



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

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Minimum Hours Worked

Continued eligibility depends on working a minimum number of hours

Are Part-time Employees Covered?

These days, it's common for businesses to have employees who work less than full-time. Employees may be permanent part-time employees, temporary hires, or working under some other arrangement.

It's important to understand who is, and who is not, eligible under your benefit plan, both at time of hire, and as an employee's hours change.

Eligibility for Benefit Coverage

Generally speaking, permanent, year-round employees become eligible for benefits when they are:

- Paid regular earnings through the company payroll
- Working at the employer's usual place of business, or a place the employer has required the employee to travel to for work
- Working the **minimum number of hours** consistently, as defined in the contract

Normally, benefits are only offered to employees who are considered full-time. However, part-time employees, may also qualify if they work the required minimum hours each week.

Minimum Hours

Meeting the criteria for the minimum number of hours is one of the most important parts of an employee's eligibility for benefits. There are two factors to consider:

1. **All insurers require employees to work a minimum number of hours each week.** All benefit plan contracts will clearly state the number of hours employees must work each week on a regular basis to qualify for benefits. Depending on the insurer, this may vary by benefit line. For example, the hours needed for health and dental benefits can be fewer than for life or disability coverage.

2. **You can set your company's minimum hours as long as you notify Johnstone's.**

As a standard, most insurer contracts set a minimum of 30 hours a week. If asked to do so, insurers will often reduce this to a minimum of 20 hours of work per week in order to accommodate part-time employees who work half-days.

Some employers, however, only offer benefits to full-time employees and therefore will set their minimum higher than the insurer's contracts. It is important to confirm your policy and to adhere to the stated policy, as insurers will not allow employers to randomly select which employees qualify.

The Administrator's Responsibility

When completing [employee enrollment cards](#), the administrator must complete the section that indicates "Hours Worked Per Week". Johnstone's will notify you if you indicate hours that are less than the minimum. If you have employees whose hours vary and occasionally work less than the minimum, contact Johnstone's to confirm their eligibility.

When an employee's status changes and their hours are reduced, it is crucial to notify Johnstone's Benefits. During the past few years, we have found some companies have inadvertently enrolled or kept employees on their benefit plan who do not qualify for benefits because they work less than the minimum number of hours required by the contract. These employees may be working part time or job sharing.

The worst time to find out that eligibility was not met is at the time of claim—especially if it's either a death or disability. Before paying a claim, the insurer verifies the employee is eligible for coverage. If the employee does not meet the eligibility requirements, the insurer will deny payment of the claim.

If you are unsure about your contract's minimum hours, please contact us.