

**Regulation 4354: Health And Welfare Benefits**

Status: DRAFT

Original Adopted Date: 10/05/2010 | Last Revised Date: 12/11/2012 | Last Reviewed Date: 03/19/2019

**Affordability of Health Coverage**

The Superintendent or designee shall seek written assurance from the district's health insurance carrier(s) that the health plan offered to full-time district employees and their dependents meets all requirements of the federal Patient Protection and Affordable Care Act. (42 USC 300gg-300gg95; 26 USC 4980H; 26 CFR 54.4980H-1-54.4980H-6)

The Superintendent or designee also shall ensure that each employee's contribution to the employee-only health coverage does not exceed 9.5 percent of his/her modified household income, as defined in 26 USC 5000A. The Superintendent or designee shall calculate the affordability of the coverage using one or more of the following methods in a uniform and consistent basis for all employees within the same category: (26 USC 4980H; 26 CFR 54.4980H-4-54.4980H-5)

1. The district shall ensure that the lowest cost employee-only coverage does not exceed 9.5 percent of wages paid to the employee by the district for the calendar year as reported on the employee's W-2 tax form. For an employee not offered coverage for an entire calendar year, the wages shall be adjusted to reflect the period for which coverage was offered.
2. The district shall ensure that the employee's required monthly contribution for the lowest cost employee-only coverage does not exceed 9.5 percent of an amount equal to 130 hours multiplied by the employee's hourly rate of pay on the first day of the plan year or his/her lowest hourly pay during the calendar month, whichever is lower.
3. The district shall ensure that the employee's contribution does not exceed 9.5 percent of a monthly amount determined as the federal poverty line for a single individual for the applicable calendar year, divided by 12.

**Retired Certificated Employees**

Any former certificated employee who retired from the district under any public retirement system and his/her spouse/domestic partner shall be permitted to enroll in the health and welfare and/or dental care benefit plan currently provided for certificated employees. The plan also shall be available to any surviving spouse/domestic partner of a former certificated employee who either retired from the district under any public retirement system or was, at the time of death, employed by the district and a member of the State Teachers' Retirement System. (Education Code 7000)

A retired certificated employee or surviving spouse/domestic partner shall be allowed to enroll in the coverage within 30 days of losing active employee coverage. If he/she does not enroll during this initial enrollment period, he/she may be denied further opportunity to do so. (Education Code 7000)

**COBRA/Cal-COBRA Continuation Coverage**

Covered district employees and their qualified beneficiaries shall be offered the opportunity to continue health and disability insurance coverage when they otherwise would lose coverage due to one of the following qualifying events: (Health and Safety Code 1366.21, 1366.23, 1373; Insurance Code 10128.51, 10128.53, 10277; 26 USC 4980B; 26 CFR 54.4980B-4)

1. Death of the covered employee
2. Termination or reduction in hours of the covered employee's employment, other than termination by reason of the employee's gross misconduct
3. Divorce or legal separation of the covered employee
4. The covered employee becoming entitled to Medicare benefits

5. A dependent child ceasing to be a dependent child of the covered employee

Continuation health coverage shall be the same as provided to similarly situated individuals under the group benefit plan. (Health and Safety Code 1366.23; Insurance Code 10128.53; 26 USC 4980B)

The Superintendent or designee shall notify the health care service plan administrator of a qualifying event listed in item #1, 2, or 4 above, within 30 days of the event. A covered employee or qualified beneficiary shall notify the service plan administrator of a qualifying event listed in item #3 or 5 above within 60 days of the event or of the date that the beneficiary would lose coverage, whichever is later. (26 USC 4980B; 29 USC 1163, 1166; 26 CFR 54.4980B-6)

Continuation coverage shall be terminated in accordance with the district's insurance plan and federal and state law. (26 USC 4980B; 26 CFR 54.4980B-6; Health and Safety Code 1373.621; Insurance Code 10116.5)

The Superintendent or designee shall notify covered employees and qualified beneficiaries of the availability of conversion and continuation coverage. This notification shall include the statement in Labor Code 2800.2 encouraging individuals to examine their options carefully before declining such coverage. (Labor Code 2800.2)

