. The City will permit one bounced check error; any additional will result in the employee being responsible for any fees. You will need to submit payment to payroll by the established due date.

Cancel Coverage

Alternatively, you may choose to change or end your FSA election within 30 days of beginning protected family and medical leave. You will have the option to enroll in a new FSA plan upon returning from leave. Please connect with the HR Benefits Analyst if you’d like to pursue this option.

Dependent Care FSA

IRS rules allow for DC FSA reimbursement of expenses incurred during periods of time to allow the employee to work or look for work. Since you are no longer working when you enter a leave of absence, whether it is paid or unpaid, you are no longer eligible to reimburse expenses incurred during your leave period from your DC FSA account. Upon beginning your leave, you may either (1) change your annual DC FSA election to account for the non-reimbursable leave period, or (2) stop contributions during the leave period and have those contributions made up from future paychecks upon returning from leave in order to maintain your current annual election.

Additional Life and AD&D

To keep your additional life and/or your additional AD&D insurance coverage(s) active, you'll need to continue paying the semi-monthly premium. Please connect with Payroll to arrange payment of the premiums.

Group Health Benefits (Medical, Dental Vision)

The City continues to pay its portion of the premium for your group health coverage while on protected family and medical leave. Please connect with Payroll to arrange payment of your employee premium during your period of unpaid leave.

HRA Veba

The City contributes 2% of your base earnings to your HRA account. Entering no-pay status would result in a pause in City contributions (2% of \$0 earnings is \$0 contributions), but you'll still have access to your funds. If you enter no-pay leave status, HRA Veba will be notified by HR that you have experienced a Reduction In Hours life event. HRA Veba will send you COBRA information with the option to continue post-tax contributions, if you desire.

Basic Life/AD&D, LTD

These City-paid benefits will continue while you're on unpaid protected family and medical leave.

Deferred Comp 457(b) and 401(a) City-match

While in "no-pay" status with the City, your deferred compensation contributions will be put on hold (since you have no earnings from which to deduct contributions). You may resume contributions to your 457b account upon returning to paid status. Likewise, if you continue to meet the minimum contribution requirement to your 457b plan, the City will continue its matching contribution to your 401a account.

Aflac Supplemental Benefits

Please connect with Payroll to arrange payment to continue payment of your premiums.

Oregon PERS

Taking unpaid leave (not receiving pay from the City, including use of accrued paid time off) may affect your PERS service credit toward your Oregon PERS retirement if the employee takes 11 or more full working days unpaid in a given month. For specific questions regarding your PERS account, please contact Oregon PERS directly.

Questions? Please contact Nathan Smith, Benefits Analyst, at nathan.smith@hillsboro-oregon.gov.

Table: Benefits Affected by Leave of Absence

Paid Status = you receive wages from the City (include paid leave accruals – Vacation, Personal Leave, Sick Leave, etc.)

Unpaid Status = you do not receive wages from the City

FMLA = Family & Medical Leave (federally protected)

OFLA = Oregon Family & Medical Leave (state protected)

PLO = Paid Leave Oregon (state protected)

EE = Employee

Eligibility ends = Typically at end of the month in which the EE enters Unpaid status. Contact the Benefits Analyst to review options.

Benefit / Leave Status	Paid / FMLA, OFLA, PLO	Paid / Not FMLA, OFLA, PLO	Unpaid / FMLA, OFLA, PLO	Unpaid / Not FMLA, OFLA, PLO
Group Health (medical, dental, vision)	Eligibility continues. Premium paid thru payroll deductions.		Eligibility continues. City pays its portion of premium. EE coordinate w/ Payroll to continue payment of EE portion of premium.	Eligibility ends.
Flexible Spending Account (FSA)	Health FSA: Eligibility continues; contributions paid thru payroll deductions. May choose to continue, change, pause, or discontinue participation in plan. Dependent Care FSA: Ineligible to reimburse expenses incurred during LOA period. May choose to continue, change, pause, or discontinue contributions.		Health FSA: Eligibility continues; BUT, Contributions must continue to keep account active and eligible to reimburse expenses incurred during LOA period. EE coordinate w/ Payroll to continue contributions to avoid account 'blackout'. May choose to change, pause, or discontinue participation. Dependent Care FSA: Ineligible to reimburse expenses incurred during LOA period. May choose to change, pause, or discontinue contributions.	Eligibility ends.
Basic Life, AD&D, LTD	Eligibility continues.			Eligibility ends.
Additional Life, AD&D	Eligibility continues. Premium paid thru payroll deductions.		Eligibility continues. EE coordinate w/ Payroll to arrange payment of premium.	Eligibility ends.
HRA Veba	Eligibility and City contributions continue.		City contributions end. Account remains active.	
Deferred Comp 457(b) and 401(a) City match	Eligibility continues. Contributions paid thru payroll deductions.		Contributions on hold during LOA.	
Aflac Supplemental Benefits	Eligibility continues. Premium paid thru payroll deductions.		EE coordinate w/ Payroll to continue payment of premium to keep benefit.	
Oregon PERS	Not impacted.		PERS service credit may be impacted by duration of unpaid leave – Contact Oregon PERS for specific questions/concerns.	