

Effective January 1, 2015, the Spousal/Civil Union Partner SURCHARGE, as described below, IS CHARGED to all employees with an enrolled spouse or civil union partner WHO HAVE NOT COMPLETED AND RETURNED this form. This Surcharge is in addition to the regular premium paid for district medical coverage for you and your spouse/partner/family. The Surcharge does not apply to coverage for dependent children.

This form must be completed and returned to your Benefits Coordinator by the end of business on **November 30, 2018**, following Annual Benefit Enrollment, or immediately following an IRS recognized life change, for the following:

1. All employees with a spouse/civil union partner enrolled in our health plan.
2. All employees desiring to enroll a spouse/civil union partner in our health plan.

Administrators and Certified Staff: Michelle Wavering, mwavering@naperville203.org, (630) 420-6325

Non-certified Staff: Andi Pevitz-Koek, akoek@naperville203.org, (630) 420-6327

Surcharges will begin with the first payroll in January if this form is not received by the Benefits Department by November 30, 2018.

Summary of Spousal/Civil Union Partner Surcharge and Spousal/Civil Union Partner Eligibility

Effective January 1, 2015, a Spousal/Civil Union Partner Surcharge of \$175.00 per month (\$80.77 per payroll based on 26 pays and \$105.00 per payroll based on 20 pays) will be assessed for your enrolled spouse/partner **IF** he or she is eligible for medical coverage through his/her own employer which is deemed to meet the Affordable Care Act's essential benefits and minimum value requirements. Please note that if your spouse's/partner's coverage under our health plan is terminated, COBRA notification and a Certificate of Creditable Coverage will be provided as required by law. Please also note that dependent children may still be eligible for coverage under our health plan regardless of a spouse's/partner's eligibility or coverage status.

Spouse is defined as an individual who is recognized as a legal husband or legal wife of a Participant under the Family Medical Leave Act and who is covered by the Plan.

Civil Union Partner is defined as an individual who is recognized as the partner of a Participant under the Civil Union Act of the State of Illinois and who is covered by the Plan.

Upon request, participants must furnish satisfactory proof to their Benefits Coordinator that conditions as reported on this form continue to exist. Participants must inform the Benefits Coordinator immediately if spouse's/partner's eligibility status for this Plan or his/her employer's plan changes. Participants will be required to complete this form annually during every Annual Benefits Enrollment period.

Spousal/Civil Union Partner Surcharge FAQ

1. What are the conditions for payment of the Spousal/Civil Union Partner Surcharge?

You will be assessed a Spousal/Civil Union Partner Surcharge of \$175 per month (\$80.77 per payroll based on 26 pays and \$105.00 per payroll based on 20 pays) for your enrolled spouse/partner if he/she is eligible for medical coverage through his/her employer that meets the Affordable Care Act's (ACA) essential benefits, minimum value, and affordability requirements.

The Plan Administrator has the discretionary authority to evaluate whether or not the conditions for the Surcharge are satisfied. The Surcharge will apply in all such cases when the spouse/partner's employer has two (2) or more employees and a company-sponsored health plan.

2. If my spouse/partner has medical coverage through his/her employer as primary insurance, and joins the District 203 plan as secondary insurance, do I have to pay the Spousal/Civil Union Partner Surcharge?

As long as your spouse/partner's company-sponsored health plan meets the ACA's essential benefits, minimum value, and affordability requirements, then yes, you will be assessed the Surcharge. The Surcharge applies regardless if the District 203 coverage is primary or secondary.

3. If my spouse/partner has a high deductible health plan through his/her employer, do I have to pay the Spousal/Civil Union Partner Surcharge?

If your spouse/partner's high deductible health plan meets ACA's essential benefits, minimum value, and affordability requirements, then yes, the Surcharge will be assessed.

4. My spouse/partner is self-employed and has to purchase his/her own insurance, do I have to pay the Spousal/Civil Union Partner Surcharge?

The Surcharge will not apply when an enrolled spouse/partner is a Sole Proprietor (he or she is the one and only employee) in their primary and full-time occupation. Partnership in a practice does not qualify as a Sole Proprietorship if the spouse/partner has access to a group plan (ex. lawyers, physicians).

5. My spouse/partner is a veteran and has insurance through the VA, do I have to pay the Spousal/Civil Union Partner Surcharge?

No, you will not be assessed the Surcharge for benefits that your spouse/partner has earned by serving in the military. You will, however, be assessed the Surcharge if your spouse/partner is eligible for medical coverage through his/her own employer, in addition to his/her VA coverage.

6. My spouse/partner is on Medicare, do I have to pay the Spousal/Civil Union Partner Surcharge?

No, you will not be assessed the Surcharge for benefits that your spouse/partner has earned by attaining Medicare age. You will, however, be assessed the Surcharge if your spouse/partner is eligible for medical coverage through his/her own employer, in addition to his/her Medicare coverage.

7. My spouse/partner's open enrollment for insurance has already passed and they cannot enroll until the next plan year, do I have to pay the Spousal/Civil Union Partner Surcharge?

