



## ***Frequently Asked Questions Your Policy and the coronavirus***

**With a fast-moving pandemic outbreak disrupting businesses around the globe, The Richards Group has been assisting clients with managing their benefits through this crisis. Here are the 5 most frequently asked employer questions:**

**Q: Due to business conditions created by the Coronavirus, we need to reduce employee hours. Can I keep them on my health plan?**

*A: Most insurance carriers are temporarily suspending their 30+ hrs/wk week “actively at work” requirement during this crisis for the next several months (subject to change). Therefore, if an employee is furloughed (not terminated), they can remain on most carrier plans through the end of May as long as their premiums are paid. Terminated employees must be removed from their plans and offered COBRA (or Cal-COBRA).*

**Q: How is Coronavirus covered under my health plan?**

*A: All fully insured plans are required to cover COVID-19 testing at 100%, with no copays. Treatment, such as hospitalization or ventilators for the COVID-19 are subject to regular plan deductibles, coinsurance & copays as other health conditions. NEW CHANGE: IRS now “allows” HDHP (High Deductible Health Plans) to cover COVID-19 “treatment” with plan deductible waived.*

**Q: Can an employee change their plan election (or drop coverage) during the Plan Year to reduce their payroll deduction costs without a Qualifying Event?**

*A: NO, under Section 125 rules, the IRS does not permit plan changes related to lowering expenses. However, if an employee’s hours fall below the plan’s minimum benefits eligibility threshold (30+ hrs/wk for most plans), they would lose their benefits eligibility and coverage, triggering a COBRA event (if applicable)*

**Q: Can I change our company contribution towards our employee’s coverage during the Plan Year?**

*A: YES, if allowed in the Plan Documents and proper 60 day written notice is provided to participants.*

**Q: Is the ACA “Shared Responsibility” fine still in effect for ALE companies?**

*A: YES, all companies that have 50+ full time equivalent employees (ALE - Applicable Large Employer) are still mandated by law to offer affordable minimum coverage or pay Shared Responsibility ACA fines.*

**For further assistance on these or other questions, contact (802) 254-6016.**