

SPOUSAL ELIGIBILITY EXCEPTION POLICY AND PROCEDURES

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If a spouse's current income is reduced to less than the Spousal Eligibility Level set by the current year certification process, an employee may request a temporary Exception to the Spousal Eligibility Rules (Exception) for primary coverage for the spouse. The Spousal Eligibility Exception Review Committee (Committee) shall conduct a thorough review to determine if the current income alters the Spousal Eligibility Level.

I. APPLICATION PROCEDURES FOR SPOUSAL ELIGIBILITY EXCEPTION

- A. The employee must be eligible for coverage under the Plan, have an initial determination of spousal eligibility via Spousal Certification and complete the federal income tax process including following any applicable laws, prior to review of an Application for Exception.
- B. An employee may request a Spousal Eligibility Exception in any of the following circumstances:
 1. **Initial Enrollment:** Exception must be submitted to the Plan within 30 days of date of hire or change in eligibility status.
 2. **Spousal Reduction in Income:** Apply for Exception within 30 days of the initial event that reduced income. (e.g., reduction in hours, loss of job, termination of income) If the employee misses the 30 day Application deadline, the employee may apply under circumstance #3 or #4 below.
 3. **Annual Spousal Eligibility Certification:** Apply for Exception following the Annual Certification Process, August 15 through September 15, by the deadline communicated by the plan.
 4. **Open Election:** Apply for Exception during the Open Election period, November 15 through December 15.
- C. **Employee Application and Supporting Documents.** The following must be filed with the Employee's Insurance Group Representative within 30 days of the initial event that reduced income or other deadlines in Section B above:
 1. Application for Spousal Eligibility Exception
 2. Most recent Determination of Spousal Certification form
 3. Most recent Spousal Income Verification form
 4. Written verification of date of reduction in pay or new position with reduced income from spouse's employer
 5. Income verification documents from the preceding twelve (12) months including but not limited to:
 - a. Pay Stubs showing number of hours worked and hourly rate
 - b. Current unemployment check stubs or statement of determination (if applicable)

- c. Spousal income from all other sources including but not limited to:
 - i. bonuses
 - ii. interest income
 - iii. rental income
 - iv. stock dividends
 - v. inheritance
 - vi. trust income
 - vii. pensions
 - viii. severance payments
 - ix. other job or business income
- d. Settlement Agreement Verification
- e. All other requested documentation

D. Current income includes all sources of income but does not include income prior to reduction in income or prior to the time of application.

E. Current Spousal Eligibility Level will not change during the review process.

II. REVIEW PROCESS

A. Spousal Eligibility Exception Review Committee Membership & Meeting Rules:

1. The Committee consists of a maximum of seven voting members.
2. All members of the Committee and administrative support staff shall sign a confidentiality pledge.
3. A quorum of voting Committee members is required to conduct a meeting, e-mail poll, and/or carry a motion.
4. Employees of the Commissioners' Office are non-voting members and serve as administrative support.

B. Review Procedures

1. Insurance Group Representative shall forward the Application and documentation to the Commissioners' Office within 30 days of the initial event that reduced income or by the deadline communicated by the plan.
2. The Commissioners' Office will summarize the income information and redact personal information, including but not limited to names, Social Security numbers, telephone numbers and department prior to submitting to the Committee.
3. The Committee will request any necessary additional information and include a deadline to submit the information.
4. If all information necessary to review an Exception is not provided within 30 days of the initial event that reduced income, or deadline communicated by the plan, the Application will be denied and the Employee may apply during the next Open Election period.
5. The Committee will convert all current spousal income to a gross weekly income

at the time of application, applying the Plan's rules for primary spousal eligibility.

- a. Annual income less than \$26,700.00 is converted to an average weekly rate of \$513.46 or less and spouse is eligible for primary coverage without a premium.
- b. Annual income between \$26,700.00 to \$58,400.00 is converted to an average weekly rate between \$513.47 and \$1,123.08 and spouse is eligible for primary coverage with a spousal premium.
- c. Annual income greater than \$58,400 is converted to an average weekly rate of \$1,123.09 or more and spouse is not eligible for primary coverage.

6. The Committee will set the Effective Dates of the Exception as follows:

- a. The beginning Effective Date for the Exception, including the collection or waiver of premium, is based on the following:
 - i. **Initial Enrollment:** The effective date of the initial enrollment period of insurance.
 - ii. **Spousal Reduction in Income:** First day of the month following the initial event that reduced income.
 - iii. **Annual Spousal Eligibility Certification Period:** January 1 of following year.
 - iv. **Open Election:** January 1 of following year.
- b. All approved Exceptions continue through the end of the calendar year or until the spouse's income increases placing them in a different Spousal Eligibility Level, whichever is earlier.

III. Approval or Denial of Exception

- A. The Committee shall grant or deny an Exception (based on the change in income) in writing within 30 days of receipt of the Application or the receipt of additional requested information, whichever is later and notify the Applicant within five days of the Committee decision.
- B. If the Committee grants the Exception, the notification shall include:
 1. New, temporary Spousal Eligibility Level
 2. Effective dates of Exception
 3. Ongoing employee responsibilities

III. Ongoing Reporting Requirements and Effective Dates of Income Changes

- A. Employees approved for the Spousal Exception must report any change in spousal income within 30 days to the Insurance Group Representative and include documentation of all types of income as outlined in Section I. C. above and review process based on new current income.

- B. If the income change alters the temporary Spousal Eligibility Level, the change shall be effective the first day of the month following the change in income. A Universal Application must be received within 30 days of the change in income or 2 weeks from notification of Determination of Spousal Eligibility Exception. If the income change does not alter the Spousal Eligibility Level, the spouse remains at the previously approved Spousal Eligibility Level communicated through the Exception process.

- C. Failure to report changes or reporting of inaccurate information may result in the collection of waived spousal premiums and/or retroactive termination of the spouse from coverage based on the Plan's rules/rates during Exception period.

- D. Notice of Annual Spousal Eligibility Certification Process
 - 1. The Employee must participate in the Annual Spousal Eligibility Certification Process for the next two years, even if not seeking spousal coverage in those years to ensure that the spousal income following an approved Exception does not exceed pro-rated annual thresholds based on Plan's rules/rates during exception period.
 - 2. Weekly rates are multiplied by the number of weeks of the Exception to provide annual income for the purpose of look back verification.
 - 3. If the spouse's income during the Exception period places the spouse in a different Spousal Eligibility Level than reported on the initial Exception application or during the ongoing reporting period, the Plan may retroactively collect any spousal premiums due and/or retroactively terminate the spouse from coverage based on Plan rules for said year.
 - 4. If the spouse is terminated from the plan retroactively, the employee must reimburse the Plan for any claims paid on behalf of the spouse.