The IRS prohibits mid-year plan elections (changes made outside of the open enrollment period) except in cases of qualifying life/status change events. Open enrollment is considered a qualifying event for spouses/partners who have different plan years. If your spouse's/partner's plan year does not align with ours (Jan-Dec), their employer should consider District 203's open enrollment a qualifying event and allow your spouse/partner to join their plan within 31 days. If your spouse/partner stays on our plan, they will be assessed the Surcharge.

2019 Plan Year Spousal Affidavit

PART 1: EMPLOYEE

This section must be completed in full by the District 203 Employee.

Employee Name: _____ Building: _____

Employee ID#: _____ Spouse/Partner's Name: _____

READ AND CHECK ONE BOX:

I am legally married or a partner under the Illinois Civil Union Act and my Spouse/Civil Union Partner is:

- a District 203 employee and is a dependent on my insurance. (Skip to Part 4)
- eligible for benefits through his/her employer and I prefer *not* to have my spouse's/partner's employer complete this form. I understand that I will incur the surcharge for the 2019 Plan Year. (Skip to Part 4)
- is actively employed. To be eligible for a waiver, the **spouse's/partner's employer** must complete Part 2, employee signs Part 4. If self-employed, spouse will complete Part 2, employee will complete Parts 3 and 4, and provide appropriate documentation as listed in Part 3.
- is not actively employed. To be eligible for a waiver, skip to Parts 3 and 4.

PART 2: SPOUSE'S/CIVIL UNION PARTNER'S EMPLOYER

This section must be completed in full by the EMPLOYER of the person listed as "Spouse/Partner" in Part 1 above.

Name of Employer: _____

Address of Employer: _____

Is the person listed as "Spouse/Civil Union Partner" in Part 1 above currently eligible for coverage under your group medical plan, or will be in the next 3 months? Yes _____ No _____

If 'No,' please explain (i.e., we do not offer medical insurance; he or she won't complete the Waiting Period until (date); he or she lost benefits on (date) due to a layoff or disability; he or she is not in an Eligible Class; etc.):

If 'Yes'

Does your medical coverage meet the minimum essential value as defined by the ACA? Yes _____ No _____

Do you intend your coverage to be affordable as defined by the ACA? Yes _____ No _____

When is your Open Enrollment Period and effective date? _____

Authorized Signature: I certify that the above information is accurate, current and complete to the best of my knowledge.

Signature of Employer

Title (Print)

Date

Printed Name of Employer

Telephone Number (with extension)

E-mail Address

PART 3: DOCUMENTATION NEEDED TO WAIVE SPOUSAL/CIVIL UNION PARTNER SURCHARGE

The following types of documentation are necessary to prove that the spouse/civil union partner meets the requirements for the Spousal Surcharge waiver. Please attach ALL applicable documentation to the completed form.

- Proof of termination of employment from most recent employer or enrollment for unemployment compensation
- Page of most recent Federal Tax Return showing occupation as “homemaker,” “retired” or similar title.
- If self-employed, accepted documentation includes Federal Tax Return showing self-employment tax paid, 1099, Schedule C, S Corp or most recent 1095C indicating non-eligibility for benefits.

PART 4: EMPLOYEE’S SIGNATURE

This section must be signed and dated by the District 203 employee.

I certify that all information provided above is accurate, current and complete to the best of my knowledge. I understand that if I willfully, and with the intent to defraud or deceive, file false, incomplete or misleading information, I may be subject to discipline up to and including termination.

I understand that the Plan has the right to contest the validity of any participant’s coverage at any time and the Benefits Coordinator has the right to verify any coverage eligibility information with my spouse’s/partner’s employer. If my spouse/partner is determined to be eligible for, but has declined, medical coverage through his/her employer, I may be required to retroactively pay the \$175 monthly surcharge and I may be subject to discipline up to and including termination.

I understand that if a change in the status of medical coverage for a spouse/partner occurs (i.e., he or she becomes eligible for or loses coverage under another employer’s group plan); I must notify the Benefits Coordinator within 31 days of the change. If premiums are reduced or discontinued due to such a change, there will be no refund of the previous deductions taken if the Benefits Coordinator is not notified within 31 days of the change. If a participant is found not eligible for coverage under the Plan, his or her coverage would be terminated retroactive to the last date he or she was eligible. The Plan also has the right to recover from any participant any payments made by the Plan in error.

I understand that Naperville Community Unit School District 203 reserves the right to change, amend or discontinue any plan at any time, with or without notice, in response to prevailing business conditions.

If Part 2 indicates employee is in a Civil Union Partnership:

My Civil Union Partner listed in Part 2 does not meet the definition of “dependent” under the Internal Revenue Code however I want to provide spousal coverage under the District’s Health and Dental Plan for him/her. I understand that employer-provided benefits for civil union partners are not entitled to favorable tax treatment under federal tax law. I acknowledge that employer contributions for civil union partner benefits will be included in my income for federal tax purposes and that those employee contributions for civil union partner benefits cannot be made on a pre-tax basis.

Important to Note: *The law provides for severe penalties for any person who willfully and with intent to defraud or deceive, files false, incomplete or misleading insurance information.*

Employee’s Signature

Date