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CASH IN LIEU OF HEALTH BENEFITS**I. PURPOSE**

SVCE offers the opportunity to decline health insurance through the agency and receive a monthly cash payment in-lieu of health insurance.

II. SCOPE

All regular full-time employees.

III. DEFINITIONS

“Satisfactory group health insurance plan” – shall include group coverage (medical, dental, and / or vision) from an employee’s spouse / domestic partner / another covered person clearly showing the employee as a covered dependent for the entire plan year.

IV. POLICY**A. Eligibility**

1. To be eligible, employee must provide written proof of satisfactory group health insurance.
2. Employee must decline all SVCE-offered coverage (medical, dental, AND vision), and cannot decline only a portion.
3. Evidence of coverage under COBRA or an individual health insurance plan is not considered satisfactory.

B. Enrollment

To enroll in the Cash In-Lieu of Health Benefits:

1. Obtain proof of other current health coverage. The required proof is an official document verifying you are named as an insured party under a satisfactory group health insurance plan.
2. Submit proof to Administrative Service Manager along with signed Election of Cash In-Lieu form.
3. If you later wish to enroll in SVCE’s health coverage, you will be subject to the normal open enrollment and plan

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waiting periods, with the exception of a qualifying Section 125 event (detailed below).

C. Amount

Employee will receive a monthly cash in-lieu payment of \$250.

D. Payment & Taxation

1. Upon approval, cash payment in-lieu of health insurance will be scheduled for the first pay period of the following month.
2. The benefit is paid on the first pay period of the month and is a taxable benefit.
3. The amount deducted for taxes depends on individual circumstances as determined by state and federal taxing authorities. SVCE is unable to determine individual tax and withholding calculations prior to the actual payment.

E. Eligibility for FSA/HRA Benefits

1. Employee participation in the cash in-lieu benefit will not impact their eligibility to participate in the Flexible Spending Account (FSA) or Health Reimbursement Account (HRA) programs offered by SVCE.

V. ITEMS TO CONSIDER BEFORE DECLINING HEALTH COVERAGE

Once you apply and receive cash in-lieu of health benefits, you may only enroll in the agency health plan if a qualifying Section 125 event occurs:

Qualifying Events Are:

1. Marital Status Change:
 - a. Marriage
 - b. Death of spouse / partner / covered individual
 - c. Divorce or annulment
 - d. Legal separation
2. Number of Dependents Change:
 - a. Birth
 - b. Adoption or placement for adoption
 - c. Death of dependent child

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- d. Newly eligible dependents due to plan design change
- 3. Loss of Coverage
 - a. If the employee loses other coverage (e.g. spouse / partner / covered individual's health plan coverage terminates, or Medicare or Medicaid eligibility ends)

VI. ATTACHMENTS

Election of Cash In-Lieu Form



Election of Cash In-Lieu Form

Employee Name: _____
(Please Print)

I certify that I am covered by satisfactory group health insurance through a spouse, parent, domestic partner, or other covered individual and have attached verification of my coverage offered through:

Covered Individual's

Name: _____

Employer: _____

Health Plan / Policy Number: _____

_____ I understand that, by exercising the election to receive monthly payments, I will receive no benefits or coverage from any SVCE health plan. If I wish to enroll at a later date, I will be subject to that plan's enrollment rules.

_____ I understand that verification must be provided by the employer providing my insurance and must state that I am currently covered for the current plan year. Without proof of coverage, this form cannot be processed.

_____ I understand I cannot opt for cash if my only other medical insurance is COBRA or an individual health insurance plan.

_____ I understand that under the cash in-lieu benefit policy, my election to waive coverage must be submitted by the 10th of the month to become effective the 1st of the following month. Also, I understand that SVCE will not retroactively provide this benefit, which is only effective moving forward.

_____ I understand that my eligibility for the cash in-lieu benefit is subject to an annual re-certification process.

_____ I understand that I must notify the Administrative Services Manager within 30 days of a discontinuation, cancellation, or any other similar change in health coverage.

Employee Signature

Date

Finance Received _____

Date _____