

# SPOUSAL ELIGIBILITY EXCEPTION POLICY AND PROCEDURES

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Employees seeking primary coverage for a spouse must certify spousal income on an annual basis to determine eligibility. The income thresholds are set forth in the Summary Plan Description. If a spouse's current gross income is reduced to less than the Spousal Eligibility Level set during the annual certification process, an employee may request a temporary exception to the spousal eligibility rules ("Exception") to obtain primary coverage for the spouse. The Spousal Eligibility Exception Review Committee ("Committee") shall determine the spouse's eligibility under this policy in accordance with the procedures set forth below.

## I. APPLICATION PROCEDURES FOR SPOUSAL ELIGIBILITY EXCEPTION

- A. Prior to submitting an Application for an Exception, the employee must: (1) be eligible for coverage under the Plan, (2) have obtained an initial determination of spousal eligibility, and (3) have filed a federal income tax return for the previous calendar year, or certify that no return was required under federal law and provide sufficient documentation of income as determined by the Plan.
  
- B. The employee may request a Spousal Eligibility Exception in any of the following circumstances:
  - 1. **Initial Enrollment:** Exception must be submitted to the Plan within thirty (30) days of date of hire or change in eligibility status.
  - 2. **Spousal Reduction in Income:** Apply for Exception within thirty (30) days of the initial event that reduced income (e.g., reduction in hours, loss of job, or termination of income). If the employee misses the thirty (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 information must be filed with the employee's Insurance Group Representative by the deadlines stated 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; and
    - ix. Other job or business income.
  - d. Settlement agreement verification; and
  - e. Any other relevant documentation requested by the Committee.

D. Current income includes all sources of income but does not include income received 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. The employee's Insurance Group Representative shall forward the Application and supporting documentation to the Commissioners' Office within thirty (30) days of the initial event that reduced the spouse's 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 the information to the Committee.
3. The Committee will request any necessary additional information and include a deadline to submit the additional information.

4. If all information necessary to review an Exception is not provided within thirty (30) days of the initial event that reduced the spouse's income or by the deadline communicated in 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.

C. Approval or Denial of Exception.

1. The Committee shall grant or deny an Exception Application in writing within thirty (30) days of receipt of the initial Application or receipt of the additional requested information from the employee, whichever is later.
2. The employee will be notified within five days of the Committee's decision.
  - a. If a new Exception is granted, the notification shall include:
    - i. New temporary Spousal Eligibility Level;
    - ii. Effective dates of the Exception, including the collection or waiver of premium based on the following:
      1. **Initial Enrollment:** Initial enrollment period of insurance.
      2. **Spousal Reduction/Change in Income:** First day of the month following the initial event that changed income.
      3. **Annual Spousal Eligibility Certification Period:** January 1 of following year.
      4. **Open Election:** January 1 of following year.
    - iii. Ongoing employee reporting responsibilities; and
    - iv. Notice that all approved Exceptions continue through the end of the calendar year or until the spouse's income increases/decreases placing them in a different Spousal Eligibility Level, whichever is earlier.
  - b. If the Exception request is denied, the employee must submit a Universal Application within two weeks of notification of Determination of Spousal Eligibility Exception to remove the spouse from requested coverage.
2. The Committee shall determine the status of a temporary Exception following a reported change in income and shall inform the employee within thirty (30) days of receiving the information.

- a. If the spouse's change in income level alters the previously approved Spousal Eligibility Level and the spouse is no longer eligible for primary coverage, the employee must:
  - i. Submit a Universal Application within thirty (30) days of the change in income or two weeks from notification of Determination of Spousal Eligibility Exception to remove the spouse from requested coverage; and
  - ii. Repay the Plan for all ineligible claims.
- b. If the income change does not alter the previously approved Spousal Eligibility Level, the Committee shall notify the employee that the spouse shall remain at the previously approved Spousal Eligibility Level.

### III. ONGOING REPORTING REQUIREMENTS

- A. An employee approved for the Spousal Exception **must report any changes in spousal income within thirty (30) days** to the employee's Insurance Group Representative and include documentation of all gross income, including those outlined in Section I., paragraph C.
- B. The Spouse's monthly gross income received will be converted to an Average Weekly Rate.
- C. The new Average Weekly Rate will be evaluated by the Committee as outlined in Section II.
- D. Failure to report changes or reporting of inaccurate information may result in the following:
  - a. Collection of waived spousal premiums;
  - b. Retroactive termination of the spouse from coverage resulting in collection of ineligible claims; and/or
  - c. Denial of future Exception Applications for up to five (5) years or for so long as the employee is in repayment for premiums/claims, whichever is longer.
- E. The Committee reserves the right to request additional documentation at any time.

### IV. LOOK BACK VERIFICATION REQUIREMENTS FOR TWO YEARS

- A. For purposes of income verification, the employee **must** participate in the Annual Spousal Eligibility Certification Process for the next **two (2) years**, regardless of whether the employee is seeking spousal coverage in those two years or is no longer employed with the County.
- B. Spousal income shall be converted to an Average Weekly Rate to ensure the spousal income did not exceed the pro-rated annual thresholds based on the Plan's rules/rates during the previously approved Exception period.

1. The Average Weekly Rate shall be multiplied by the number of weeks of the Exception to provide annual income for the purpose of look back verification.
2. If an employee fails to provide this required documentation or if the spouse's income during the Exception period places the spouse in a different Spousal Eligibility Level than projected on the initial Exception Application or during the Ongoing Reporting Period, the Plan may:
  - a. Retroactively collect any spousal premiums due;
  - b. Retroactively terminate the spouse from coverage based on Plan rules for said year and collect ineligible claims; and/or
  - c. Denial of future Exception Applications for up to five (5) years or for so long as the employee is in repayment for premiums/claims, whichever is longer.
3. If the total income during the Exception period is greater than \$58,400 the Plan may retroactively rescind the Exception.

#### **V. REVISIONS TO THE POLICY**

- A. This policy will be periodically reviewed and revised. All employees, including those utilizing an approved spousal Exception, shall be subject to any future changes to this policy.