



JOHNSTONE'S JOURNAL is published monthly, and designed to provide topical information of interest not only to plan administrators, but to all employees who enjoy coverage under the benefit plan. Feel free to make copies, and use as a payroll staffer.

PHONE: 604 980-6227 or 1-800-432-9707

www.jbenefits.com

July 2012

The Basics of Eligibility

Employees must meet specific criteria to qualify for coverage

Which Employees Qualify for Coverage?

Each new application for benefits coverage must meet five conditions of eligibility. The employee must:

1. Be a **permanent, year round** employee
 - **Temporary hires cannot** be covered
 - **Independent contractor or contract employees cannot** be covered as they are not part of normal payroll
 - Permanent part-time employees can be covered, provided they meet all other conditions
2. Work a **minimum number of hours**
 - The standard contract is 30 hours each week, but contractually this can be reduced to as low as 20 hours a week
 - Work weeks with as few as 15 hours may be agreed to as an exception
3. Be **actively at work**
 - Paid vacation time, maternity and paternal leave are all considered actively at work
 - All other absences are not considered actively at work. For example: illness or unpaid leave
4. Complete a **waiting period**
 - This is often three months of active employment, but can vary from no waiting period at all, to a full year
 - An established waiting period can be waived for key employees with prior approval
5. Complete and submit an **enrolment card** within 31 days of becoming eligible

Overriding the Rules

Usually, these conditions are established when the contract is established. However, from time to time, there might be a reason to override one or more of these rules. In these cases, a formal request is required.

For example: A key employee is promised benefits immediately upon hire, but the normal waiting period is three months. The waiting period can be waived, but a formal request from the employer is required in order to override the terms of the contract.

Note, depending on the insurers for your plan, you may be required to complete a specific "request to waive the waiting period" form. Contact Johnstone's for the appropriate request form.

Requirements for Continued Coverage

Employees must always meet the first three conditions for coverage to continue. If their employment conditions change, you need to review their eligibility for continued coverage.

For example: Regular employees who switch to a contract employment arrangement are no longer eligible for coverage. However, some insurers will consider coverage for certain benefits (such as health and dental). In these situations, the insurer must approve the coverage before the contract arrangement begins. See *April 2011 Journal* for details regarding contract employment.

If an employee does not meet these conditions of eligibility, contact our office to determine the available options.