



CATHOLIC
MUTUAL
GROUP

COMMITMENT • EXPERTISE • STABILITY



BENEFIT BEAT

C.M.G. Agency, Inc. An affiliate of Catholic Mutual Group

Volume 14, Issue 1
We're Here to Serve You
Spring 2016

Welcome to the latest edition of Benefit Beat. Please feel free to share this newsletter with any staff, clergy or other members of your diocese for whom you think it would be useful. And, if there's anything you would like us to cover in a future issue of Benefit Beat, please contact [Mathew Hartz](#) at 800.228.6108 ext. 2209.

In This Issue

[Section 125 Non-Discrimination Testing](#)

[Spousal Benefits When Both Spouses are Employed by the Church](#)

[Coverage Requirements for Substitute Teachers](#)

[Annual Meeting Update](#)

Section 125 Non-Discrimination Testing

Recently we've had some questions from our members about section 125 Non-Discrimination Testing. Non-discrimination testing is complicated, but is primarily focused on the ratio of benefits to salaries when comparing highly compensated or key employees (HCEs/KEYs) to non-HCEs/KEYs. Here are some areas that the testing considers:

- **Eligibility:** If too many non-HCEs are excluded from participation in the plan, it is classified as discriminatory.
- **Availability of Benefits:** A plan will not pass testing if the HCEs/KEYs can access more or better benefits than non-HCEs/KEYs.
- **Utilization:** A plan will not pass testing if the HCEs/KEYs actually elect more benefits under the plan.

While performing such testing is not in our scope of services (it is typically administered by the FSA vendor, auditor, or outside accountants), we do encourage you to determine whether this is something required of your group as failure to comply may result in heavy penalties.

Spousal Benefits When Spouses are Employed by the Diocese

For married couples who both work at locations within the same diocese, determining how to coordinate their benefits is not always simple. Often, groups find themselves wondering how to handle:

- Enrollment - which location should be responsible to enroll the member and/or family?
- Premium - 1) who pays? 2) what amount? 3) how are deductions handled?
 - Employee deductions
 - Are employee contributions taken from both employees or is a single deduction taken from one of the employees?
 - What amount of the premium is the responsibility of the employee(s)?
 - Employer deductions
 - Which location is responsible for the premium deduction?
 - What is the total employer share of the premium?
 - Are the locations both contributing the full employer share or are they splitting/sharing one employer share amount?
 - Does one location pay the other location to offset their share of the employer premium?
- Coverage Tiers - how do they impact decisions?

No one-size-fits-all answer works for all situations. If you would like to discuss how you currently handle this issue within your diocese, please contact your benefits specialist to arrange a conference call.

Coverage Requirements for Substitute Teachers

The Affordable Care Act (ACA) mandates that employers must provide affordable health insurance benefits to all employees who work an average of 30 or more hours per week or 130 or more hours per month. In some situations, this may apply to substitute teachers.

Whether a substitute teacher is eligible for health insurance benefits under the ACA is determined on a case-by-case basis. Variable substitutes, who work only sporadically at one or multiple locations, are generally not eligible. However, if a sub is working for a long stretch of time (i.e. covering a maternity or long-term sick leave), they may be eligible for benefits depending on several factors. Things to keep in mind with substitute teachers include:

- Do controlled group rules apply for your diocese?
- Is the employing location an applicable large employer or are they an applicable large employer member (part of an aggregated controlled group)?
- How is a substitute that works at multiple locations within a controlled group treated?
- How are substitute teachers tracked and monitored for any measurement periods?
- What is the intent of the diocese when determining if long-term substitutes (i.e. a permanent substitute for one teacher at one location for an extended period of time) should be treated differently than day-to-day substitutes (substitutes for varying teachers on random schedules)?

For each substitute, the circumstances are unique, so we encourage you to check with your legal counsel to consider and develop a policy to address how you proceed in coordinating substitute teachers with ACA compliance. As always, please contact your benefits specialist to discuss this further.

People Are Talking

The Diocese of Providence has worked with the Catholic Mutual Group Member Benefit Services team for our self-funded medical program for more than nine years. Greg, Matt, Heather and their newest addition, Miles, have brought not only superb competence to our medical renewal process, but a real sense of teamwork -- helping us navigate an extremely complicated and costly component for our diocese. We've experienced premium increases of less than five percent every year since we've been working with them, starting in fiscal year 2008/2009. In one of those years, we actually had no increase at all. We attribute this to some luck, but most especially to the leadership and expertise that Catholic Mutual has provided to us. Also, in addition to the cost-saving component, the member benefits services team has been instrumental in guiding us through the new Affordable Care Act laws. Their guidance, expertise and support have guided us through several filing processes -- as well as pitfalls to avoid -- as we continue to maintain our "grandfathered" status with our current plan.

Thank you to the Catholic Mutual Member Benefit Service Team!!
Michael Sabatino, CFO, Diocese of Providence



Please Save the Date For Our Annual Meeting!

We are pleased to announce Catholic Mutual Group's Employee Benefit Buying Alliance will hold its 2017 annual meeting Jan. 24-25, 2017 at the [Hollywood Beach Marriott](#) in Hollywood, FL. As in years past, Catholic Mutual will reimburse up to \$500 to each diocese with a representative in attendance.

Albers Communications Group, PO Box 285, Bellevue, NE 68005, NE 68131

[SafeUnsubscribe™](#)

[Forward this email](#) | [Update Profile](#) | [About our service provider](#)

Sent by benefitbeat@catholicmutual.org in collaboration with

Constant Contact 

Try it free today