5.3 HEALTH INSURANCE

As an organization we are required by the National Affordable Care Act to monitor and measure each employee's hours beginning the 1st of the following month after date of hire, and during our standard measurement periods (twice per year). If an employee becomes eligible during one of the measurement periods, they will then have the opportunity to enroll in health benefits. The month an employee is hired does not count in the initial measurement period unless the employee is hired on the 1st of the month and ending six (6) months later.

Employees who have worked an average of 130 hours per month during the measurement periods, become eligible for Benefits. Employees are offered benefits that are effective sixty (60) days later; the 60 days are the Administrative Period. The employees' next six months (referred to as the stability period), is the period of coverage or non-coverage. Simultaneously hours will continue to be monitored and measured for the next standard measurement period. At the end of each standard measurement period, LADD will offer coverage to those who qualify or notify those who have not met the minimum of 130-hour average over the six (6) months that their coverage will be cancelled. This process continues throughout employment. The Human Resources Department is available to answer any questions on eligibility requirements.

The Human Resources Department notifies employees of their eligibility for insurance benefits. The employee is required to complete the Benefit Election Form and identify whether or not they want insurance benefits and return it to the Human Resources Department within two weeks. Even if an eligible employee does not wish to elect insurance coverage they must still fill out a Benefit Election form indicating they do not wish to elect coverage, i.e. waive coverage.

Once elections have been made, eligible employees cannot change their benefit elections until open enrollment which occurs annually, or a qualifying event occurs. Any qualifying event change needs to be completed within 30 days of the event, i.e., marriage, birth of a child, adoption, divorce, losing insurance coverage elsewhere.

There is a pre-tax employee contribution for the health care insurance that will be deducted each pay period. The amount of employee contribution varies based on the selection of insurance, single or dependent coverage, position and geographic location. Employees can request a summary plan description from the Human Resource Department once they have been notified of eligibility.
LADD is bound by the rules and regulations under Federal Law Section 125. Under these rule employees can elect coverage only:

1. When they become eligible during the measurement period as noted above.
2. Within 30 days of a qualifying event (listed above) or;
3. On the first day of the plan (renewal) year if eligible.

Employees may not terminate or reduce participation in LADD sponsored group health plan if an employee has elected to pay for such coverage through the plan, unless they have a change in family status, including:

1. Marriage, divorce or death of a spouse or dependent, the birth or adoption of a child,
2. Change from full-time status to part-time status or from part-time status to full-time status by an employee or their spouse, or;
3. A significant change in the health coverage of the employee or their spouse that is a qualified status change, or;
4. Significant change in the cost of, or coverage under, the health plans.