

We have received an unusual number of inquiries in the last few weeks about the eligibility rules for the UUA Health Plan and our Life, Dental and Long Term Disability insurance plans. Eligibility and the ACA are closely related, because everyone is required under the ACA to have health insurance (or pay a substantial penalty), and congregations have a large impact on the availability of coverage. Congregations also tend to link eligibility for one plan – health insurance, for example – to eligibility for other insurance: Life, Dental and Disability. Some congregations have drafted personnel policies that can put the congregation at odds with Health Plan rules, which follow ACA, ERISA, DOL, and IRS regulations, and with insurance contracts that specify employee eligibility.

We hope you will find this Alert to be a useful guide to checking your congregation's personnel policies and updating them as necessary.

An Important Reminder about Eligibility Rules in UUA-sponsored Insurance Plans

As the end of the church year approaches for many congregations, often coinciding with the end of a fiscal year, we want to make sure there is no misunderstanding about the rules for benefit plan enrollments and changes.

The UUA Insurance Plans contracts contain specific rules governing when enrollment is allowed. The Health and Dental Plans allow enrollment at time of hire, during open enrollment in November and when there is a Qualifying Event. Life and Disability insurance is available only at the time of hire; there is no open enrollment period for Life and Disability insurance, and there are no Qualifying Events

Eligibility Rules for our Insurance Contracts and for the UUA Health Plan

The UUA Health Plan, and our Dental, Life and Disability insurance contracts all require participating employers to make coverage available to all employees who are scheduled to work at least 750 hours per year, or about 15 hours per week. **This offer rule supersedes any individual congregation's personnel policies.** For example, a congregation cannot specify eligibility for benefits beginning at 20 hours per week. In the case of the Health Plan, imposing such a requirement violates IRS regulations. In the case of Dental, Life, and Disability, any work requirement for eligibility in excess of 750 hours per year violates our insurance contracts. The offer rule applies specifically to eligibility and the availability of coverage; congregations are not required to pay for coverage, only to make it available. A congregation may establish a policy that links their contributions for coverage to work hours, such as specifying that contributions will begin when an employee reaches a 20 hours per week threshold.

The only change in work hours for an existing employee that constitutes a Qualifying Event for new enrollment is a change from less than 15 hours per week to more than 15 hours per week. The decision of an employer to begin paying for coverage is not a qualifying event.

Other Qualifying Events for Adding Health and Dental Insurance

Other Qualifying events for new health and dental insurance include loss of other coverage through a spouse/partner's job loss, divorce, death, or an involuntary non-renewal of another policy. We also consider a significant change in a spouse/partner's plan, such as a rate or contribution increase on

renewal or a significant reduction in benefit provisions to be a Qualifying Event. Qualifying Events for adding dependents to existing coverage include marriage and birth or adoption of a child.

Employees are allowed to reduce their health coverage level during the plan year, from a Standard PPO to a High Deductible plan, for example. Once that change is made, coverage cannot be increased until Open Enrollment.

Allowable Waiting Periods for the UUA Health Plan

Each congregation or employer determines what waiting period will apply to health insurance, and specifies in the Employer Subscription Agreement what that waiting period will be. The choices range from Date of Hire to 90 days following hire date. At one time, there was an option to make the initial effective date the first of the month after 90 days of employment, but the Affordable Care Act removed that option, and Subscription Agreements with that option were defaulted to 90 days to comply with the new law. Please check your files for your Health Plan Subscription Agreement to see what is stated for enrollment date for new hires

No Waiting Period for Life, Dental, and Disability

Our Life, LTD, and Dental contracts require an offer of coverage for all employees scheduled to work 750 hours per year or more (at least 15 hours per week). Employees must enroll within 60 days of their original date of hire. No probationary periods or other employer-imposed waiting periods are allowed. It is extremely important to adhere to this rule. If the eligible employee does not enroll within the first 60 days of employment, Life and Disability coverage is no longer guaranteed and will be activated only upon approval of Medical Evidence of Insurability by the insurer's underwriters. Their decision is final and cannot be appealed. Denial will result in loss of any future enrollment opportunity. For Dental, the employee loses their initial enrollment opportunity and has no right to enroll until the next Open Enrollment period.

Please contact us for more information or help with any specific situations not covered in this message. We appreciate your help in making sure all employees receive all benefits they are eligible to choose and in making sure that your congregation is in full compliance with IRS regulations and the terms of the insurance contracts that provide your employees' coverage.

Jim Sargent
UUA Insurance Plans Director
617-948-6405