

EMPLOYEE BENEFITS BASICS

WHERE TO START?

HEALTH INSURANCE

- To be eligible for health insurance, you must have at least two “W-2 employees”
- To begin your medical plan, insurance carriers will require:
 - NYS45 (If you do not have one yet, Form W-4’s for each employee are acceptable)
 - Articles of Incorporation
 - SS4 (Application for a Tax Identification Number)
 - Premium check for first month (The amount can be determined once a plan is selected)
 - Insurance Carrier Application
 - Employee (members enrolling) Application

DENTAL INSURANCE

- To receive a quote for dental insurance, you must provide a *census* to the insurance carrier.
- A census requires information about your employees including:
 - Date of Birth
 - Gender
 - Level of Coverage Elected (Single, Family)

SHORT TERM DISABILITY, LONG-TERM DISABILITY, & LIFE INSURANCE

- You must also provide census to get quote for STD, LTD, and Life insurance.
- The requirements for this type of census include the employees’:
 - Date of Birth
 - Date of Hire
 - Gender
 - Salary
 - Occupation
 - SS# (If SSNs are included, the carrier can enroll the entire employee population without enrollment forms)

EXAMPLE EMPLOYEE BENEFIT PROGRAM

MEDICAL COVERAGE - There are many plan designs available. Pick a plan type or plan types and price point that best fits your needs.

- HMO/EPO – In network only plans
- POS/PPO – Plans with out-of network coverage, higher monthly premium
- HSA – high deductible health plans with a bank saving account, lower monthly premium
- HRA – Health Reimbursement Account allows the school to provide funds to the employees for out-of-pocket medical expenses.

Many schools choose to offer two plans alongside each other to provide more choice to their employees. For example:

- EPO and PPO
- EPO and HSA

The share of medical premiums is often shared between the employee and the school

- School pays 100% of Individual Premium or 100% of lowest priced plan if more than one plan is offered
- School pays 90% of Individual and 80% of all other tiers
- School pays 95% of Individual and 75% of Family

DENTAL COVERAGE – Dental coverage has a maximum allowed benefit per year usually \$1,000 or \$1,500. Coverage is typically offered at deductible and coinsurance levels. Rates are based on demographics, but could be approximately \$50 for individuals and \$170 for families.

Dental Insurance is either paid 100% by the school (non-contributory) and requires 100% participation; or offered as a shared cost by employee and school (contributory) and typically requires 75% participation in the plan.

SHORT TERM DISABILITY - Benefit covers beyond the statutory benefit of New York State coverage, which is only \$170 per week. The benefit level is determined by each school. Rates are calculated per \$10 of monthly covered payroll. Schools typically offer this benefit as a non-contributory; therefore there is a 100% participation requirement.

LONG TERM DISABILITY - Benefit usually covers 60% of salary up to a \$6,000 monthly maximum. But those levels are determined by each school. Rates are calculated per \$100 of monthly covered payroll. Schools typically offer this benefit as a non-contributory; therefore there is a 100% participation requirement.

LIFE INSURANCE - Benefit usually covers 1 times salary up to \$50,000 or \$100,000. The benefit level is determined by the school. Rates are calculated per \$1000 of monthly covered payroll. Schools typically offer this benefit as a non-contributory; therefore there is a 100% participation requirement.

VOLUNTARY BENEFITS – Employees choose what plans and coverage they would like and the premium is paid via payroll deduction. School does not pay for these policies. The employees can take this coverage with them, once they are no longer employed at the school. Sample of coverage is cancer/critical illness, accident insurance, additional life insurance, additional short term disability. These are Aflac type plans.

WHAT ARE MY NEXT STEPS?

COLLECT DATA

As noted in the “Where to Start” section, census data is required to provide quotes for some benefits. If you are interested in evaluating those benefits, please collect the necessary census data.

CONTACT AUSTIN & CO.

We will go to market on your behalf and facilitate next steps. Please contact Martha Mabeus:

Telephone: 518-431-7097, 518-465-3591

Email: mmabeus@austin-co.com