

## Plan Document Sample Eligibility Language – Default 12-month Version

Going forward, Health Plans will describe eligibility criteria in the Plan Document/Summary Plan Description as shown below. This example reflects default 12-month look-back provisions.

We have illustrated the major changes to the Plan Document/Summary Plan Description (PD/SPD); other areas of the PD/SPD will also be edited to comply with all required changes.

### ELIGIBILITY, ENROLLMENT AND PARTICIPATION

*Some of the terms used in this Article have special meanings under the Plan. These terms will always begin with capital letters. Please refer to Section D of this Article – Definitions for an explanation of these terms.*

#### A. Eligibility.

Employees and their Eligible Dependents are eligible to participate in the Plan as described below:

**[For purposes of illustration, the numbers highlighted below correspond to the numbered provisions on the sample 2015 Implementation Checklist – Default 12-month. The bold provisions are the variables under the play or pay rules. In the actual plan document, those provisions will be in regular non-bold font]**

If an Employee is a(n):	Then
<p>New hire –</p> <ul style="list-style-type: none"> <li>Full-Time Employee (reasonably expected to average <b>#1: 30 or more</b> hours of service per week)</li> </ul>	<p>The Employee is eligible for coverage <b>#2: beginning the first of the month following 30 days of employment.</b></p> <p>Coverage will continue at least until the first day of the first Standard Stability Period following completion of a Standard Measurement Period, provided the Employee remains employed.</p>
<p>New hire –</p> <ul style="list-style-type: none"> <li>Part-Time Employee (reasonably expected to average fewer than <b>#1: 30</b> hours per week);</li> <li>Variable Hour Employee (cannot reasonably determine whether average hours will equal or exceed <b>#1: 30</b> per week); or</li> <li>Seasonal Employee (hired into position that typically lasts six months or less and begins/ends at generally same time each year)</li> </ul>	<p>The Employee's hours of service will be tracked over a <b>#5: 12-month Initial Measurement Period</b> that begins <b>#5: on the first of the month following date of hire</b> to determine whether the Employee averages <b>#1: 30 or more</b> hours of service per week.</p> <p>Employees who average <b>#1: 30 or more</b> hours of service per week during the Initial Measurement Period will be considered Full-Time and coverage will begin <b>#6: on the first of the month following the end of the Initial Measurement Period</b>, which is also the first day of the Initial Stability Period. Coverage will continue at least until the end of the Initial Stability Period, provided the Employee remains employed.</p> <p>Employees who average fewer than <b>#1: 30</b> hours of service per week during the Initial Measurement Period will not be offered coverage.</p>
<p>New hire –</p> <ul style="list-style-type: none"> <li>Change from Part-Time, Variable Hour or Seasonal Employee to Full-Time Employee during Initial Measurement Period</li> </ul>	<p>Coverage will be offered:</p> <ul style="list-style-type: none"> <li><b>#7: On the first of the month following the change in employment status, or, if earlier,</b></li> <li><b>The first of the month following 30 days of employment</b></li> </ul> <p>Coverage will continue at least until the end of the Initial Stability Period, provided the Employee remains employed.</p>

If an Employee is a(n):	Then
Ongoing Employee (an employee who has been employed for a complete Standard Measurement Period)	<p>Hours will be tracked during each #8: 12-month Standard Measurement Period.</p> <ul style="list-style-type: none"> <li>• Employees who average #1: 30 or more hours of service per week during the Standard Measurement Period will be offered coverage for the following Standard Stability Period, provided they remain employed</li> <li>• Employees who average fewer than #1: 30 hours of service per week will be ineligible for coverage for the following Standard Stability Period</li> </ul>
Employee as of #3b: May 1, 2014  (Employees hired after that date are subject to the rules for new employees outlined above)	Status as Full-Time or Part-Time and eligibility for coverage as of 3a: January 1, 2015 will be based on each Employee's average hours of service between #3b: May 1, 2014 and October 31, 2014

Hours of service include all hours for which an Employee is paid, including vacation and sick time or disability.