**Disability Insurance**

The Superintendent or designee shall give notice of disability insurance rights and benefits to each new employee and each employee leaving work due to pregnancy, nonoccupational illness or injury, the need to provide care for any sick or injured family member, or the need to bond with a minor child within the first year of the child's birth or placement in connection with foster care or adoption. (Unemployment Insurance Code 2613)

When disabled by an injury sustained from a violent act while performing duties within the scope of employment and performing creditable employment, a certificated or classified employee may continue in the district health and dental care plans upon meeting criteria specified by law. The employee shall pay all employer and employee premiums and related administrative costs. (Education Code 7008)

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**Policy Reference Disclaimer:** These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

**State References**

**Description**

Civ. Code 56.10-56.16	<a href="#">Disclosure of information by medical providers</a>
Civ. Code 56.20-56.245	<a href="#">Use and disclosure of medical information by employers</a>
Ed. Code 17566	<a href="#">Self-insurance fund</a>
Ed. Code 35208	<a href="#">Liability insurance</a>
Ed. Code 35214	<a href="#">Liability insurance (self-insurance or a combination of self-insurance and insurance through an insurance company)</a>
Ed. Code 44041-44042	<a href="#">Payroll deductions for collection of premiums</a>
Ed. Code 44986	<a href="#">Leave of absence; state disability benefits</a>
Ed. Code 45136	<a href="#">Benefits for classified employees</a>
Ed. Code 7000-7008	<a href="#">Health and welfare benefits; retired certificated employees</a>
Fam. Code 297-297.5	<a href="#">Rights, protections, benefits under the law; registered domestic partners</a>
Fam. Code 300	<a href="#">Definition of marriage</a>
Gov. Code 12940	<a href="#">Unlawful discriminatory employment practices</a>
Gov. Code 22750-22944	<a href="#">Public Employees' Medical and Hospital Care Act</a>
Gov. Code 53200-53210	<a href="#">Group insurance</a>
H&S Code 1366.20-1366.29	<a href="#">Cal-COBRA program; health insurance</a>
H&S Code 1367.08	<a href="#">Disclosure of fees and commissions paid related to health care service plan</a>
H&S Code 1373	<a href="#">Health services plan; coverage for dependent children</a>

H&S Code 1373.621	<a href="#">Continuation coverage; age 60 or older after five years with district</a>
H&S Code 1374.58	<a href="#">Coverage for registered domestic partners; health service plans and health insurers</a>
Ins. Code 10116.5	<a href="#">Continuation coverage; age 60 or older after five years with district</a>
Ins. Code 10128.50-10128.59	<a href="#">Cal-COBRA program; disability insurance</a>
Ins. Code 10277-10278	<a href="#">Group and individual health insurance; coverage for dependent children</a>
Ins. Code 10604.5	<a href="#">Annual disclosure of fees and commissions paid</a>
Ins. Code 12670-12692.5	<a href="#">Conversion coverage</a>
Lab. Code 2800.2	<a href="#">Notification of availability of continuation health coverage</a>
Lab. Code 4856	<a href="#">Health benefits for spouse of peace officer killed in performance of duties</a>
Unemp. Ins. Code 2613	<a href="#">Disability insurance; notice of rights and benefits</a>

**Federal References**

- 1 USC 7
- 26 CFR 1.105-11
- 26 CFR 54.4980B-1-54.4980B-10
- 26 CFR 54.4980H-1-54.4980H-6
- 26 USC 105
- 26 USC 4980B
- 26 USC 4980H
- 26 USC 5000A
- 26 USC 6056
- 29 USC 1161-1168
- 42 USC 1395-1395g
- 42 USC 300gg-16
- 42 USC 300gg-300gg95
- 45 CFR 164.500-164.534

**Description**

- [Definition of marriage and spouse](#)
- [Self-insured medical reimbursement plan](#)
- [COBRA continuation coverage](#)
- [Patient Protection and Affordable Care Act](#)
- [Self-insured medical reimbursement plan; definition of highly compensated individual](#)
- [COBRA continuation coverage](#)
- [Penalty for noncompliance with employer-provided health care requirements](#)
- [Minimum essential coverage](#)
- [Report of health coverage provided to employees](#)
- [COBRA continuation coverage](#)
- [Medicare benefits](#)
- [Group health plan; nondiscrimination in favor of highly compensated individuals](#)
- [Patient Protection and Affordable Care Act](#)
- [Privacy of individually identifiable health information](#)

