

JULY '94

Volume 1

BENEFITS BULLETIN

IMPORTANT NOTICE

HEALTH CARE ENROLLMENT INFORMATION

Employees who participate in the City of Chicago Medical Care Plan pay their health care contributions on a before-tax basis. This is allowed under Section 125 of the Internal Revenue Code of 1986. Under the IRS Code certain enrollment provisions must be met. These provisions limit changes in plan enrollment and level of coverage other than during annual enrollment periods unless the change is due to a change in family status. Family status changes include:

- a change in marital status (marriage, divorce or legal separation),
- the birth or adoption of a child,
- the death of an eligible dependent,
- a change in your or your spouse's employment status such as a reduction in work hours, which includes the loss of health insurance, or
- a dependent child reaching the limiting age for the plan.

A change in family status allows an employee to add or discontinue plan coverage for eligible dependents other than at the initial enrollment period (for new hires or reinstated employees) or the annual open enrollment period.

You cannot drop or add dependents during the year unless you experience one of the changes listed above. The request must be consistent with the family status change. Plan changes are allowed only during the annual open enrollment period.

30 DAY CHANGE RULE

AN EMPLOYEE'S REQUEST TO MAKE A BENEFIT ENROLLMENT CHANGE MUST BE MADE NO LATER THAN THIRTY (30) DAYS FOLLOWING A CHANGE IN FAMILY STATUS.

New employees or reinstated employees must submit an enrollment form within 30 days of their date of hire or reinstatement. If you submit an enrollment form more than 30 days after your hire date or reinstatement you will not be eligible for coverage until January 1 of the following year.

If you want your new dependents to be covered as soon as they are eligible you must do the following:

- 1) Submit an enrollment form within 30 days of the event that is a family status change. For example, if you get married (a family status change) on July 10, 1994, your enrollment form for your new spouse must be received in the Benefits Office by August 9, 1994 if you want your spouse to be covered from the date of marriage. If the enrollment form is received after August 9, 1994, your new spouse won't be eligible for coverage until January, 1995.
- 2) Submit documentation to establish that the person is your dependent. Your documentation must be received by the Benefits Office within 60 days of the event that is a family status change unless the event is the birth of a child. If the event is the birth of a child you will have 180 days to submit the birth certificate; however, we urge you to get it in as soon as possible so claims are not held pending receipt of documentation. Using the example above, the Benefits Office must receive a certified marriage license by September 8, 1994 if coverage is to be effective back to the date of marriage. If the documentation is not received by then, then the spouse can't be covered until January 1, 1995, even if the enrollment form was submitted on time.

Please keep in mind that the enrollment form and the documentation to establish eligibility can come in separately-- each has a different due date, but both must be on time! If you have any questions on this process, please call the Eligibility Unit of the Risk Benefits Division at 747-8660.