If the Employee is on an approved unpaid FMLA or military leave, or on jury duty, then the weeks of unpaid time #10: **will not be included** in the calculation of average hours of service for the purposes of determining Full-Time status for the following Stability Period. If the Employee is on any other type of unpaid leave, the weeks of unpaid time are included in the Measurement Period and credited with zero (0) hours of service for the purpose of determining Full-Time status for the following Stability Period.

#### D. Definitions.

*For purposes of this Article, the following words and phrases will have the following meanings when used in the Plan, unless a different meaning is plainly required by the context.*

**Break-in-Service** – following an Employee’s termination of employment: #11a: a) a period of 13 or more consecutive weeks during which the Employee did not have an hour of service; or #11a: b) a period of 4 or more, but fewer than 13 consecutive weeks during which the Employee did not have an hour of service, where such period exceeds the Employee’s period of prior employment.

**Full-Time Employee** – a New Employee who is reasonably expected to average #1: 30 or more hours of service per week and an Ongoing Employee who averaged 30 or more hours of service per week during the prior Standard Measurement Period.

**Initial Measurement Period** – a #5: 12-month period that begins on #5: the first of the month following date of hire during which a Part-Time, Variable Hour or Seasonal Employee’s hours of service are tracked to determine eligibility for coverage during the Initial Stability Period.

**Initial Stability Period** – a #6: 12-month period that begins #6: on first day of the fourteenth full calendar month of employment during which a Part-Time, Variable Hour or Seasonal Employee’s

status as either Full-Time and eligible for coverage or Part-Time and ineligible for coverage as determined during the Initial Measurement Period is locked in.

**New Employee** – an Employee who has not been employed for an entire Standard Measurement Period or a returning Employee who has had a Break-in-Service.

**Ongoing Employee** – an Employee who has been employed for a complete Standard Measurement Period.

**Part-Time Employee** – a New Employee who is not reasonably expected to average **#1: 30** or more hours of service per week or an Ongoing Employee who did not average **#1: 30** or more hours of service per week during the prior Standard Measurement Period.

**Seasonal Employee** – a New Employee hired into a position which customarily lasts six months or less and which begins and ends at approximately the same time each calendar year.

**Standard Measurement Period** – the **#8: 12-month** period during which all Employees' hours of service are tracked to determine Full-Time and Part-Time status, and eligibility or ineligibility for coverage for the following Standard Stability Period. The dates for the Standard Measurement Period are determined by the Employer each year.

**Standard Stability Period** – the **#9: 12-month** period that begins annually on the date that the Plan Year begins, during which every Ongoing Employee's status as Full-Time and eligible for coverage or Part-Time and ineligible for coverage as determined during the Standard Measurement Period is locked in.

**Variable Hour Employee** – a New Employee for whom average hours of service cannot reasonably be determined.

[The language below will be added to the existing provisions regarding coverage during periods of leave and following termination of employment.]

**Reemployment in General** *Note: these new break in service rules are required by the ACA, in place of any less generous current provisions for resuming coverage after termination of employment. The Standard, Custom and Monthly Checklists include a choice of provisions. The language below adopts the rule of parity.*

A rehired Employee who was a participant in the Plan on the date of employment termination may resume participation in the Plan on the **#12: first day of the month following rehire** if the Employee is reemployed **#11a:** fewer than 4 weeks following termination of employment or if the Employee has not had a Break-in-Service, provided that the Stability Period on the date of reemployment is the same as the Stability Period in effect on the date of employment termination. If reemployment begins during a new Stability Period, participation in the Plan will begin the **#12: first day of the month following rehire** if, based on the applicable Measurement Period, the Employee has Full-Time status on the date of reemployment.

In the case of a reemployed Employee eligible to participate under the conditions stated above, but who had not satisfied the Waiting Period as of the termination date, the Waiting Period will be reduced by the period of prior employment and the period between the date of termination and date of rehire.

In cases of reemployment following a Break-in-Service<sup>#11</sup>, eligibility to participate will be based upon the Employee's status on the date of rehire in accordance with the provisions of Section (A) of this Article (relating to initial eligibility for new hires).

SAMPLE