**Management Resources References**

- CSBA Publication
- Internal Revenue Service Notification
- U.S. Department of Treasury Publication
- Website
- Website
- Website
- Website
- Website
- Website

**Description**

- [Health Policy: Implications of Covered California for School Boards, Districts and Personnel, Governance Brief, January 2013](#)
- [2011-1 Affordable Care Act Nondiscrimination Provisions Applicable to Insured Group Health Plans](#)
- [Fact Sheet: Final Regulations Implementing Employer Shared Responsibility Under the Affordable Care Act \(ACA\) for 2015](#)
- [CSBA District and County Office of Education Legal Services](#)
- [U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services](#)
- [California Employment Development Department](#)
- [Internal Revenue Service](#)
- [U.S. Department of Labor](#)
- [CSBA](#)

**Cross References****Description**

1340	<a href="#">Access To District Records</a>
1340	<a href="#">Access To District Records</a>
2121	<a href="#">Superintendent's Contract</a>
3100	<a href="#">Budget</a>
3100	<a href="#">Budget</a>
3460	<a href="#">Financial Reports And Accountability</a>
3460	<a href="#">Financial Reports And Accountability</a>
3530	<a href="#">Risk Management/Insurance</a>
3530	<a href="#">Risk Management/Insurance</a>
4030	<a href="#">Nondiscrimination In Employment</a>
4030	<a href="#">Nondiscrimination In Employment</a>
4112.6	<a href="#">Personnel Files</a>
4112.9	<a href="#">Employee Notifications</a>
4112.9-E(1)	<a href="#">Employee Notifications</a>
4117.11	<a href="#">Preretirement Part-Time Employment</a>
4118	<a href="#">Dismissal/Suspension/Disciplinary Action</a>
4118	<a href="#">Dismissal/Suspension/Disciplinary Action</a>
4121	<a href="#">Temporary/Substitute Personnel</a>
4121	<a href="#">Temporary/Substitute Personnel</a>
4140	<a href="#">Bargaining Units</a>
4141.6	<a href="#">Concerted Action/Work Stoppage</a>
4141.6	<a href="#">Concerted Action/Work Stoppage</a>
4151	<a href="#">Employee Compensation</a>
4161	<a href="#">Leaves</a>
4161.1	<a href="#">Personal Illness/Injury Leave</a>
4161.11	<a href="#">Industrial Accident/Illness Leave</a>
4161.8	<a href="#">Family Care And Medical Leave</a>
4212.6	<a href="#">Personnel Files</a>
4212.9	<a href="#">Employee Notifications</a>
4212.9-E(1)	<a href="#">Employee Notifications</a>
4218	<a href="#">Dismissal/Suspension/Disciplinary Action</a>
4218	<a href="#">Dismissal/Suspension/Disciplinary Action</a>
4240	<a href="#">Bargaining Units</a>
4251	<a href="#">Employee Compensation</a>
4261	<a href="#">Leaves</a>
4261.1	<a href="#">Personal Illness/Injury Leave</a>
4261.11	<a href="#">Industrial Accident/Illness Leave</a>
4261.8	<a href="#">Family Care And Medical Leave</a>
4300	<a href="#">Administrative And Supervisory Personnel</a>
4300	<a href="#">Administrative And Supervisory Personnel</a>

4312.6	<a href="#">Personnel Files</a>
4312.9	<a href="#">Employee Notifications</a>
4312.9-E(1)	<a href="#">Employee Notifications</a>
4340	<a href="#">Bargaining Units</a>
4351	<a href="#">Employee Compensation</a>
4361	<a href="#">Leaves</a>
4361.1	<a href="#">Personal Illness/Injury Leave</a>
4361.11	<a href="#">Industrial Accident/Illness Leave</a>
4361.8	<a href="#">Family Care And Medical Leave</a>
9250-E PDF(1)	<a href="#">Remuneration, Reimbursement And Other Benefits</a>
9250	<a href="#">Remuneration, Reimbursement And Other Benefits</a>