

April 2013 – Issue 15

Mandatory Benefits vs. Optional Benefits

When new employees are hired, it's explained to them about the benefit plan available to them and too often they say they don't need to go on the plan at all as they're covered under their spouse's plan. While benefit plans do have some coverages that can be opted out of if an employee has coverage elsewhere (health and dental), there are coverages that are mandatory. Life, AD&D, Dependent life, disability, and critical illness are all mandatory benefits under group plans and you should be enrolling all employees for these coverages (if offered) at the very least.

If they choose to opt out of the health and dental due to a spouse's coverage, then at a later date their spouse loses benefits, they can add the health and dental back on to their plan within 31 days of their spouse losing coverage. If the employee were to waive all benefits under the plan, then their spouse loses coverage and they want to go back on your plan, they will be considered late applicants and will be asked for proof of good health and be either approved or declined for coverage.

If both spouses are entitled to benefits with their jobs, they have a few options:

1. One spouse request family coverage and the other spouse waive health/dental coverage
2. Both spouses request single coverage but be named as spouses on each other's plans with no benefits.
3. Both spouses request family coverage and co-ordinate benefits. Each spouse could claim under their own plan first, then claim what they can through their spouse's plan.

The winner of our April 1 Chambers renewal draw...

Victor Distributing

Do you have a common-law spouse?

Be sure to check the common-law rules under your policy. What is considered common-law can vary from 1st day to 12 months of co-habitation.

If your common-law spouse has their own benefits plan, you can still have single coverage but your insurance carrier should be notified that you have a spouse. If they're not notified and at a later date, your spouse loses coverage, they'll be a late applicant and will have to qualify medical to be eligible for benefits under your plan.

Group Renewal Procedures

Your group benefits renewal is a great time to review your plan and make sure everything is up to date! Some important things that should be discussed at renewal time are:

- Have there been any salary changes that weren't reported to the insurer?
- Have we updated payroll to reflect the new premiums?
- Are all employees enrolled that should be?
- Is the plan still meeting our coverage needs?
- Have employees that are eligible for excess disability coverage been notified?