CLAREMONT UNIVERSITY CONSORTIUM
Serving THE CLAREMONT COLLEGES

Statement of Benefit Eligibility for Centrally Administered Employee Benefits Programs

Pomona College
Claremont Graduate University
Claremont University Consortium
Scripps The Women's College Claremont
Claremont McKenna College
Harvey Mudd College
Pitzer College
KGI Keck Graduate Institute
Rancho Santa Ana Botanic Garden

Purpose

To ensure compliance with applicable governmental regulations (e.g. ERISA, TEFRA, IRS, etc.)

To protect the tax-qualified status of the programs so that employees may enjoy the benefit of non-taxable employer- and employee-contributions to the plans

To assure that coverage is available to all eligible employees and their dependents; to protect against untimely disqualification caused by changes in employment status (e.g. leave of absence, reassignment, termination of employment, etc.)

Effective: March 1, 2016

Revised to comply with ACA: February 21, 2014

BFAC Approved: July 16, 2014

Final Revision: Pending Approval

HRC Revised in accordance with Carrier Requirements (Retirement Section): November 25, 2009

Active Employees

1. A benefits-eligible employee is defined as:
   a. A faculty member who is scheduled to work at least half-time for at least one semester, with the exception of adjunct faculty at Claremont Graduate University (CGU), or
   b. A faculty member who is scheduled to teach at least three classes over the academic year,
   c. A staff member in a regular position who is scheduled to work at least 20 hours per week.
2. A benefits-eligible grant-based employee at CGU is defined as:
   a. An employee hired in a position that is funded by a grant specifically including employer expense for benefit coverage, **AND**
   b. The employee meets the required number of scheduled work hours defined above.
3. An interim employee is an individual hired to work full or part time to fill a regular staff position for a defined period of time. An interim employee becomes eligible for health and welfare benefits (medical, dental, vision, and CORE* benefits) when the employee is scheduled to work at least 20 hours per week.
4. A temporary employee is an individual hired to work full or part time to fulfill a specific need related to workload, special projects, or staff, and who is hired for a limited period of time normally not to exceed 12 consecutive months. Temporary employees are not eligible for welfare benefits unless they meet the criteria for medical benefits under the Affordable Care Act and as described below. See also Temporary Full Time and Temporary Part Time Employees under the Initial Eligibility section below.
   a. A temporary full-time employee who is hired to work at least 30 hours per week for a limited time period that is expected to exceed 90 days is considered benefits eligible from the date of hire and medical coverage will be effective the first of the month after the completion of 60 days.
   b. A temporary part-time employee is a variable hour individual hired to work less than 30 hours per week.
5. A temporary on-call or seasonal employee is an individual hired to work intermittently **and** who generally works less than six months or 1,000 hours in an anniversary year. Temporary on-call employees are not eligible for welfare benefits; however, they will be eligible for medical benefits if they meet the criteria for medical benefits under the Affordable Health Care Act (see definition below).
6. A temporary student employee is a registered student at one of the academic institutions who is employed in a designated student position. Temporary student employees may be employed for greater than 12 months and are not eligible for welfare benefits; however, they will be eligible for medical benefits if they meet the requirements under the Affordable Health Care Act (see definition below).
7. An employee rehired within 4 weeks of termination of employment will be treated in the same manner as they were treated prior to the termination of employment and will be eligible for the medical benefits they held when they terminated employment. An employee rehired more than 4 weeks, but less than 26 weeks from their termination of employment date will be treated in the same manner as they were treated prior to termination of employment and will be eligible for the medical benefits they held when they terminated employment if their period of work time was greater than the period of break in service. An employee rehired more than 26 weeks from their termination of employment date will be treated as a newly hired employee.

Affordable Care Act (ACA) Requirements

The Affordable Care Act requires certain employers with at least 50 full-time employees (full-time or equivalents) to offer medical insurance coverage to its full-time employees (and their dependents). Full-time is defined as an emplyee who works an average of 30 hours per week during the Measurement Period.

