

## Rules and Regulations – Guidelines for Enrollment

These rules and regulations apply to employees of the City of Albuquerque and government entities that have elected to participate in the same insurance plans. There may be differences in eligibility between entities. For example, not all governing bodies of the entities have approved allowing an employee's domestic partner and his/her children to be eligible for insurance coverage. Entities also differ in the employer contribution towards insurance premiums. Please check with your employer's Benefits Office for clarification. Employees with family members working for any participating entity may not double cover any family member on the same group insurance plan.

### Who is Eligible

- Permanent employees (including those on probation)
- Elected officials
- Unclassified employees scheduled to work 20 hours or more each week
- Legal spouse of an employee
- Domestic partner of an employee\*
- Children that are financially dependent on the employee, and under age 26 AND meet at least one of the following criteria:
  - Natural child of the employee, spouse or domestic partner
  - Placed in the employee's home and in process for being adopted by the employee, spouse or domestic partner
  - Adopted by the employee, spouse or domestic partner
  - Court order that requires the employee, spouse or domestic partner provide medical insurance coverage for the child
  - Court document that shows the employee, spouse or domestic partner has full, permanent custody of the child
  - Children over age 26 may **continue** participating in the group insurance plans if they are physically or mentally handicapped and are not eligible for any other plan. This continuation is subject to normal enrollment guidelines and approval by the insurance carrier.

\* A domestic partner is defined as a person of the same or opposite sex who lives with the employee in a long-term relationship of indefinite duration. There must be an exclusive mutual commitment similar to that of marriage, in which the partners agree to be financially responsible for each other's welfare and share financial obligations. These benefits are also available to the domestic partner's children provided that the child meets the definition of eligibility state above. Note the criteria and required documents in the *Changing Benefit Elections* section.

### Core Benefit Options

Options may vary by participating entity but usually include:

Medical Insurance  
Dental Insurance  
Vision Insurance  
Flexible Spending Accounts (Medical, Dependent Care, Parking/Transit)

### Coverage Options

Employee Only	Employee Plus Spouse or Domestic Partner
Single Parent	Family

### Voluntary Benefit Options

Accident	Pet
Auto & Home	Short Term Disability
Legal	Specified Critical Illness
Long Term Care	Term Life
Long Term Disability	Whole Life

### Changing Benefit Elections and Qualifying Events

Many of the rules for enrollment and eligibility are made by the Internal Revenue Service because they allow your salary to be reduced by the premiums you pay before taxes are calculated (Internal Revenue Code Section 125.) The Core Benefits listed above are all deducted on a pre-tax basis. All Voluntary Benefit Options are post-tax. Important rules to know are:

Once you have made an election during your initial enrollment period of 31 days from your hire date then you are **locked into that decision until the next open enrollment.**

**Exceptions to this are qualifying events due to a life status change.** You must provide documentation of the life status change and complete forms within **31 days of the qualifying event.** Qualifying events and acceptable documents are:

- **Marriage** - Marriage certificate
- **Domestic Partnership meeting eligibility requirements** – Affidavit\*
- **Divorce** – Court issued divorce decree
- **Birth** – Hospital certificate or state issued birth certificate
- **Death** – Death certificate
- **Change in employment** status affecting benefits eligibility (for you or your spouse) - Letter/form from employer that is notification of the job change, coverage ending or new eligibility
- **Open Enrollment** period of Spouse/Domestic Partner's employer
- **Involuntary loss of coverage** – Official notification of loss
- **Dependent child losing eligibility** - Official notification of loss

- **Dependent change of residence** that affects benefits eligibility - Notification of change
- **Dental Insurance Only – dependent child between the ages of 2 and 3** may be added to a plan in which the employee is already enrolled

\* The **Affidavit of Domestic Partnership** is a legal document in which both the employee and the domestic partner swear that they meet the following criteria:

- Both are unmarried
- Reside in the same residence for at least 12 months and intend to do so indefinitely
- Meet the age requirements for marriage in the state of New Mexico
- Are not related by blood to the degree prohibited in a legal marriage in the State of New Mexico
- Are financially responsible for each other's welfare and share financial obligations

In addition to the notarized affidavit, **three** of the following documents are also required.

- Joint lease/mortgage or ownership of property
- Jointly owned motor vehicle, bank or credit account (only one qualifies)
- Domestic partner named as beneficiary of the employee's life insurance
- Domestic partner named as beneficiary of the employee's retirement benefits
- Domestic partner named as primary beneficiary in the employee's will
- Domestic partner assigned as power of attorney or legal designee by the employee
- Both names on a utility bill
- Both names on an investment account

The employee's domestic partner is not required to visit the Insurance & Benefits Office in order to receive benefits. The employee should call to make an appointment then bring the signed and notarized Affidavit of Domestic Partnership with the other required documents.

