

Leave of Absence Employer Frequently Asked Questions

1. What is a Leave of Absence (LOA)?

An approved leave of absence is an employer authorization for an employee to be away from work for a period of time. For NMSPIA insurance purposes it is recommended to monitor an employee absence for “body not at work” for more than 3 weeks to investigate for LOA reporting.

2. When does the employer report that the employee is on LOA?

Report the LOA to Erisa as soon as possible but not later than the 15th day after notification that the leave has been approved.

3. What happens if the employer does not report employees on a leave of absence?

The employee may suffer a loss of NMPSIA benefits, may be responsible for incurred claims costs and may be denied Long Term Disability benefits or have a life claim denied.

The employer would be required to pay benefit premiums when eligibility is retroactively expired and the employer may be responsible for the employee’s incurred claims costs.

4. How long can an employee continue active benefits enrollment while on LOA?

NMPSIA’s LOA Administrative Practice along with the life and disability carrier Group Policy agreement allows an employee to remain on active benefits enrollment for up to 12 months while on an approved leave of absence granted by the employer.

5. How does the employer know if the employee is allowed to continue all lines of coverage while out on a Leave of Absence?

Communicate with the employer’s leave resource or subject matter expert and follow the employer’s leave policies.

6. Once the employer reports a leave of absence to Erisa, has the reporting requirement been met?

Not entirely. The employer is responsible to report any changes to the expected return to work date and report when the employee has returned to work part-time and/or full-time.

7. If the employee cancelled benefits during the leave of absence when are they allowed to reenroll in those benefits?

The employee is allowed to enroll in any benefits cancelled during the leave of absence within 31 days from the return to work date.

- 8. Does the Basic Life coverage cancel while the employee is on a leave of absence?**
Follow the employer's leave policies in reference to benefit continuation.
- 9. If the employee has vision coverage and has not met the two-year enrollment requirement, are they allowed to cancel vision coverage while on an LOA?**
The employee is allowed to "suspend" the vision coverage until the return to work date, as long as the return to work does not exceed the 12 month extension allowed by the NMPSIA LOA Administrative Practice.
- 10. How often is an employee allowed to be on a leave of absence in a 12 month period?**
Communicate with the employers leave resource or subject matter expert and follow the employer's leave policies.
- 11. Should the employer report a leave of absence for an employee on workers compensation?**
Yes, when the employee meets the employer's leave of absence policy provisions.
- 12. Does LOA reporting only apply to employees enrolled in NMPSIA Long Term Disability coverage?**
No. LOA reporting applies to employees that meet the employer's leave of absence policy provision.
- 13. How does the employer report a leave of absence?**
Reporting in the NMPSIA Online Benefits System with the Employer Login and using the Report LOA access or the secure email options Feedback or Send Message, is the best practice.
- 14. Are there any resources for employers to assist with leave of absence guidance and reporting?**
Recommended internal resources are the employer's leave policies, a designated leave specialist or subject matter expert, the designated leave approver.

Recommended external resources would be Poms & Associates for FMLA or policy writing; CCMSI for Workers Compensation; Erisa Administrative Services for enrollment, eligibility, premium billing and collection, NMPSIA Online Benefits System, Benefits Representative; online information websites like Fair Labor Standards Act (FLSA), Department of Labor (DOL), Health and Human Services (HHS); and the NMPSIA Leave of Absence Toolkit.