Statement of Benefit Eligibility for Centrally Administered Employee Benefits Programs
Purpose

To ensure compliance with applicable governmental regulations (e.g. ERISA, TEFRA, IRS, etc.)

To protect the tax-qualified status of the programs so that employees may enjoy the benefit of non-taxable employer- and employee-contributions to the plans

To protect against untimely disqualification caused by changes in employment status (e.g. leave of absence, reassignment, termination of employment, etc.)

Active Employees

1. A benefits-eligible employee is defined as:
   a. A faculty member who is scheduled to work at least half-time for at least one semester, with the exception of adjunct faculty at Claremont Graduate University (CGU), or
   b. A faculty member who is scheduled to teach at least three classes over the academic year,
   c. A staff member in a regular position who is scheduled to work at least 20 hours per week.

2. A benefits-eligible grant-based employee at CGU is defined as:
   a. An employee hired in a position that is funded by a grant specifically including employer expense for benefit coverage, AND
   b. The employee meets the required number of scheduled work hours defined above.

3. An interim employee is an individual hired to work full or part-time to fill a regular staff position for a defined period of time. An interim employee becomes eligible for health and welfare benefits (medical, dental, vision, and CORE benefits) when the employee is scheduled to work at least 20 hours per week.

4. A temporary employee is an individual hired to work full- or part-time to fulfill a specific need related to workload, special projects, or staffing and who is hired for a limited period of time normally not to exceed 12 consecutive months. Temporary employees are not eligible for welfare benefits however, they will be eligible for medical benefits if they meet the criteria for medical benefits under the Affordable Care Act. See Temporary Employee section below.

5. A temporary on-call or seasonal employee is an individual hired to work intermittently and who generally works less than six months or 1,000 hours in an anniversary year. Temporary on-call employees are not eligible for welfare benefits; however, they will be eligible for medical benefits if they meet the criteria for medical benefits under the Affordable Health Care Act (see definition below).

6. A temporary student employee is a registered student at one of the academic institutions who is employed in a designated student position. Temporary student employees may be employed for greater than 12 months and are not eligible for welfare benefits; however, they will be eligible for medical benefits if they meet the requirements under the Affordable Health Care Act (see definition below).

Affordable Care Act (ACA) Requirements

The Affordable Care Act requires certain employers with at least 50 full-time employees (full-time or equivalents) to offer medical insurance coverage to its full-time employees (and their dependents). Full-time is defined as an employee who works an average of 30 hours per week during the Measurement Period.

Definition of Measurement Period, Administration Period, and Stability period

The Measurement Period is described as the measure of time that is not less than three but not more than 12 consecutive calendar months, as chosen by the employer. The Claremont Colleges has established an ongoing measurement period of 12 months which will coordinate with the annual benefit plan year.

a. The first measurement period will begin October 4, 2013 and end on October 3, 2014. Thereafter, the ongoing measurement period will run from October 4 to October 3.

b. The first administration period will be the period from October 4, 2014 through December 31, 2014. Thereafter, the ongoing administration period will run from October 4 through December 31.

c. The first stability period (the period of time an employee is eligible for medical insurance) will run from January 1, 2015 through December 31, 2015. Thereafter, the ongoing stability period will run from January 1 through December 31.

d. The initial measurement period for newly hired employees to determine their eligibility for medical insurance effective on or after January 1, 2015 will start on the first of the month following date of hire and run for a period of 12 consecutive months. A newly hired employee is an employee hired after October 4, 2013. The administration period will then run for a period of 30 days from that date on which the 12 month period ends and the initial stability period will run for a period of 12 months from the end of the administration period. Thereafter, the newly hired employee will default into the ongoing measurement, administration and stability periods described above.

Definition of Seasonal Employees

The Affordable Care Act addresses the meaning of seasonal worker, a worker who performs labor or services on a seasonal basis, including (but not limited to) retail workers employed exclusively during holiday seasons. The Claremont Colleges defines a seasonal employee as an individual hired to work intermittently and who generally works less than 6 months or 1,000 hours in an anniversary year. Seasonal employees are not eligible for welfare benefits, unless they meet the criteria for medical benefits under the Affordable Health Care Act.
Calculation of average hours worked

Hourly employees calculation: The Claremont Colleges calculate actual hours of service by using records of hours worked and hours for which payment was made or due using the measurement period as defined above.

Non-hourly employee calculation: For employees paid on a non-hourly basis, The Claremont Colleges calculate hours of service by using actual hours of service from records of hours worked and hours for which payment is made or due.

Adjunct Faculty calculation: The Claremont Colleges calculate hours of service for adjunct faculty by using the following method (the following policy does not apply to CGU Adjunct Faculty):

a. 2.25 hours of service per week for each hour of instruction, representing a combination of teaching, preparation and grading time, and
b. 0.75 hours per week for non-instructional duties such as for office hours and meetings.

Initial Eligibility

<table>
<thead>
<tr>
<th>Employee Type</th>
<th>Effective Date</th>
<th>Close of Eligibility</th>
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<tbody>
<tr>
<td>All Benefits-Eligible Employees</td>
<td>First day of the month after Date of Hire, or Date of Hire when Date of Hire is the first day of the month.</td>
<td>31 days after effective date. 1 2</td>
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<tr>
<td>Interim Employees (Except Temporary Employees)</td>
<td>First of the month following 30 days after the 12 month measurement period in which the temporary employee works at least 30 hours per week as defined by the Affordable Health Care Act.</td>
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<tr>
<td>Temporary Employees</td>
<td>First of the month following 60 days after the 12 month measurement period in which the student works at least 30 hours per week as defined by the Affordable Health Care Act.</td>
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<tr>
<td>Student Employees</td>
<td>First of the month following 60 days after the 12 month measurement period in which the student works at least 30 hours per week as defined by the Affordable Health Care Act.</td>
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Eligible Dependents

Eligible dependents include employee’s spouse, eligible domestic partner, dependent children or eligible dependents of the domestic partner (age regulations as defined by the Affordable Care Act).