Definition of Measurement Period, Administration Period, and Stability period

The Measurement Period is described as the measure of time that is not less than three but not more than 12 consecutive calendar months, as chosen by the employer. The Claremont Colleges has established an ongoing measurement period of 12 months which will coordinate with the annual benefit plan year.

a. The first measurement period will begin October 4, 2013 and end on October 3, 2014. Thereafter, the ongoing measurement period will run from October 4 to October 3.
b. The first administration period will be the period from October 4, 2014 through December 31, 2014. Thereafter, the ongoing administration period will run from October 4 through December 31.
c. The first stability period (the period of time an employee is eligible for medical insurance) will run from January 1, 2015 through December 31, 2015. Thereafter, the ongoing stability period will run from January 1 through December 31.
d. The initial measurement period for newly hired employees to determine their eligibility for medical insurance effective on or after January 1, 2015 will start on the first of the month following date of hire and run for a period of 12 consecutive months. A newly hired employee is an employee hired **after** October 4, 2013. The administration period will then run for a period of 30 days from that date on which the 12 month period ends and the initial stability period will run for a period of 12 months from the end of the administration period. Thereafter, the newly hired employee will default into the ongoing measurement, administration and stability periods described above.

Definition of Seasonal Employees

The Affordable Care Act addresses the meaning of seasonal worker, a worker who performs labor or services on a seasonal basis, including (but not limited to) retail workers employed exclusively during holiday seasons. The Claremont Colleges defines a seasonal employee as an individual hired to work intermittently **and** who generally works less than 6 months or 1,000 hours in an anniversary year. Seasonal employees are not eligible for welfare benefits, unless they meet the criteria for medical benefits under the Affordable Health Care Act.

*CORE Benefits are defined as vision core for individual coverage only, basic life insurance equal to 1 time the employee's annual salary with a maximum benefit of $50,000, employee assistance program, and long term disability.

Calculation of average hours worked

Hourly employees calculation: The Claremont Colleges calculate actual hours of service by using records of hours worked and hours for which payment was made or due using the measurement period as defined above.

Non-hourly employee calculation: For employees paid on a non-hourly basis, The Claremont Colleges calculate hours of service by using actual hours of service from records of hours worked and hours for which payment is made or due.

Adjunct Faculty calculation: The Claremont Colleges calculate hours of service for adjunct faculty by using the following method (the following policy does not apply to CGU Adjunct Faculty) Adjunct faculty are credited with 9.75 hours per week for each course assuming the course meets for three classroom hours a week based on the following methodology:

a. 2.25 hours of service per week for each hour of instruction, representing a combination of teaching, preparation and grading time, and
b. 3 hours per week for non-instructional duties such as for office hours and meetings

Initial Eligibility

Employee Type	Effective Date	Close of Eligibility
All Benefits-Eligible Employees Interim Employees (Temporary Full Time Employees)	First day of the month after Date of Hire; or Date of Hire when Date of Hire is the first day of the month. Enrollments received in Benefits Administration prior to initial eligibility date become effective on the initial eligibility date, not sooner.	31 days after effective date.[1, 2]
Temporary Full Time Employees	First of the month after completion of 60 days of employment as defined by the Affordable Health Care Act.	
Temporary Part Time Employees	First of the month following 30 days after the 12 month measurement period in which the temporary employee works at least 30 hours per week as defined by the Affordable Health Care Act. Temporary employees hired before January 1, 2015, and have been granted benefits will be grandfathered.	
Student Employees	First of the month following 60 days after the 12 month measurement period in which the student works at least 30 hours per week as defined by the Affordable Health Care Act.	

[1] Close of eligibility for new faculty with a July 1 Date of Hire is 60 days after Date of Hire. The effective date for other than Basic Group Life Insurance may be August 1.

[2] Applications received in Benefits Administration prior to the Close of Effective Date become effective on the Initial Effective Date. Applications received after 31 days of the effective date cannot be accepted. Affected employees are required to reapply at a subsequent open enrollment period.

Eligible Dependents

Eligible dependents include employee's spouse, eligible domestic partner, dependent children or eligible dependents of the domestic partner (age regulations as defined by the Affordable Care Act). The employee and domestic partner must complete The Claremont Colleges Affidavit for Enrollment of Domestic Partners.

Changing Benefit Elections

In general, the option to elect a benefit is available only at initial eligibility. The option to elect or modify a previous benefit election is available during an open enrollment period or if a life event occurs.

Section 125 (Pre-tax deductions and life events)

Normally, any employee contribution required for participation in the Colleges' medical, dental, and vision programs is deducted from employee pay on a pre-tax basis, as permitted under Section 125 of the Internal Revenue Code. Under Section 125 and applicable regulations, pre-tax payroll deduction is considered to be irrevocable and unchangeable during the calendar year, except under certain circumstances referred to as life events. Life events include marriage, divorce or legal separation from spouse, death of spouse or child, birth or adoption of child, termination of employment of spouse, or change in the employment status of the spouse that causes a change in benefit options available.

