



HOUR BANK TIME LINE

There is a two-month “lag” or turn-around time for an employee to become eligible. The following represents the hour bank reporting period as it relates to the benefit month.

Ex: Hours worked in January pay for March benefits.

HOURS WORKED	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC
BENEFIT MONTH	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB
MUST REPORT BY	2/15	3/15	4/15	5/15	6/15	7/15	8/15	9/15	10/15	11/15	12/15	1/15

Employees may assume that because they worked a lot of hours in the current month, that they are eligible for insurance. This is not always the case. Hours have to be “banked” for two months for the employee to be eligible for a benefit period. Any hours contributed over the amount required for benefits are “banked” and combined with the hours reported for the next period.

TWO-MONTH TURNAROUND ADVANTAGES:

- The **employer** is given time (until the 15th of the month following the month hours are worked) to accurately report and pay for his employees’ hours worked. This gives the employer the opportunity to implement a quasi waiting period for new hires of anywhere from 45-90 days without establishing a strict policy. This keeps the employer in compliance with eligibility vesting rules.
- The **employee** can determine eligibility each month by using the rules of eligibility and keeping track of hours worked and contributions received. Any excess hours will be banked and applied to the next benefit period.
- The **administrator** is able to notify the insurance carrier(s) of an employee’s eligibility before the benefit month begins. This procedure eliminates claims problems relating to eligibility, since the carrier is notified in advance who is covered each month.

MONTHLY / SALARY / SUPPORT STAFF

Premium for all monthly/salary/support staff must be submitted along with the hourly premium for the coming benefit month. Eligibility is advanced for the coming month for all employees, including monthly/salary/support staff. **If this is not done, employees will not have access to provider(s).**

TERMINATIONS

When an hourly employee is terminated from employment, they are allowed to use hours previously “banked” to qualify for the next benefit period. When hours are used up, then the employee may elect to continue their benefits through COBRA.

Monthly and salaried employees are offered COBRA immediately upon termination.

COBRA is a Federal program with penalties for any employer who does not notify the plan administrator of terminations within the time frame prescribed by the law.

866.358.9456

www.contractorschoice.net

CONTRACTOR'S CHOICE[®]
PREVAILING WAGE HOUR BANK PROGRAM