



## New Timeframes to Enroll or Make Health Care Changes

On July 1, 2011 (or October 1, 2011 for certain school groups) new guidelines will be in place for enrolling or making changes to your health plan. Wherever possible, The Local Choice Health Benefits Program (TLC) has made changes to better accommodate the needs of employees. Considering the other demands on time, these new rules will allow employees more flexibility when making important health care decisions.

Remember that your employees still need to submit documentation to you when adding or dropping dependents. This will protect you in the event of an audit.

### Enrollment When Newly Eligible

To allow enrollment in health care coverage at the earliest possible date, TLC has set up new guidelines based on Internal Revenue Service (IRS) rules for pre-tax health benefits. These rules allow 30 calendar days for submitting an enrollment form.

Coverage in the health plan takes effect the first day of the month coinciding with or following the hire date, as long as your Group Benefits Administrator receives the employee's completed enrollment form within 30 days of that date. The count begins on the day of the event and ends 30 days later. For example, if the enrollment form is received the month after they are employed but still within 30 days of their hire date, the coverage still takes effect the first of the month after they were hired.

An employee hired on the first day of the month can have coverage the first of that month provided the Group Benefits Administrator receives the enrollment form within 30 days. **See the examples in the chart below.** Remember that if they are newly eligible for coverage and miss the 30-day enrollment window, they must wait until Open Enrollment or a qualifying mid-year event (QME) to enroll. Initial eligibility waiting periods are still permitted if applied to all employees and do not exceed 90 days.

**Important:** The Code of Virginia governs TLC retiree benefits. New retirees still have 31 days from their retirement date to enroll.

### Change Based on a Qualifying Mid-Year Event (QME)

New guidelines extend the time period to 60 calendar days to submit a request to make changes based on a QME such as marriage, divorce, birth or adoption. The count begins on the day of the event and ends 60 days later. Coverage generally takes effect on the first of the month following the date your Group Benefits Administrator receives the enrollment form. It may be to your employee's advantage to submit an enrollment action as early as possible.

## **Marriage**

Employees have 60 days from the date of the marriage to add their new spouse to health coverage. The coverage will be effective on the first of the month following the marriage or receipt of the form, whichever is later. If they get married on the first day of the month, and your Group Benefits Administrator receives the enrollment form on or before that day, the change takes effect on the date of the marriage.

## **Divorce**

Employees have 60 days from the date of divorce to drop an ex-spouse from their health plan. An ex-spouse must be removed from coverage the last day of the month in which the divorce is final, since the spouse lost eligibility for coverage when the final papers were signed.

## **Birth, Adoption or Placement for Adoption**

Employees have 60 days from the day their child is born to add the newborn to the health plan. If the child is adopted, they have 60 days from the date of adoption or placement for adoption. When the enrollment form is received by the Group Benefits Administrator within the 60-day time frame, the child will be added to the health plan on the first of the month of the birth, adoption or placement for adoption.

**The chart below** gives examples of the new rules, the deadlines for submitting enrollment forms and the dates that QME changes take effect.

## Examples of Health Coverage Changes

| Event Date   | Enrollment Window   | Enrollment Form Received   | Change Takes Effect  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>• <b>Married</b> on June 25</li> </ul>                                    | <ul style="list-style-type: none"> <li>• 60 days</li> </ul> | <ul style="list-style-type: none"> <li>• July 2, before the Aug. 23 deadline</li> <li>• Aug. 24, after the deadline</li> </ul> | <ul style="list-style-type: none"> <li>• Aug. 1, the first of the month after your Group Benefits Administrator receives the enrollment action</li> <li>• Enrollment action denied*</li> </ul>                   |
| <ul style="list-style-type: none"> <li>• <b>Married</b> on July 1</li> </ul>                                     | <ul style="list-style-type: none"> <li>• 60 days</li> </ul> | <ul style="list-style-type: none"> <li>• On or before July 1, with an Aug. 29 deadline</li> </ul>                              | <ul style="list-style-type: none"> <li>• July 1, the date of the marriage</li> </ul>   |
| <ul style="list-style-type: none"> <li>• <b>Divorce final</b> on Sept. 16</li> </ul>                             | <ul style="list-style-type: none"> <li>• 60 days</li> </ul> | <ul style="list-style-type: none"> <li>• Nov 2, before the Nov. 14 deadline</li> <li>• Nov. 16, after the deadline</li> </ul>  | <ul style="list-style-type: none"> <li>• Oct. 1, since your spouse would lose coverage on Sept. 30</li> <li>• Enrollment action denied.* Coverage must end but premium changes will not be permitted.</li> </ul> |
| <ul style="list-style-type: none"> <li>• <b>Child is born or adopted</b> on Apr. 22</li> </ul>                   | <ul style="list-style-type: none"> <li>• 60 days</li> </ul> | <ul style="list-style-type: none"> <li>• June 13, before the June 20 deadline</li> </ul>                                       | <ul style="list-style-type: none"> <li>• April 1, the first of the month of the baby's birth or adoption</li> </ul>  |
| <ul style="list-style-type: none"> <li>• <b>Child is born or adopted</b> on May 19</li> </ul>                    | <ul style="list-style-type: none"> <li>• 60 days</li> </ul> | <ul style="list-style-type: none"> <li>• June 3, before the July 17 deadline</li> </ul>  | <ul style="list-style-type: none"> <li>• May 1, the first of the month of the baby's birth or adoption</li> </ul>  |
| <ul style="list-style-type: none"> <li>• <b>Child is born or adopted</b> on June 8</li> </ul>                    | <ul style="list-style-type: none"> <li>• 60 days</li> </ul> | <ul style="list-style-type: none"> <li>• Aug. 15, after the Aug. 6 deadline</li> </ul>   | <ul style="list-style-type: none"> <li>• Enrollment action denied*</li> </ul>  |
| <ul style="list-style-type: none"> <li>• <b>Employee hired</b> on March 1, the first day of the month</li> </ul> | <ul style="list-style-type: none"> <li>• 30 days</li> </ul> | <ul style="list-style-type: none"> <li>• March 30, the day of the deadline</li> <li>• After March 30</li> </ul>                | <ul style="list-style-type: none"> <li>• March 1, the first of that month</li> <li>• Enrollment action denied*</li> </ul>  |
| <ul style="list-style-type: none"> <li>• <b>Employee hired</b> on March 15</li> </ul>                            | <ul style="list-style-type: none"> <li>• 30 days</li> </ul> | <ul style="list-style-type: none"> <li>• March 31, before the April 13 deadline</li> </ul>                                     | <ul style="list-style-type: none"> <li>• April 1, the first of the month after the hire date</li> </ul>  |
| <ul style="list-style-type: none"> <li>• <b>Employee hired</b> on April 11</li> </ul>                            | <ul style="list-style-type: none"> <li>• 30 days</li> </ul> | <ul style="list-style-type: none"> <li>• May 8, before the May 10 deadline</li> </ul>  | <ul style="list-style-type: none"> <li>• May 1, the first of the month after the hire date</li> </ul>  |

\*Employees must wait until the next Open Enrollment or another QME consistent with the event to make a change.