An employee may waive participation under Section 125 at any time. The election to waive participation is prospective only, is effective as of the beginning of the next calendar year until specifically revoked, and must be made before January 1 of the plan year affected. Such a waiver is on a plan year basis and results in employee payroll deductions for medical, dental, and vision coverage to be made on an after-tax basis. Specifically, this waiver would permit deletion of coverage without the occurrence of a relevant life event.

Changing Health Plans

After the initial eligibility period the option to select an alternative College-sponsored health plan is available only during an open enrollment period, except that an employee covered by a College sponsored health plan who retires may change College sponsored health plans at time of enrolling in the Colleges' Retiree Group Insurance.

Adding Dependents

Coverage for eligible dependents may be elected at initial eligibility or during an open enrollment period. Newly acquired dependents (i.e., by reason of birth, marriage, adoption, etc) may be added within 30 days of their becoming eligible. Coverage is effective the first day of the month after birth, adoption, marriage, etc. Premium is payable from the date a dependent's coverage is effective.

Eligible Domestic Partners

IRS regulations state that employee deductions for medical, dental, and vision coverage for their domestic partners may not be made on a pre-tax basis. The employer subsidy of health benefits attributable to the domestic partner and/or domestic partner's dependents is considered taxable income to the employee and subject to federal and state withholding. An affidavit for enrollment of a domestic partner must be completed at the time of enrollment.

Deleting Coverage

Employee coverage and coverage for spouse, domestic partner and/or dependent child(ren) may be deleted only during an open enrollment period, or upon the occurrence of one of the above noted life events, unless the employee has waived participation under Section 125 as noted above.

Dual Coverage

If a husband and wife or eligible domestic partners are both covered employees of The Claremont Colleges, either the spouse or domestic partner, but not both, can cover eligible dependents. If coverage for either the spouse or domestic partner terminates, and both are participating in the same health plan, with the concurrence of the plan, the spouse or domestic partner may add spouse, domestic partner and dependent coverage if applicable within 30 days.

Change to Benefit-Eligible Status

When an employee's status is changed from non-benefits-eligible to benefits-eligible, the date of the status change is substituted for Date of Hire under Initial Eligibility.

Continuation of Coverage (for covered employee, spouse, domestic partner and dependent children upon the occurrence of the events noted below)

The Colleges' medical, dental, vision, EAP, and Health Expense FSA programs are subject to the continuation of coverage rules of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and California AB 1401 (Cal-COBRA), which may extend eligibility up to 36 months depending on the COBRA-qualifying event. COBRA continuation coverage is effective when eligibility under the Colleges' policy ceases. Group Basic and Supplemental Life Insurance, Dependent Life Insurance, Long Term Care (LTC), and Personal Accident (AD&D), coverage may be converted to individual coverage when eligibility under the group ends.

There is no College subsidy under COBRA. Continuation coverage under the Colleges' policy or COBRA is contingent upon the timely payment of any required premium and applicable administrative fee by or on behalf of the covered individual. COBRA is coordinated with the Colleges' eligibility policy as follows:

Termination

Colleges' Policy

Eligibility under group plans for the employee, spouse or domestic partner and dependents ends on the last day of the month of termination.

COBRA/Cal-COBRA

If termination of coverage is caused by termination of employment for reasons other than gross misconduct the employee, spouse, domestic partner and/or dependent child(ren) are eligible to continue coverage for 18 months. (Cal-COBRA allows for 18 months of additional medical coverage only.)

Divorce

Colleges' Policy

Eligibility for the divorced spouse ends on the last day of the month of the dissolution of the marriage. The eligibility of dependent children is not affected by divorce.

COBRA/Cal-COBRA

The divorced spouse is eligible to continue coverage for up to 36 months.

End of Child's Dependent Status (Child reaches maximum age)

Colleges' Policy

Eligibility ends at the end of the year in which the child reaches the maximum age of 26. The maximum age for a dependent child is determined by the Affordable Heath Care Act.

COBRA/Cal-COBRA

The child is eligible to continue coverage for up to 36 months.

Involuntary Reduction in Hours

College-initiated transfer, reassignment, or change in work schedule that results in a change from benefit-eligible to non-benefits eligible status.

Colleges' Policy

Eligibility and College subsidy is terminated.

COBRA/ Cal-COBRA

Upon termination of eligibility under the Colleges' policy the employee, spouse, domestic partner and/or dependent child(ren) are eligible to continue coverage with the group for 18 months. Cal-COBRA allows for 18 months of additional medical coverage only.