Changing Benefit Elections

In general, the option to elect a benefit is available only at initial eligibility. The option to elect or modify a previous benefit election is available during an open enrollment period or if a life event occurs.

Section 125 (Pre-tax deductions and life events)

Normally, any employee contribution required for participation in the Colleges’ medical, dental, and vision programs is deducted from employee pay on a pre-tax basis, as permitted under Section 125 of the Internal Revenue Code. Under Section 125 and applicable regulations, pre-tax payroll deduction is considered to be irrevocable and unchangeable during the calendar year, except under certain circumstances referred to as life events. Life events include marriage, divorce or legal separation from spouse, death of spouse or child, birth or adoption of child, termination of employment of spouse, or change in the employment status of the spouse that causes a change in benefit options available.

Employee may waive participation under Section 125 at any time. The election to waive participation is prospective only, is effective as of the beginning of the next calendar year until specifically revoked, and must be made before January 1 of the plan year affected.

If coverage for either the spouse or domestic partner terminates, and both are participating in the same health plan, with the concurrence of the plan, the spouse or domestic partner may add spouse, domestic partner and dependent coverage if applicable within 30 days.

Change to Benefit-Eligible Status

When an employee’s status is changed from non-benefits-eligible to benefits-eligible, the date of the status change is substituted for Date of Hire under Initial Eligibility.

Continuation of Coverage

If a husband and wife or eligible domestic partners are both covered employees of The Claremont Colleges, either the spouse or domestic partner, but not both, can cover eligible dependents.

Dual Coverage

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Termination
Colleges' Policy
Eligibility under group plans for the employee, spouse or domestic partner and dependents ends on the last day of the month of termination.

Divorce
Colleges' Policy
Eligibility for the divorced spouse ends on the last day of the month of the dissolution of the marriage. The eligibility of dependent children is not affected by divorce.

End of Child’s Dependent Status (Child reaches maximum age)
Colleges' Policy
Eligibility ends at the end of the year in which the child reaches the maximum age of 26. The maximum age for a dependent child is determined by the Affordable Care Act.

Involuntary Reduction in Hours
College-initiated transfer, reassignment, or change in work schedule that results in a change from benefit-eligible to non-benefit eligible status.

Unpaid Leave of Absence-Personal
Colleges' Policy
Eligibility without College subsidy is extended for the duration of the leave, but not more than 12 months.

Sabbaticals
College’s Policy
Faculty members on paid sabbatical leave may continue full participation in health, accident, life insurance and pension programs, or may drop coverage if out of area and re-enroll upon return. Faculty enrolled in Kaiser (or HMO not available in the sabbatical location) can enroll in the HSA Plan for the duration of the sabbatical and switch back upon return from leave.

Unpaid Leave of Absence-Disability (including workers’ compensation)
Colleges’ Policy
Group health plan eligibility and College subsidy extends for the duration of the disability to a maximum of 2 years. If the employee satisfies the definition of Disability Retirement, (see below) group health plan eligibility extends until the employee enrolls in Medicare, or is age 65, whichever occurs first.

Retirement
Colleges’ Policy
Retirees and their spouses or eligible domestic partners are eligible to continue group health plan coverage with the group for up to 18 months. Cal-COBRA allows for 18 months of additional medical coverage only.

Death of the Employee
Colleges’ Policy
Eligibility for a surviving spouse, eligible domestic partner or dependent ends at the end of the month of the employee’s death.

Death of the Retired Employee
Colleges’ Policy
Eligibility for a surviving spouse, eligible domestic partner or dependent will continue after the retired employee’s death, if the retired employee and/or spouse or domestic partner is eligible to continue group health plan coverage with the group for up to 18 months. Cal-COBRA allows for 18 months of additional medical coverage only.

Long-Term Disability
A benefit eligible employee is defined as a non-faculty employee in a regular position that is scheduled to work at least 30 hours per week or a faculty employee who is scheduled to work at least half-time for at least one semester. Benefits can be effective as of date of hire or on the first of the month when the date of eligibility/hire is the first of the month.

Retiree-Definition for Continuing Welfare Benefits
1. Normal Retirement
   a. Eligible at age 55 or older, and five years of employment in a regular schedule of at least 20 hours or more per week.
   b. Active employment status is terminated during the regular schedule of at least 20 hours or more per week.

2. Early or Phased Retirement
   a. Eligible at age 50 or older, and 10 years of employment in a regular schedule of at least 20 hours or more per week.
   b. Active employment status is terminated during the regular schedule of at least 20 hours or more per week.

3. Disability Retirement
   a. No age criterion, and
   b. Active employment status is terminated during the regular schedule of at least 20 hours or more per week.

4. Social Security Disability
   a. The regular work schedule is reduced to less than 20 hours per week with a non-benefits eligible status.

5. Disability Retirement
   a. The regular work schedule is reduced to less than 20 hours per week.

6. Active employment status is terminated during the regular schedule of at least 20 hours or more per week.

7. Social Security Disability
   a. The regular work schedule is reduced to less than 20 hours per week.

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9. Social Security Disability
   a. The regular work schedule is reduced to less than 20 hours per week.

10. Active employment status is terminated during the regular schedule of at least 20 hours or more per week.

* Refer to College Policy for state, federal or other mandated laws regarding benefits continuation during leave of absence.
* Retirement information and plan documents are available from Benefits Administration or from the Human Resources Office of each campus.