

November 16, 2016

Variable Hour Employee Notice

You are a part-time (variable) hour employee for purposes of the new federal health reform law because you work in a job position where you generally are not expected to work more than 19 ½ hours per week on average in a month. Your hours may fluctuate from time to time depending on business needs and how your hours are scheduled. Simply because your hours may increase from time-to-time does not mean you cease to be a variable hour employee.

Federal law states that an employer is to measure your hours worked to determine whether annual hours indicate you might become eligible for health plan coverage in the future, and so we will track your hours over a 12-month period starting December 1st of the current year through November 30th of the following year. If, at the end of the 12 months, you are then determined to be eligible, you will be offered plan coverage at that time for the *following* 12 months. (Coverage is never available retroactively.) You may still waive / decline the coverage; you do not have to elect our health insurance – though the new law may carry other implications for you if you have no other health insurance coverage. Review those rules with your personal financial, tax or legal advisor. If you do elect our health plan coverage at that time, you must pay your share of the premiums which will be set as required and allowed by federal law. Also, if you elect our plan coverage, federal law generally requires you must keep that coverage for the next 12 months; very limited circumstances would permit you to drop that election mid-year. For example, if your hours fall, you cannot drop the coverage, even if your pay falls as you work fewer hours; if your spouse loses his or her job, you cannot change your decision to take our coverage based on IRS rules. If your paycheck is not sufficient to pay your share of the premiums, you will need to self-pay by the 25th of the month premiums are due. If premiums are not paid by that date, with a 30-day grace period as provided by law, your coverage will terminate, and continuation generally will not be available. Finally, coverage ends at the end of 12 months unless you hours remain over the 30 hours a week or when your employment ends.

Your hours will be tracked for each year following as well, with the timeframe of December 1st thru November 30th.

Plan terms as explained in the formal plan document and summary plan description will control your rights under the plan in the event of conflicting information.

Sincerely,

CSI Human Resources