

**Part 2**  
**Q & A Eligibility: Averaging Qualifying Months for Nonpermanent,  
Career Seasonal, and Instructional Year Employees**  
**2/11/2008**

**1. Does the court ruling apply to school districts, governmental agencies, housing authorities, and others who receive benefits from PEBB?**

Yes.

The ruling and resulting eligibility change affects PEBB eligibility criteria. If you, as an employer, have employees who are covered by PEBB, then these eligibility criteria apply to you.

If you have employees who are not receiving benefits, this ruling applies to you in that you must review the work history of those employees to assure that they are not eligible for benefits under the new criteria. Employees who work an average of less than half time and employees who work less than six months are not eligible under this criteria.

If all of your employees are permanent employees and already eligible for PEBB benefits, then you are not impacted by the new eligibility criteria.

The eligibility criteria does not apply to employees and groups covered by other plans such as WEA.

**2. Are we applying this criteria only to employees hired after February 1, 2008, right?**

The criteria should be applied to all employees hired after February, but it also needs to be applied to all *currently* employed employees who receive pay but not benefits. Implementation of the change requires a Retrospective Review of current employees. See question #3 of this document for more information on what that Retroactive Review entails.

**3. What does PEBB mean when it says that we need to review all employees who received pay without benefits during the last 9 months (i.e., the required “Retroactive Review”)?**

The Retroactive Review is meant to make sure that you don't have any current employees who do not have benefits who are, under the new criteria, eligible for those benefits. The basic goal of this review is to ascertain whether you have any employees who, under the new criteria, fit three PEBB definitions for benefit eligible employees – Nonpermanent employees, career seasonal, and instructional year employees:

- Retroactive Review for Nonpermanent Employees

The retroactive review requires employers to review all *current* employees who:

1. Receive pay but not benefits,
2. Are currently employed and have been employed on or since August 1, 2007. That is, you are reviewing nonpermanent employees who are currently employed and have been working for the past 6 months. Note that benefits-eligible nonpermanent employees are defined as employees that work at least half-time and are *expected* to work for no more than six calendar months, but ultimately work more than six calendar months. Employees where there is no expectation as to the duration of work fall into this category as well.

If you have current employees who have worked an average of half time or more since August 1, 2007, then they are nonpermanent employees, as defined by PEBB, and they are eligible for benefits on March 1, 2008.

If you have current employees who have worked more than half time, but less than six months, then those employees must be reviewed at the end of their 6<sup>th</sup> month to assess eligibility under the new criteria.

- Retroactive Review for Career Seasonal and Instructional Year Employees

The retroactive review requires employers to identify current employees who average half-time or more over an instructional year or equivalent 9-month season (including maintaining some pay status in each of the months of the instructional year). Employees who meet these criteria are entitled to the employer insurance contribution during the instructional year or nine-month season, as well as during the summer or off-season.

4. **What triggers benefit eligibility? Is it 50% of the hours considered by the district to be full time? What time period must that occur within?**

Benefit eligibility is triggered when a non-eligible employee is found to fit the PEBB definition of these three eligible employees:

- A nonpermanent employee is an employee who has worked an average of half time or more over six consecutive months. Eligibility begins in the 7<sup>th</sup> month.
- A career seasonal employee is an employee who works an average of half-time or more over a 9-month season. The employee must be in pay status each of the 9 months (i.e., Sept 07 – June 08). Employees who meet the career seasonal criteria are eligible for benefits during the season, as well as during the off-season.

- An instructional year employee is an employee who works an average of half-time or more over an instructional year. The employee must be in pay status each month of the instructional year. Employees who meet the instructional year criteria are eligible for benefits during the instructional year, as well as during the summer or other period between instructional years.

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Ideally, benefit eligibility is assigned at the time of hire by considering expectations of duration and work hours. Employer agencies should start eligibility on the first day of the month following the date of employment (unless the first working day of the month is the first day of employment) IF:

- The employer expects a nonpermanent employee to work more than half time for more than six months. (In PEBB’s terms, the employee then becomes a permanent employee and is benefit eligible.)
- The employer expects a career seasonal or instructional year employee to work half time or more for the 9-month season or instructional (school) year.

**5. When must districts review half-time/eligibility status for their employees?**

- With regard to nonpermanent employees (those you hired with the expectation that they would not work an average of half-time or more over six consecutive months), you should review their eligibility status during month 6 if it appears likely they will, in fact, work 7 months or longer. If at the end of six consecutive months the employee has averaged half-time, he or she is eligible for benefits beginning in month 7. .

If the employee is found NOT to be eligible in month 7 because the employee did not work an average of half time or more, then the review process would continue every month the employee continues to be employed until they become eligible (if).

The review would become a “rolling review;” i.e. every month that the nonpermanent ineligible employee works, the 6-month look back review would take place.

- For career seasonal/instructional year employees, the eligibility determination should be made at the beginning of the instructional year or nine-month season, based on expected duration of employment and work hours. However, agencies may also want to review these employees’ work hours at the end of the season or instructional year to confirm that actually worked an average of half-time or more for purposes of off-season or summer benefits.

**6. In what cases do benefits continue through the off-season for career seasonal/instructional year employees?**

If an employee works half time or more over the course of a 9-month season or instructional year (and maintains some pay status every month), then benefits continue through the 3-month “off season.” This is true even if:

- Employees are not employed by the employer agency during the off season. If employees ARE employed by the employer agency during the off season, then the employee may not be a career seasonal or instructional year employee. Rather, he or she may be considered a permanent employee by PEBB definitions.
- Employees do not plan (or are not invited) to return the following season or instructional year.

Employees can waive coverage during the off-season, but if they worked half time or more during the 9-month season or instructional year, PEBB requires that benefits be extended through the off season.

7. **Why is 160 hours per month used as the full-time equivalent hours in calculating averages for nonpermanent and career seasonal/instructional year employees** (Correction as represented made 2/11/08)?

~~Deleted: In 2004, the PEBB program adopted three different methods for calculating half time:~~

Replaced with: The option which includes the 160 hours per month for full-time is based on one of three equations adopted some years ago. At this time, employers have the choice of one of the following three methods for calculating half-time.

- (1) Use a generic 174 hours divided by 2; or
- (2) Add up the exact work hours available over the six month period and divide by 2:  
or
- (3) Use 80 hours as 50% a month.

Employer agencies have a choice of using one of these three methods. The *Eligibility Worksheets*, for both Nonpermanent and Career Seasonal/Instructional Year, uses the third method, considering 80 hours half time in a month.

The [80 hour = monthly half time] calculation that PEBB uses builds from [work week = 40 hours] therefore [half time work week = 20 hours]. A general, but we feel fair calculation base.

Notice that on some months, for instance, November 08, there are only 17 work days which means **full time = 136 hours** for the month. Other months, April 08, there are 22 working days which means **full time = 176 hours** for the month. It was decided that [**160 hours = monthly full time**] was a good short hand method of calculating averages quickly, even if the method favors the employee in some instances.

**8. If we suspect an employee is covered by PEBB through another employer, how do we verify and document that we are not responsible to pay?**

You may call us a 1-800-700-1555 to make that verification. We wouldn't recommend that you assume that you aren't responsible without verification.