

SPOUSAL SURCHARGE FREQUENTLY ASKED QUESTIONS

Spousal Surcharge Definition

1. What is a spousal surcharge?

A spousal surcharge is an extra charge that an Archdiocesan employee pays for electing to insure a spouse who has subsidized health insurance coverage available to them through his/her own employer.

The spousal surcharge is an added charge of \$125 per month to the usual employee contribution for health insurance.

2. If you already have your spousal surcharge fee or exemption in place prior to July 1, will I need to do anything?

First, please review your spouse's employment status and eligibility for coverage at this time. You do not need to make a change unless you have an exemption status change.

- If your appropriate spousal surcharge fee or exemption is not changing, no action is required of you.
- If you need to make a spousal surcharge change, you need to go online to Employee Self-Service at <https://www.archstl.org/human-resources/employee-self-service> to change your spousal surcharge to the appropriate fee or exemption.

3. What are the exemptions to the spousal surcharge?

The spousal surcharge fee will not be added if the Spousal Surcharge Exemption is submitted on time and the enrolled spouse is one of the following:

- My spouse is not employed.
- My spouse is self-employed, without employer-subsidized health insurance coverage, and is not eligible for employer-subsidized health insurance.
- My spouse is employed with an Archdiocese of St. Louis parish, agency, or school.
- My spouse is employed and is not eligible for his/her employer's health insurance coverage.
- My spouse is employed and my spouse's employer does not offer health insurance coverage.
- My spouse is employed and is eligible for his/her health insurance coverage but the full premium cost is paid by the employee. There is NO employer contribution toward the cost of the health insurance.

Why a Spousal Surcharge?

4. Why did the Archdiocese of St. Louis implement a spousal surcharge policy?

The spousal surcharge encourages those who have medical coverage available through their employer to take advantage of that coverage. The Archdiocese Employee Benefit Plan is self-insured and helps pay the cost of each member's healthcare coverage and actual claims. If the employee's spouse moves to his/her employer's plan and uses that benefit instead, it saves the Archdiocese the cost of the claims and will help keep our medical plans more affordable. The Archdiocese establishes its premiums on the basis of the cost of the actual claims which ultimately makes the plan more affordable to the employee.

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Effective Dates of the Spousal Surcharge

5. When is the Archdiocese of St. Louis Open Enrollment?

May 3 – May 17. If you elect to cover your spouse, you will need to review your spouse's surcharge eligibility every Open Enrollment period. If you need to make a spousal surcharge fee or exemption change, you will need to go online to Employee Self Service to make a change. Throughout the year, if your spouse experiences a qualified event change in insurance eligibility at his/her employment, you will be able to change your exemption status. Changes during the annual Open Enrollment are effective July 1.

6. When does the spousal surcharge go into effect as a new hire?

If you are a new hire, not exempt from the surcharge, and you and your spouse enroll in the Archdiocese Health Insurance plan, the effective date of the surcharge would be the same as the effective date of your health insurance coverage.

For your payroll deduction, the rule for the spousal surcharge would be the same as the rule for the employee contribution to the health insurance premium:

- If the effective date of your health insurance enrollment is prior to the 16th of any given month, you owe the full health premium and spousal surcharge for that month.
- If the effective date of your health insurance enrollment is on or after the 16th of any given month, you do not owe any health insurance premium or spousal surcharge for that month.
- There is no prorating of the health insurance premium or the surcharge.
- The Archdiocese will not be retroactively reimbursing anyone for surcharge amounts already paid.

7. When is the spousal surcharge effective for a health insurance qualifying event?

If you have a qualifying event for your Archdiocesan health insurance coverage, the effective date of the employee spousal surcharge would be the date of the qualifying event. A few of the more common qualified events include: marriage, divorce, birth of a baby, change in status such as part-time to full-time, etc. (For example, marriage is a qualifying event where the effective date of the surcharge is the date of the marriage.) The surcharge payroll deduction rules listed above in question #8 would apply.

Spousal Surcharge Exemption Online Action

8. When is the online Spousal Surcharge Exemption action due if I need to make a fee or exemption change?

May 17.



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9. How do I submit the Spousal Surcharge Exemption?

- During Open Enrollment, through the Employee Self Service at <https://www.archstl.org/human-resources/employee-self-service>.
- Throughout the year, by completing the Spousal Surcharge Fee section on the Employee Health Insurance Form and submitting to your employer's business manager.

10. If I am canceling my spouse's coverage on the Archdiocese health insurance plan during Open Enrollment, do I need to do anything in regards to canceling the Spousal Surcharge?

If you are removing your spouse from your health insurance plan effective July 1, you would continue through the online Open Enrollment screens and click on "waive coverage" in the spousal surcharge screen.

11. What happens if I fail to go online and elect the Spousal Surcharge Exemption?

Your payroll deduction will continue to automatically include the \$125 monthly spousal surcharge for your spouse's Archdiocesan health care plan. If the employee fails to elect an eligible reason for exemption, the surcharge will not be removed. Additionally, in the event employees do not complete the Employee Self Service Spousal Surcharge election accurately, they may be subject to their coverage under the plan being terminated or they may be subject to other disciplinary actions up to and including termination.

