



Frequently Asked Questions

Benefit Plan Enrollment, Eligibility and Other Considerations from COVID-19 Issues and Regulations

We continue to closely consult with the NTCA benefits program legal counsel to determine how recent legislation, including the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and regulatory guidance from the Departments of Labor and Treasury affect the NTCA benefit plans. This document provides information and answers to some of the frequently asked questions from members and benefit plan participants.

NTCA Group Health Program (GHP) Coverage Continuation Under the Consolidated Omnibus Budget Reconciliation Act (COBRA)

Is GHP coverage continuation available if we lay off employees?

A layoff is a COBRA qualifying event. You will need to submit a BE3 form ([Separation of Employment and Compensation Verification](#)) to report employee terminations. This form should be submitted to NTCA in a secured manner such as encrypted email, ShareFile®, fax or by regular USPS mail. COBRA continuation election forms will be sent directly to qualified beneficiaries by regular USPS mail.

What happens if we reduce employee work hours?

A reduction in hours can be a COBRA qualifying event if the employee no longer works enough hours to qualify for health coverage. GHP generally does not provide health coverage for part-time employees unless the company has a personnel policy extending coverage to these employees. If an employee has GHP coverage and no longer works enough hours to qualify for health coverage, please submit a BE1 form ([Application for Participation and Change in Coverage](#)) to report the change in status. This form should be submitted to NTCA in a secured manner such as encrypted email, ShareFile®, fax or by regular USPS mail. COBRA continuation election forms will be sent directly to the qualified beneficiary.

Is there additional time to notify GHP when a COBRA qualifying event has occurred and for eligible individuals to elect COBRA coverage?

Yes. As of March 1, 2020, through the end of a yet-to-be-determined “outbreak period”, there are no deadlines when GHP must receive notice of qualifying events, such as an employee’s divorce or legal separation or an employee’s child ceasing to be a dependent. This means there is temporary relief from the 60-day notice deadline. Similarly, the deadline for employees, spouses or children to elect COBRA coverage is suspended. The “outbreak period” is currently defined as 60 days after the COVID-19 national emergency ends, but no longer than one year.

Will individuals have additional time to remit COBRA coverage payments?

The Department of Labor has extended deadlines for payment of COBRA coverage during the

"outbreak period." GHP will continue to monitor timely payment for purposes of providing delinquency notices to individuals. This means if GHP does not receive the initial payment for COBRA coverage in the 45-day period, COBRA coverage will not be started, or if subsequent payments are not received in the 30-day period, COBRA coverage will be terminated. GHP notices will also inform individuals of the opportunity to submit all past due and current COBRA premiums to initiate or reinstate coverage. If GHP receives the delinquent payment(s), coverage will be available and claims for services will be paid retroactively for the time periods associated with the COBRA payment(s).

Can our company pay for the employee's COBRA coverage?

Yes, your company can choose to reimburse the former employee for the coverage costs or make payments directly to NTCA GHP. The employee will be sent COBRA information and election forms. If GHP coverage continuation is elected, an invoice for the coverage costs will be issued monthly and mailed directly to the individual. Your company will coordinate directly with your former employee for the payment processing.

Family and Medical Leave Act (FMLA) Considerations

If an employee is on FMLA, what benefits do we have to maintain for the employee?

An employee on FMLA leave can continue receiving health benefits under the same terms and conditions as if they were not on leave. This includes GHP medical and dental coverage.

Does the company have to pay its portion of GHP coverage costs while an employee is on FMLA?

Yes, the company should continue to pay the employer cost-share.

NTCA GHP Coverage, Benefits Eligibility and Required Notices

What changes have been made in GHP administration related to GHP benefits eligibility and claims notices in response to the pandemic?

The Departments of Labor and Treasury have issued guidance extending certain deadlines in response to the COVID-19 pandemic. In response to this guidance, GHP has made the following administrative changes during the "outbreak period" (currently defined as 60 days after the COVID-19 national emergency ends, but no longer than one year).

- *HIPAA Special Enrollment Period: The 31-day requirement for timely application to enroll dependents in GHP coverages for reasons such as birth, adoption, placement for adoption, marriage or loss of other health coverage will not apply.*
- *Claims, Appeals and External Reviews: The deadlines to file claims for reimbursement under GHP, request external reviews and to appeal adverse benefit decisions will not be enforced during this period.*

Are NTCA short-term disability (STD) benefits available if an employee is in self-isolation or quarantine?

NTCA Short-term Disability benefits are available for STD plan participants who are diagnosed with COVID-19. Benefit payment amounts will vary based on the member company's specific plan election. Standard waiting periods and the application process applies to these claims.

Participants who are directed to quarantine by Federal, State, or local government, or based on advice of a health care provider, may qualify for Emergency Paid Sick Leave under the FFCRA. Participants who self-quarantine or who are required to quarantine for possible exposure are not eligible for STD benefits.

How would GHP benefits and plan enrollment work for employees in the following scenarios?

a. Not actively at work but still being paid by the member company.