Unpaid Leave of Absence-Personal

Colleges' Policy

Eligibility without College subsidy is extended for the duration of the leave, but not more than 12 months.

COBRA/ Cal-COBRA

Upon termination of eligibility under the Colleges' policy, the employee, spouse, domestic partner and/or dependent child(ren) are eligible to continue coverage with the group for 18 months. Cal-COBRA allows for 18 months of additional medical coverage only.

Sabbaticals

College's Policy

Faculty members on paid sabbatical leave may continue full participation in health, accident, life insurance and pension programs, or may drop coverage if out of area and re-enroll upon return. Faculty enrolled in Kaiser (or HMO not available in the sabbatical location) can enroll in the HSA Plan for the duration of the sabbatical and switch back upon return from leave.

COBRA/CAL-COBRA

Not applicable

Unpaid Leave of Absence-Disability (including workers' compensation)

Colleges' Policy

Group health plan eligibility and College subsidy extends for the duration of the disability and Paid Family Leave to a maximum of 12 months.[3]

If the employee satisfied the definition of Disability Retirement, (See below) group health plan eligibility extends until the employee enrolls in Medicare, or age 65, whichever occurs first.

Subject to the approval of the insurer, Group Basic & Supplemental Life may be continued at no cost under the "Disability Waiver of Premium" provision.

Group life insurance for dependents may be converted to individual coverage. Group AD&D may be converted to individual coverage.

COBRA/ Cal-COBRA

Upon termination of eligibility under the Colleges' policy, the employee, spouse, domestic partner and/or dependent child(ren) are eligible to continue coverage with the group for 18 months. Cal-COBRA allows for 18 months of additional medical coverage only.

Retirement

Colleges' Policy

Retirees and their spouses or eligible domestic partners are eligible to continue health plan coverage with the group until the employee's/retiree's attainment of Medicare eligibility. There is no subsidy for retiree or retiree spouse coverage.

COBRA/ Cal COBRA

Upon termination of eligibility under the Colleges' policy, the employee and/or spouse or domestic partner is eligible to continue coverage with the group for up to 18 months. Cal-COBRA allows for 18 months of additional medical coverage only or the attainment of Medicare eligibility, whichever comes first.

Death of the Employee

Colleges' Policy

Eligibility for a surviving spouse, eligible domestic partner or dependent ends at the end of the month of the employee's death.

COBRA/ Cal-COBRA

Upon termination of eligibility under the Colleges' policy, a surviving spouse or dependent is eligible to continue current coverage for up to 36 months or attainment of Medicare eligibility whichever comes first.

Death of the Retired Employee

Colleges' Policy

Eligibility for a surviving spouse, eligible domestic partner or dependent will continue after the retired employee's death, if the retired employee and eligible dependents were enrolled under The Claremont College's Kaiser Sr. Advantage group plan.

Long-Term Disability

A benefit eligible employee is defined as a non-faculty employee in a regular position that is scheduled to work at least 30 hours per week or a faculty employee who is scheduled to work at least half-time for at least one semester. Benefits can be effective as of date of hire or on the first of the month when the date of eligibility/hire is the first of the month.

Retiree-Definition for Continuing Welfare Benefits[4]

1. Normal Retirement
   - The normal retirement age is 65 years or older, and
   - Active employment status is terminated due to retirement.
2. Early or Phased Retirement
   a. Eligible at age 50 or older, and 10 years of employment in a regular schedule of at least 20 hours or more per week
      - Active employment status is terminated due to early/phased retirement, OR
      - The regular work schedule is reduced to less than 20 hours per week with a non-benefits eligible status.

      OR

   b. Eligible at age 55 or older, and five years of employment in a regular schedule of at least 20 hours or more per week.
      - Active employment status is terminated due to early/phased retirement,

        OR
      - The regular work schedule is reduced to less than 20 hours per week with a non-benefits eligible status.

   c. Disability Retirement
      - No age criterion, and
      - Active employment status is terminated due to disability lasting more than one year [must satisfy "disability" criteria of the Long Term Disability insurer or qualify for Social Security Disability Benefits], and
      - Five years of employment in a work schedule of at least 20 hours or more per week, and
      - Employee is not Medicare eligible.

[3] Refer to College Policy for state, federal or other mandated laws regarding benefits continuation during leave of absence.
[4] Retirement information and plan documents are available from Benefits Administration or from the Human Resources Office of each campus.

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