Cost of the Spousal Surcharge

12. Is the \$125 employee payroll deduction pre-tax or after-tax?

The surcharge would be deducted on a pre-tax basis just as your health insurance employee contribution is deducted on a pre-tax basis. There is no after-tax option.

13. Excluding the \$125 monthly spousal surcharge, what is the monthly cost of health insurance for a full-time employee?

Please see Monthly Cost tab in the 2021 Open Enrollment Benefits Guide for more detailed premium information.

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14. What if I submit documentation later in the plan year that shows my spouse was exempt?

The Archdiocese will not be retroactively reimbursing for surcharge amounts already paid. You will be exempt from the surcharge after receipt of the Employee Health Insurance Form marking the spousal surcharge exemption and according to the payroll deduction rules.

Spouse's Employment Status and Employer's Medical Coverage

15. My spouse is currently between jobs. Can I enroll my spouse while they are job searching?

Yes, you can enroll your spouse in the Archdiocesan health plan without a spousal surcharge while he/she is unemployed. However, if at any time your spouse becomes eligible for coverage through a new employer, you must notify the Office of Human Resources at 314.792.7546 or via an email to benefits@archstl.org within 31 days of their eligibility on their new employer's plan.

16. What happens if my spouse finds a new job and I forget to notify the Office of Human Resources and he/she remains enrolled in the Archdiocese Plan with the spousal surcharge exemption?

You owe your employer the cost of the spousal surcharge for however many months your spouse was enrolled while he/she was eligible for insurance through his/her own employer. It is the responsibility of each parish/school/agency to resolve issues such as these.

17. What if my spouse is going to school and is eligible for a student health plan from the school?

The spousal surcharge only applies to spouses who are actively employed and eligible for group medical coverage through their employer. If your spouse is eligible for coverage as a student, they would be eligible for the Archdiocesan health care plan and you are eligible for an exemption. If you previously elected an exemption, no action is required of you. If your spouse's student status has changed and now you want to apply for an exemption or need to pay the fee, please go online to Employee Self Service.

18. What if my spouse and I are both Archdiocesan employees?

If you are married to a benefit eligible Archdiocesan employee, you are eligible for an exemption.



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19. What if my spouse has to pay 100% of his insurance where he/she works?

You are eligible for an exemption. You will only have to pay the \$125 monthly spousal surcharge if your spouse has access to employer-subsidized coverage, where the employer is paying part or all of the insurance plan costs. To find out if your spouse's employer is paying part of the plan cost, your spouse should ask his or her HR/benefits representative.

20. Is my spouse required to enroll other family members into his/her employer sponsored group medical coverage?

No. Dependent children up to the age of 26 years old are still eligible to enroll in the Archdiocesan health insurance plan without the additional surcharge.

21. Whose health insurance plan will cover my children, the Archdiocesan plan or my spouse's employer's plan?

If your spouse's employer provides coverage for children and your children meet the eligibility requirements for both plans, you and your spouse will need to decide as to which plan(s) to enroll in. We recommend comparing the key features of both plans, to help with your decision.

22. My spouse's employer holds open enrollment at a different time of the year. What should we do?

The Archdiocese of St. Louis Open Enrollment may be a qualifying life event for your spouse to enroll in his/her employer's health insurance plan. Your spouse should ask his/her employer's HR/Benefits representative if he/she can enroll due to the Archdiocesan Open Enrollment or due to this significant cost change, effective July 1. You may contact the Archdiocese Office of Human Resources by calling 314.792.7546 or emailing benefits@archstl.org for additional information and assistance.

23. What happens if my working spouse's group medical coverage is terminated because he/she loses their job? Does my spouse have to elect and exhaust COBRA/Continuation of Coverage before being eligible for enrollment in the Archdiocesan health plan?

A spouse is not required to elect COBRA/Continuation of Coverage. If a spouse loses other coverage due to losing his/her job, that qualifies as a "life event", and the spouse can be enrolled in the Archdiocesan plan. To enroll and be exempt from the surcharge the employee must complete the Employee Health Insurance Enrollment/Change Form, mark the Spousal Surcharge Exemption, and submit it to his/her employer benefits administrator within 31 days of the spouse losing coverage.

24. Does my spouse's Medicare coverage have any bearing on the Spousal Surcharge?

No, Medicare eligibility or coverage is neither a reason for a spousal surcharge exemption nor a cause for the surcharge fee. Medicare has no bearing on the Spousal Surcharge Policy.

25. If I am in the Archdiocesan Early Retiree Plan or the Continuation of Coverage Plan, am I subject to the Spousal Surcharge?

You are exempt from the spousal surcharge since you pay the full premium.

Questions?

Please email any Benefits or Employee Self-Service questions to benefits@archstl.org or call the Office of Human Resources at 314-792-7546 and we will be happy to assist you.