A reduction in hours can be a COBRA qualifying event if the employee no longer works enough hours to qualify for health coverage. GHP generally does not provide health coverage for part-time employees unless the company has a personnel policy extending coverage to these employees. If an employee has GHP coverage and no longer works enough hours to qualify for health coverage, please submit a BE1 form ([Application for Participation and Change in Coverage](#)) to report the change in status. This form should be submitted to NTCA in a secured manner such as encrypted email, ShareFile®, fax or by regular USPS mail. COBRA continuation election forms will be sent directly to the qualified beneficiary.

b. Not actively at work but using PTO.

There is no change to benefits or enrollment.

c. Not actively at work but on unemployment.

A furloughed or terminated employee who is drawing unemployment would be eligible for continuation of GHP medical and dental coverage under COBRA. GHP coverage would end the last day of the month following termination of employment.

d. Reduce work hours due to loss in work capability in a remote work setting and does not meet the company's definition of eligibility for part time GHP coverage.

An employee who has experienced a reduction in hours would be eligible for continuation of GHP medical and dental coverage under COBRA. GHP coverage would end the last day of the month following termination of employment.

e. Quarantined or caring for family member and on the new FMLA.

An employee on leave can continue receiving health benefits under the same terms and conditions as if they were not on leave. Under NTCA GHP, this includes the medical and dental plans. The company must continue to pay its portion of GHP coverage while the employee is on FMLA.

NTCA Flex Plan

How does the CARES Act change what can be reimbursed from a medical flexible spending account?

Effective January 1, 2020, expenses incurred for over-the-counter medicines not prescribed by a physician and menstrual care products are now eligible for reimbursement from medical flexible spending and health savings accounts.

Can an employee change a dependent care spending account election if their childcare facility is closed and they are no longer paying childcare costs?

If there is a significant change in dependent care costs, employees are permitted to change their dependent care spending account election. The employee should complete a FLEX14 form (Change of Information) and return it to NTCA in a secured manner such as encrypted email, ShareFile®, fax or by regular USPS mail.

How does the Internal Revenue Service (IRS) Notice 2020-29 impact NTCA Flex Plan participants?

IRS Notice 2020-29 includes relief for cafeteria plans in response to the current COVID-19 pandemic. This includes an opportunity for employees to change their flexible spending account elections under an employer's plan since expectations for medical and/or dependent care expenses may have significantly changed this year. In response to this IRS notice, the NTCA Flex Plan will be amended to allow eligible employees to make mid-year changes to their medical flexible spending account and/or dependent care flexible spending account contribution amount elections starting June 1, 2020. Following are more details:

- *Employees may revoke an election, make a new election, or decrease or increase an existing medical flexible spending account and/or dependent care flexible spending account on a prospective basis **without** having a change in family status or other qualifying change. The updated election amount cannot be less than amounts already reimbursed to a participant from the medical and/or dependent spending accounts, as applicable.*
- *Member company employees currently participating or eligible to participate in the NTCA Flex Plan may make the contribution election change, whether or not they have been directly affected by COVID-19.*
- *The election change will be effective no earlier than June 1, 2020 and apply prospectively only for the calendar year 2020.*
- *Employees can make the contribution election change by completing a FLEX14 form (Change of Information) and noting "**Special Election: COVID-19 PANDEMIC**" as the reason for the change. The completed form should be returned to NTCA in a secured manner such as encrypted email, ShareFile®, fax or by regular USPS mail, and should be received a week in advance of the reported payroll begin date.*

NTCA SAVINGS PLAN

How would NTCA Savings Plan benefits and contributions work in the following scenarios?

a. Not actively at work but still being paid by the member company.

Compensation is eligible compensation subject to employee and employer contributions. The employee is not eligible for a Savings Plan distribution but would be eligible for a loan or withdrawal if the reason for the withdrawal meets certain criteria.

b. Not actively at work but using PTO.

PTO compensation is eligible compensation subject to employee and employer contributions. The employee is not eligible for a Savings Plan distribution but would be eligible for a loan or withdrawal if the reason for the withdrawal meets certain criteria.

c. Not actively at work and on unemployment.

A furloughed or terminated employee who is drawing unemployment would no longer be earning eligible compensation and is considered a terminated employee eligible for a Savings Plan distribution. If rehired, the individual would be eligible to begin participating in the Savings Plan immediately.

d. Reduce to part-time hours due to loss of work capability in a remote work setting.

The compensation earned while working part-time is eligible compensation subject to employee and employer contributions. The employee is not eligible for a Savings Plan distribution but would be eligible for a loan or withdrawal if the reason for the withdrawal meets certain criteria.

e. Quarantined or caring for family member and on the new FMLA.

If the employee is being paid by the employer, the compensation is eligible compensation subject to employee and employer contributions. The employee is not eligible for distribution but would be eligible for a loan or withdrawal if the reason for the withdrawal meets certain criteria.

Can the company reduce or suspend employer contributions to the Savings Plan?

