



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 stuffer.

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The Basics of Eligibility

Important Criteria to Qualify for Coverage

Which Employees Qualify for Coverage?

Each new applicant for benefits coverage must meet five conditions of eligibility.

1. Must be a **permanent** employee

- Temporary hires cannot be covered.
- Contract employees may not be covered, as they are not part of normal payroll. See [Employee versus Independent Contractor](#), October 2014 Journal.
- Permanent part-time employees can be covered, if they meet all other conditions.
- If a part-time worker who didn't qualify for benefits becomes eligible (e.g., due to increased hours), indicate the date of hire as the date they met the conditions listed here.

2. Work a **minimum number of hours**

- The standard contract is 30 hours a 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 approved as an exception.
- See [Minimum Hours Worked](#), April 2014 Journal.

3. Be **actively at work**

- Eligible employees on paid vacation time, maternity and parental leave are all considered actively at work.
- All other absences are not considered actively at work (e.g., 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 up to a full year.
- For the details of your plan's waiting period, see your employee booklet.

When Will Coverage Begin?

The crucial date for determining when coverage begins is the employee's **date of hire**, which you must declare on the enrolment form. The waiting period is then applied to determine when coverage begins (the date of eligibility).

To avoid the complications for late applicants, we must receive the completed enrolment form **within 31 days of the date of eligibility**. For details, see [Late Applicants: Avoid the headaches and liability](#), November 2013 Journal.

Special Cases—Waiving Waiting Period

Eligibility conditions are usually set when the contract is established. From time to time, there may be a reason to override one or more of these rules. In these cases, you will need to make a formal request.

For example: You would like to offer a key employee benefits immediately upon hire, but the normal waiting period is three months. This can be waived, but a formal request is required before an offer is made. Note: insurers will consider waiving the entire waiting period but don't allow us to select a specific date of eligibility.

Requirements for Continued Coverage

Employees must always meet the first three conditions to qualify for coverage. If the 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 covering certain benefits (such as health and dental). In these situations, the insurer must approve it before the contract arrangement begins.

If you have questions about eligibility for an employee who does not meet these conditions, contact our office to explore your options.