



Cash Option CoBen

If you have qualifying group health or health and dental coverage through another source, such as your spouse, you may opt to receive cash in lieu of both your state-sponsored health and dental coverage or for your state-sponsored health coverage only. Qualifying group health coverage includes health coverage that provides minimum value as established by the federal Patient Protection Affordable Care Act (ACA) and is maintained by an employer or employee organization. All state California Public Employees' Retirement System (CalPERS) health plans currently meet the law's minimum value standards.

The ACA establishes a minimum value standard of benefits of a health plan. For a qualifying group health plan to meet the ACA's minimum value standards, the plan must cover at least 60 percent of the total allowed costs of benefits provided under the plan. Employees may refer to their plan's Summary of Benefits and Coverage document to determine if their coverage meets the law's minimum value standards.

Employees enrolled in individual coverage, such as TRICARE, Medicare, Medi-Cal, and Covered California, are not eligible to receive cash in lieu of other health coverage, even if the coverage provides minimum value.

Benefits of the Cash Option

These payments are considered taxable income and are as follows:

- \$155 - if you decline both the state-sponsored health and dental plans
- \$130 - if you decline only the state-sponsored health plan

Note: You will not receive any CoBen Cash if you decline dental coverage only.

CoBen cash payments are included with your regular paycheck and are subject to the same payroll taxes (federal, state, and Social Security) as your regular salary. However, CoBen Cash payments are not considered compensation for retirement purposes. This additional cash is reported on your W-2 statement in the same tax year you received the CoBen Cash payment.

Cost of Premiums Only

If you elect to receive cash in lieu of your state-sponsored health plan but enroll in a state-sponsored dental plan, then your benefit allowance will be the amount of your dental and basic vision premium. In this situation,

you will receive cash in lieu of health, and your dental and basic vision premiums will be fully paid. You will not have an out-of-pocket dental and basic vision plan premium cost.

This means you will not receive the difference between the cost of the premiums and the total allowance applicable to you. Your allowance amount, when not enrolled in all three benefits, is only that amount for the cost of the premiums or the total allowance, whichever is less.

Cash Option for Non-CoBen employees

This plan applies to excluded employees and employees in Bargaining Units 2, 7, 8, 16, 17, 18, and 19. For employees in Bargaining Units 1, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 20, and 21, your cash option is available through [FlexElect \(/employees/Pages/cash-options-non-coben.aspx\)](/employees/Pages/cash-options-non-coben.aspx), not this plan. Contact your department's personnel office for information and forms to enroll in a FlexElect Cash Option.

Before Enrolling in a Cash Option

The cash option is designed to expand your benefit options, not limit or decrease important health and/or dental coverage for you and your family. Accordingly, it is important to make sure your health and dental needs are met before you enroll in a cash option.

If you are eligible to receive survivor health and dental benefits after the death of a spouse or domestic partner, you can continue to receive the cash.

Who May Enroll in a Cash Option?

You are eligible to enroll in a cash option if you have a permanent position that is half-time or more. If you have a limited-term (LT) or temporary (TAU) position with an appointment of six months or more, you are eligible (mandatory right of return to a permanent position that is half-time or more is not required).

- If you are a permanent-intermittent employee, you may enroll in the cash option.
- Seasonal lifeguards (Bargaining Unit 7) as defined in the Bargaining Unit 7 MOU and seasonal firefighters (Bargaining Unit 8) as defined in the Bargaining Unit 8 MOU are eligible for the cash option.
- If you are eligible to receive survivor health and dental benefits after the death of a spouse or domestic partner, you can continue to receive the cash.

When May I Enroll?

Your first opportunity to enroll in a cash option is within 60 days after becoming "newly eligible" for these benefits. However, for many employees the typical time to enroll is during the annual Open Enrollment period.

Newly eligible

Besides the annual Open Enrollment period, you also have the opportunity to enroll in a cash option within 60 days after becoming "newly eligible." Newly eligible events are as follows:

- You're a new state employee hired after the Open Enrollment period.
- You were on an approved leave of absence during the entire Open Enrollment period.
- You experience a change in status that permits you to enroll as newly eligible. If your change in status results in a concurrent approved leave of absence (e.g., birth of child followed by a maternity leave), you may enroll by the deadlines specified below after you return to work.
- Your time base/employee designation changes from one that was ineligible to one that is eligible, or you change from a permanent-intermittent position to a permanent position with a time base of half-time or more.

(If you're a permanent-intermittent employee, refer to " Permanent-Intermittent Employees (PIs) Enrolled in CoBen Cash" for more details.)

Deadline for newly eligible employees to enroll:

If you are newly eligible and want to enroll, you must submit enrollment forms to your department's personnel office within 60 days after becoming newly eligible. Correctly completed forms received at the State Controller's Office (SCO) by the tenth of the month are effective the 1st of the following month (except when the tenth is on a weekend or holiday, in which case the cut-off date will be on the next regular workday). If SCO receives your form after the tenth of the month, the effective date will be the 1st of the next following month.