Yes, with these additional requirements:

- *If the company has adopted the Profit-Sharing segment and does not have a safe harbor contribution formula, the company may reduce or suspend its employer contributions with 30-day advance notice to NTCA.*
- *If the company has adopted the Money Purchase segment and does not have a safe harbor contribution formula, you may reduce or suspend your employer contributions with a 90-day advance notice to NTCA. Employees must be given 45-day advance written notice called a "204(h) Notice." NTCA will prepare and forward your company the required 204(h) Notice. You may also use electronic delivery for participants who have effective regular access to computers at their place of work.*
- *If you have adopted a safe harbor contribution formula, you may reduce or suspend your employer contributions with 30-day advance notice to NTCA. Employees must be given a 30-day notice*

during which time employer contributions must continue. Companies that reduce or stop safe harbor contributions must satisfy applicable nondiscrimination testing for the plan year.

Is there any regulatory relief to allow additional time for member companies to submit contributions to the plan?

Unfortunately, no regulations have been enacted to provide relief even if the reason for delinquency in contributions results from stay at home orders.

What changes are being made to the plan because of the CARES Act, such as the opportunity to take plan withdrawals?

These relief provisions will be available to Savings Plan participants.

Coronavirus-Related Distributions

Plan withdrawals of up to \$100,000 can be made through December 31, 2020, to eligible individuals and there is no 10% early withdrawal penalty. The participant (including a spouse or dependent) must meet certain criteria related to the coronavirus including either a diagnosis of SARS-CoV-2 or COVID-19, or is experiencing adverse financial consequences as a result of being quarantined, furloughed, laid-off, having reduced work hours, no available childcare, business closing or reduced business hours (self-employed) or other factors determined by the Secretary of the Treasury.

The income tax on the distribution may be spread evenly over three years or the distribution may be repaid within three years.

Waiver of Minimum Required Distributions (MRDs)

*Plan participants can elect to **not** receive the MRD in 2020. This includes individuals already receiving RMDs from the plan and individuals who have a beginning date for MRDs in 2020.*

Fidelity Investments will send a communication directly to Savings Plan participants regarding their annual auto-generated or one time minimum required distribution (MRD) payments.

- *Active and terminated participants and spousal beneficiaries who received annual auto-generated or one time MRD payments on or after February 1, 2020 will be notified that they have the option to rollover the money into an individual retirement account (IRA).*
- *Active and terminated participants and spousal beneficiaries who are scheduled to receive an auto-generated MRD in December 2020 will be notified that the payment will not be processed unless they contact Fidelity directly with other instructions.*

Unless legislation is enacted or guidance is received from the IRS, non-spousal beneficiaries cannot rollover their 2020 MRDs into an IRA. Participants should contact Fidelity retirement specialists at (888) 682-2352 for more information.

NTCA RETIREMENT & SECURITY (R&S) PROGRAM

How does a lay off impact an employee's Rule-of-85 (ROE) eligibility date?

Employees with 30 or more years of ROE service, or who are already ROE eligible, will not experience a change to their ROE eligibility date. However, layoffs, even temporary ones, may impact an employee's ROE eligibility date since the employee does not receive compensation and will not earn service credit during the time when they do not participate in the R&S Program. Generally, an employee's ROE eligibility date will be extended by one month for every two months the employee does not participate in the R&S Program.

How would NTCA R&S Program benefits and contributions work in the following scenarios?

a. Not actively at work but still being paid by the member company

Compensation is eligible compensation subject to employee and employer contributions. The employee is not eligible for a program distribution.

b. Not actively at work but using PTO.

PTO compensation is eligible compensation subject to employee and employer contributions. The employee is not eligible for a program distribution.

c. Not actively at work and on unemployment.

A furloughed or terminated employee who is drawing unemployment would no longer be earning eligible compensation and is considered a terminated employee for purposes of R&S Program participation and benefit accruals. If rehired, the individual would begin participating in the program on the first day of the month following rehire.

d. Reduce to part-time hours due to loss of work capability in a remote work setting.

The compensation earned while working part-time is eligible compensation subject to employee and employer contributions. If the employee is scheduled to work 1,000 hours, R&S Program participation continues. The employee is not eligible for a program distribution.

e. Quarantined or caring for family member and on the new FMLA.

If the employee is being paid by the employer, the compensation is eligible compensation subject to employee and employer contributions. The employee is not eligible for a program distribution.

Can the company reduce employer contributions to the R&S Program?

Yes. you may reduce your employer contributions with 90-day advance notice to NTCA. Employees must be given 45-day advance written notice called a "204(h) Notice." NTCA will prepare and forward your company the required 204(h) Notice. You may also use electronic delivery for participants who have effective regular access to computers at their place of work.

What is the minimum employer contribution allowed in the R&S Program?

The R&S Program specifications indicate the minimum employer contribution rate is 3.5% of employee compensation. If employees are required to contribute to the program, the employee contribution cannot greater than the employer contribution rate.

For more information, contact:

Dana St. Jean
NTCA Benefits Compliance Manager
(828) 255-2973
DStJean@ntca.org