The Federal Government does not recognize domestic partners as qualified dependents and therefore the premium paid for their coverage cannot be pre-tax. In addition, the employee must pay tax on the portion of the premium paid by the city for the domestic partner and his/her covered children. Employees wanting to change benefit elections involving a domestic partner must adhere to the same rules regarding qualifying events.

Missing the initial enrollment period, 31-day qualifying event period or the annual open enrollment period, may result in **delayed enrollment**, a delay in notification of loss of coverage and **paying for coverage no longer provided**.

The effective date will depend on the event and when documents and forms are submitted to your employer (see below.)

**Name/Address Changes:** It is important to keep your employer and the insurance plans informed when you experience a name and/or address change to prevent a disruption of service and receipt of important policy information. Please visit the Human Resources Office timely to complete the appropriate form.

Effective Date of Coverage, Changes and/or Terminations

**New Employees** – Coverage begins on the first day of the current pay period if forms are completed and required documents are brought to New Employee Orientation (NEO) or submitted to the Insurance & Benefits Office by the end of the first week. Pay periods begin on Saturday and are two weeks long. Paychecks are issued on the Friday following the end of the pay period. NEO is usually held on Monday following the beginning of a pay period. You have 31 days from your hire date to submit completed forms and verification of dependent eligibility. If not on the hire date then coverage will begin on the first day of the pay period following the submission of completed forms and verification of dependent eligibility.

**Qualifying Events** – Coverage begins on the first day of the pay period following the submission of completed forms, verification of dependent eligibility and documentation of the qualifying event as long as the forms and documents are received in the Insurance and Benefits Office within 31 days from the event. The only exception to this is when the event is the birth of a child. The coverage begins on the date of birth if documentation and forms are completed and submitted to the Insurance & Benefits Office within the 31-day enrollment period. Losing or gaining eligibility for Medicaid allows a 60-day enrollment period.

**Reinstatement** – An employee who is terminated from the City and subsequently reinstated is eligible to have the same benefits started up again in which he/she was enrolled prior to termination. If termination was prior to the last open enrollment period then the employee may elect to participate in the benefit options as a new employee. The employee must visit the Insurance and Benefits Office with documentation of the reinstatement and complete an enrollment form. The effective date of coverage will be the first day of the pay period following the submission of the paperwork.

**Open Enrollment** – Benefit changes elected during open enrollment are effective on July 1<sup>st</sup> or June 30<sup>th</sup> for coverage ending.

**Termination of Coverage**

Insurance ends at the end of the pay period in which the event occurs. Exceptions to this:

<u>Event</u>	<u>Coverage Terminates</u>
Retirement	End of month prior to PERA retirement date
Dependent reaching age limit	On 26 <sup>th</sup> birthday

Open Enrollment

This is a three week (or longer) period established annually (usually in May) that allows all benefits eligible employees to make changes to their benefit elections without having experienced a qualifying life status change. It is the only

opportunity to switch plans. Annual premium changes also occur at this time and will automatically be updated on your first paycheck in July without you having to make a new election.

#### Insurance Premium and Benefit Plan Participation Payments

The city pays a substantial portion of medical, dental and vision premiums regardless of the coverage options you elect. Your benefit payments are deducted for coverage during the same two week period for which you are paid. Your earnings are reduced by your portion of the medical, dental and vision insurance premiums before Federal, State and FICA taxes are calculated, thereby saving you money.

**Employees are responsible for paying their Group Health Premiums regardless of receiving a paycheck.** This means if your employment status is "active" and you do not receive a paycheck then you will be responsible for paying the employee AND the employer portion of your medical, dental, vision premiums, and also your current deduction(s) for other supplemental benefits in that period. You will be responsible for making payment arrangements through the Insurance and Benefits Office (contact information is provided in the back of this booklet.) Payment arrangements depend on the situation and will be looked at on an individual basis. Failure to either make payment arrangements or to make timely payments will result in cancellation of benefits back to the end of the pay period for which the premiums were paid.

**NOTE: You are exempt from having to pay the employer's portion if you are on military leave or approved leave under The Family Medical Leave Act.**

#### COBRA

The Comprehensive Omnibus Budget Reconciliation Act (COBRA) is the federal law that allows the employer to offer continued participation in medical, dental, and/or vision group insurance coverage if your employment terminates (18 months maximum) or your covered dependent loses eligibility (36 months maximum.) Domestic partners of employees are eligible to continue coverage under COBRA when their eligibility ends under the active employee plans. Electing to continue coverage must be made within 60 days of the date eligibility was lost on the active employee plans. The cost of the coverage is 102% of the full monthly premium. You will receive written notification of your rights and responsibilities when you or your dependent experience an event that qualifies. Additional information is available in the Insurance and Benefits Office.