Permanent-Intermittent Employees (PIs) Enrolled in CoBen Cash

If you are a PI employee and want to receive cash in lieu of your health and dental coverage or health coverage only, you must enroll each plan year you want to participate. You must complete the enrollment form (STD. 702) during Open Enrollment, or as "newly eligible" after Open Enrollment but prior to January 1.

In order to receive the cash payment, you also must meet all the following criteria:

- Be eligible to enroll in health and dental insurance as of January 1.
- Have a permanent-intermittent appointment from January 1 through June 30.
- Be credited with a minimum of 480 paid hours from January 1 through June 30.

If you are appointed to a permanent position with a time base of half-time or more, you lose eligibility for the PI cash payment. If you want to enroll as a newly eligible permanent employee, you must complete a new STD. 702 within 60 days after your appointment.

Lump Sum Payment

If you enroll in a cash option for health and dental benefits or health benefits only as a permanent-intermittent employee, you will receive your payment in a lump sum. The amount is for the period of January through June; you are not eligible for the cash option for the July through December period. Once your department's

personnel office certifies your eligibility based on the criteria listed above, you will receive your cash option payment as follows:

- \$780 in lieu of health benefits.
- \$930 in lieu of health and dental benefits.

These payments are made within 60 days after the State Controller's Office receives the certification from your department's personnel office.

Impact of Time Base Changes

If you're appointed to a permanent position with a time base of half-time or more, you lose eligibility for the PI cash payment. If you want to enroll as a newly eligible permanent employee, you must complete a new STD. 702 (<https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std702.pdf>) within 60 days after your appointment.

Changes and Cancellations

Once you enroll in a cash option, you can't cancel or change your enrollment during the plan year (January 1 through December 31) unless you experience a change in status called a "permitting event." See the complete list of status changes that permit you to cancel or change your enrollment. Otherwise, you may only change your election during the annual Open Enrollment window.

If you're enrolled in a cash option when you retire, your cash option will stop automatically. You need to take the following actions to protect your benefits:

If enrolled in cash option for health benefits: You have 30 days prior to or 60 days following the date of your retirement to enroll in the California Public Employees' Retirement System (CalPERS) health plan. If you don't enroll within this time period, you must wait until the next health Open Enrollment. Your enrollment at that point would be handled through CalPERS.

If enrolled in cash option for dental benefits: You have 30 days prior to or 60 days following the date of your retirement to enroll in a dental plan. If you don't enroll within this time period, you must wait until the next dental Open Enrollment. If you enroll prior to retirement, your dental enrollment will be processed through your department's personnel office. If you enroll following retirement, your enrollment is handled through CalPERS.

Payroll status changes

In addition to the permitting events listed below, here are some other payroll status changes and how they affect your CoBen enrollment:

- Non-Industrial Disability Insurance (NDI): If you go on NDI while enrolled in a cash option, your cash option payment will remain in effect and will be reflected on your NDI check.
- Industrial Disability Leave (IDL) and Temporary Disability (TD): If you go on IDL or TD while enrolled in the cash option, your enrollment remains in effect. You will receive a separate check for your cash option, issued about a week after your IDL or TD check.

- **State Disability Insurance (SDI) for employees in Bargaining Unit 17:** If you go on SDI while enrolled in a cash option, your enrollment will stop while you are on leave unless you supplement your SDI. If you supplement your SDI, the deductions will continue. If you return to pay status in the same CoBen plan year, your enrollment will resume.
- **Unpaid Leave of Absence:** If you are on an unpaid leave of absence while enrolled in a cash option, your enrollment will stop while you are on leave. If you return to pay status in the same CoBen plan year, your enrollment will resume.
- **Military Leave:** If you are called to active military duty for the War on Terrorism, you are eligible to retain your state benefits for up to 365 calendar days (Government Code section 19775.18) above the 180 calendar days provided by Government Code section 19775.17. If you are currently receiving CoBen cash option in lieu of health or health and dental benefits, you may continue to receive the cash for the duration of your military leave, not to exceed the time limits mentioned above. Military leave is not a permitting event to newly enroll into the CoBen Cash Option.

Changes in Status "(permitting events)"

If you experience a change in status that's listed below, you're permitted to take the action that's listed next to that change. You have 60 days following the date of your status change to take the corresponding action.

Your completed form(s) must be received at the SCO by the tenth of the month to be effective on the first of the following month.

Initial appointment to state service (includes reinstatement following a permanent break in service)

May enroll in cash option as newly eligible.

Marriage

May enroll in cash option as newly eligible or, if currently enrolled, may cancel/change cash option.

Divorce (date of final divorce), legal separation, or annulment

May cancel cash option and enroll into health and/or dental.

