

With the ever changing circumstances surrounding the coronavirus outbreak, we want to ensure you that we are making every effort to keep you informed and taking the challenges you may face as an employer in to consideration. We have received many questions relating to layoffs, furloughs, and reductions in hours and how those may affect your employees' benefits. Please find a short FAQ on those topics below.

Should you have additional questions, please reach out to your EPK representative

What is the employer trying to achieve?

- a) Do they want to pay for benefits so these employees can continue coverage during a short-term layoff or stand-by status?
- b) Or do they need to eliminate every expense, cannot afford benefits, need to discontinue employer-paid benefits?

If the employer is laying off employees and wants to continue benefits for those employees:

- Trust plans have a "Leave of Absence" (LOA) provision. Employees on LOA may remain "active" on the benefit plan for up to 90-days, as long as the employer continues to pay that premium. If not back to active employment within 90 days, then COBRA applies with the eligibility period reduced by the LOA period.
- **Q:** What if it's not a full layoff, but rather a reduction in hours below the 20 hour minimum eligibility requirement?
 - **A:** Under normal circumstances, dropping below 20 hours (avg) makes the employee ineligible the following month. But during the national emergency, we will invoke the same "LOA policy" whereby the under-hours employee may remain on the plan for up to 90-days assuming the employer continues paying the premium. Same corresponding COBRA impact and timing still applies.
- **Q:** What about dental, vision, life and EAP?
 - **A:** Dental, group vision and EAP all will follow the same "LOA"-eligible provisions described above. The Trust is still awaiting guidance on how Voluntary Vision and Life Insurance plans will be handled.
- **Q:** What about premium payment and premium-share collection from furloughed employees? And for voluntary benefits, can the employee pay EPK directly?
 - **A:** All premium (group or voluntary policies) are paid in full by the employer to EPK. Any premium cost shares between the employer and employee (including 100% employee share / voluntary plans) must be handled between the employer and employee. The employer will need to make arrangements to collect the employee's premium contribution share. This may include invoicing each month and receiving checks or some employers may choose to defer collection until after the employee returns to work. EPK is not involved in the employer/employee cost-share process.
- **Q:** Does this impact a furloughed employee's ability to apply for unemployment benefits?
 - **A:** Unfortunately, we are unable answer questions related to new provisions released by WA Employment Security Department (ESD) and State of Oregon Employment Department regarding the national emergency. Unemployment questions should be directed to the WA ESD or State of Oregon Employment Department and more information can be found on their websites.
 - **Washington** <https://esd.wa.gov/newsroom/covid-19>
 - **Oregon** <https://www.oregon.gov/employ/Pages/COVID-19.aspx>

If the employer is laying off employees and cannot continue to pay for benefits:

- Trust plans are COBRA-eligible and a loss of coverage due to termination/layoff or reduction in hours is a qualifying event.
 - In order for COBRA to be an option, the employer plan must still be in place. This means at least 1 employee must remain active on the plan for COBRA to be available.
- Alternative options include Individual (under age 65) policies, AppleCare (Medicaid), and Medicare (over 65)
 - Our team is available to help with these options. Please contact your EPK representative for more information.
- **Q:** When an employer rehires the employee, can they add them back to their benefit plan immediately, waiving the normal probation/waiting period?
 - **A:** Yes. The employer must submit a change to their rehire policy (must be available to all rehires) in writing. The rehire must take place within 6 month of the furlough date.

If you have any questions or special considerations, please contact your EPK representative.

Thank you for your diligence in working with us to do everything we can to support you and your employees with their access to healthcare in these unprecedented times.

The EPK & Associates Team