



Spouse Premium Surcharge – Frequently Asked Questions

1. *What is the spouse premium surcharge?*

The spouse premium surcharge is a monthly charge in addition to your regular medical coverage contribution/premium for a spouse who is working or retired **and** who is eligible for medical coverage through their employer or former employer.

2. *How much will it cost?*

The spouse premium surcharge is \$150.00 per month (\$75.00 per pay period).

3. *Is the surcharge deducted before or after income taxes?*

The surcharge is a “pre-tax” deduction like your medical premiums.

4. *Why is SAWS implementing a spouse premium surcharge?*

The spouse premium surcharge encourages those participants eligible for other group insurance to take advantage of that coverage. It also allows SAWS to share healthcare costs with other employers and helps SAWS keep our medical plans more affordable. The spouse premium surcharge is a method adopted by many employers.

5. *How does this save SAWS money?*

SAWS medical plans are self-insured and pay the cost of each member’s medical coverage and actual claims. If your spouse moves to his/her employer’s plan and uses that benefit instead, it saves SAWS the costs of those medical and Rx claims and will help to keep our premium increases to a minimum, which results in savings to both SAWS and our employees.

6. *Who has to pay the spouse premium surcharge?*

It applies to all active employees and pre-65 retirees whose spouse is a dependent on a SAWS medical plan **unless** one of the following conditions applies:

- Your spouse is not presently employed and does not have access to any other medical coverage through his/her own employer or former employer
- Your spouse is self-employed without access to other medical coverage
- Your spouse is covered by Medicare Part A or CHAMPVA insurance and enrolled in a SAWS medical plan
- Your spouse is employed, but his or her employer does not offer medical coverage or is not eligible for medical coverage by his or her employer

(Note: the Marketplace, Medicare, Medicaid and Tricare are not considered other employer group health benefits.)

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7. How will SAWS know if my spouse has other medical coverage available?

All employees and pre-65 retirees who enroll their spouse in a SAWS self-funded medical plan will be required to submit a waiver if one of the above conditions apply. If an employee does not submit a completed waiver to the HR Benefits Office, the surcharge will automatically be applied to their monthly premium.

8. Does the surcharge apply when a dependent child has the opportunity to receive group medical coverage through another medical plan?

The surcharge does not apply to dependent children who enroll in the SAWS medical plans.

9. What if I submit documentation later in the plan year that my spouse hadn't had access to medical coverage through his/her employer?

The spouse premium surcharge will be removed at the time we receive the waiver with supporting documentation. We will not retroactively reimburse for amounts already paid.

10. When the spouse premium surcharge is applied, how does the primary and secondary insurance work?

The spouse premium surcharge is a fee applied to the premium. It has no impact on coordination of benefits between two or more plans.

11. Does the spouse premium surcharge apply to the dental or vision plans?

No, it only applies to the SAWS self-funded medical plans.

12. Does the spouse premium surcharge apply if my spouse is covered by Medicare?

It could. If your spouse is covered by Medicare, but he/she is eligible for other group coverage (for example, through a previous employer), you would be subject to the \$150.00 spouse premium surcharge. If your spouse is covered by Medicare and he/she is not eligible for other group coverage, you are not subject to the \$150.00 spousal surcharge.

13. Does SAWS have a right under data privacy to ask if the spouse is eligible for insurance coverage from another company?

Yes, an employer has a right to inquire about a spouse's other insurance. Data privacy involves health information specific to an individual's medical condition or treatment.

14. If my spouse was offered medical coverage through his/her employer, but the open enrollment window is different than SAWS, and he/she opted out at the time of open enrollment or the initial offer and isn't offered coverage access until the next annual enrollment, does the spouse premium surcharge apply?

Yes, the spouse premium surcharge applies if an individual is offered healthcare coverage in any capacity and opts out of the coverage for SAWS medical plan. The spouse premium surcharge will result in a change in cost for coverage. The spouse should check with their employer regarding whether the employer will accept the change in cost as a qualifying life event and allow her/him to enroll in their health coverage within 31 days of the change.

SPOUSE PREMIUM SURCHARGE – FREQUENTLY ASKED QUESTIONS

15. If a spouse is hired during the plan year and becomes eligible for benefits elsewhere, would the spouse premium surcharge be applied at that time?

Yes, you would need to update your dependent information to add the surcharge by calling the SAWS HR Benefits Office at 210-233-2025.

16. If my spouse loses his/her job and benefits, would he/she have to wait until an open enrollment period to be eligible for SAWS insurance?

No, the loss of a spouse's employment and related benefits is a qualifying life event change that would allow an employee to enroll the spouse and any affected dependents into healthcare coverage through SAWS within 31 days of the qualifying event.

17. What if my spouse resigns or loses her/his job, but has access to COBRA? Does COBRA constitute employer sponsored coverage?

COBRA coverage does not constitute an employer-sponsored medical plan. In this instance, the spouse no longer qualifies for employer-sponsored medical coverage and would not be subject to the spouse premium surcharge. You must notify the SAWS HR Benefits Office within 31 days of the qualifying event to make benefit changes.