Death of spouse or domestic partner

May enroll in cash as newly eligible or, if currently enrolled, may cancel/change CoBen elections.

Loss or commencement of spouse's or domestic partner's employment

If currently enrolled, may cancel/change cash option. New enrollment into cash is not allowed.

Loss of medical and/or dental coverage provided through spouse, domestic partner, or other source, due to an employment status change

If currently enrolled in cash option, may cancel/change cash option. New enrollments are not allowed.

Commencement of medical and/or dental coverage provided through spouse, domestic partner, survivor benefits, or other source, due to an employment status change

May enroll in cash option as newly eligible or, if currently enrolled, may cancel/change cash option.

Change in bargaining unit or employee designation (e.g., transfer, promotion) that results in a loss or gain of eligibility for cash option

If currently enrolled in a health and/or dental plan, may change coverage or cancel/change cash option per union requirements. New enrollments are not allowed.

Instructions for Completing the Form

Cash Option Enrollment Authorization (STD 702 (<https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std702.pdf>).

): If you want to enroll for the first time, cancel, or make changes to your current cash option, you must complete:

- Cash Option Enrollment Authorization (STD 702 (<https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std702.pdf>).

In addition to the cash option enrollment form, you must complete the CalPERS Health Benefits Enrollment Form (HBD-12 (<https://www.calpers.ca.gov/docs/forms-publications/health-benefits-enrollment-form.pdf>)) if you want to do the following:

- Change or cancel your current health coverage.
- Add or delete an eligible dependent if a covered dependent has a change in eligibility.

You also must complete the Dental Enrollment Form (STD. 692 (<https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std692.pdf>)) if you want to do the following:

- Change or cancel your current dental coverage.
- Add or delete an eligible dependent if a covered dependent has a change in eligibility.

The health and dental forms must be submitted to your department's personnel office along with your cash option enrollment form (if you're making the changes indicated above). Both forms are available from your department's personnel office.

When husband and wife or domestic partners both work for the state: If you're an enrollee canceling your health and/or dental coverage to go on your spouse's or domestic partner's plan, who also is a state employee, you and your department's personnel staff must coordinate submission of the health, dental, and cash option enrollment forms for you and your spouse/domestic partner.

The effective date for canceling your coverage, and the date for your spouse or domestic partner to add you as a dependent, should be the same. The health and/or dental enrollment forms for you and your spouse/domestic partner must be submitted as a package with your cash option enrollment form.

Cash Option Enrollment Authorization

Section 1 - Enrollment

- If you're enrolling during the annual Open Enrollment period, check Item A.
- If you're "newly eligible" enrolling outside the Open Enrollment period due to a permitting event, check Item B.
- If you're changing your enrollment due to a permitting event, check Item C.
- If you're canceling your enrollment, check Item D.

Section 2 - Social Security Number

Enter your Social Security number.

Section 3 - Name

Print your first name, middle initial, and last name.

Section 4 - Cash Option

Health Coverage: If choosing to receive the cash option in lieu of your health benefits, enter \$130 in Item A. If you don't want to receive the cash and wish to keep your state-sponsored health plan, enter N/A in Item A.

Health and Dental Coverage: If choosing to receive the cash option in lieu of your health and dental coverage, enter \$155 in Item B. If you don't want to receive the cash and wish to keep your state-sponsored health and dental plan, enter N/A in Item B.

Section 5 - SCO Use Only

SCO will complete.

Section 6 - Statement of Other Medical and/or Dental Coverage

If choosing the cash option in lieu of health and/or dental benefits, you must complete Item 6. In Item A and/or B, list the carrier for your other health and/or dental insurance. In Item C, check the box showing who you have

your other coverage through. If your coverage is through your spouse or domestic partner, you also must complete Item D including their social security number.

Section 7 - Employee Signature

Read this section carefully, then sign and date the form on the line marked. This section contains important information you should be aware of when enrolling. Your signature certifies you have other health and/or dental coverage and that you have read the information and agree to the terms and conditions of the program as outlined on the STD. 702 and on this website.

Sections 8-23

Your department's personnel office must complete.

We recommend you make a copy of your completed form before you send it to your department's personnel office. Once your department's personnel office completes the "Agency Use Only" sections, the original copy is forwarded to the State Controller's Office along with any other necessary forms (e.g., HBD-12, STD. 692). Your department's personnel office has been instructed to keep a copy in your personnel file and send you a copy.

Forms and Publications

- [2023 Consolidated Benefits \(CoBen\) Handbook \(PDF\)](#)
- [Consolidated Benefits Cash Option Authorization \(STD. 702\)](#)
- [Automated Dental Plan Enrollment Authorization \(STD 692\)](#) (Redirect to Benefits Calculator)

Updated: 2/16/2021

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PRIVACY POLICY

ACCESSIBILITY

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