Standard benefit plan rules

Guidelines for benefit configuration and administration

Age band rate changes

- **Applies to products with step (age-based) rates**
  - Changes to age for the purpose of rates applies annually, with updates occurring on the Equitable group anniversary date.[1]
  - Equitable assumes age as of the Equitable benefit effective date. If enrolling in coverage after the anniversary date, age is calculated as of date of hire.

Benefit amount calculations and rounding

- **Equitable expects rounding to apply to the benefit, not the salary.**
- **Standard rounding rules for salary-based plans:**
  - Basic Life & AD&D — round to the next $1,000
  - Supplemental or Voluntary Life & AD&D — round to the next $1,000
  - Short-Term Disability — round to the nearest $1
  - Long-Term Disability — round to the nearest $1

Dependents

- **For life plans, your dependent children are eligible for coverage up to the date on which they turn 26 years old. For all other plans, dependent children are eligible up to the end of the month they reach age 26. If any dependent children are developmentally disabled, you are able to continue coverage beyond age 26.**
- **If dependent child is disabled, please set Disabled indicator to Yes.**
- **Employee and spouse do not have a minimum or maximum age, but may be subject to age reduction.**

Evidence of Insurability (EOI)/ Guaranteed Issue (GI) processing

- **Evidence of Insurability (EOI) is required when:**
  - Election is above the Guaranteed Issue (GI)
  - Salary increase pushes benefit amounts above the GI
  - Salary increase is greater than $25,000 (even if the benefit is under the GI)[2]
- **Enrollee is considered a late entrant[3]**
- **Approved benefit amount — Benefit administrator should only pass approved benefit amounts of coverage to Equitable, and unapproved benefit amounts should not be pending and not pass on the file.**
- **Coverage effective date for EOI**
  - **For billing:** When EOI is approved, the coverage effective date for the change should be the date that the EOI was approved.
  - **For claims:** In the event of a claim, the coverage increase is effective as of the date of EOI approval.
  - To submit online EOI or download a paper form, please visit our website.

1 Policy anniversary is either annually from Equitable group effective month, or another month determined by the client.
2 Once an employee is approved for an amount over the GI, future increases in benefit due to salary increases would not require EOI unless that salary increase is greater than $25,000.
3 Late entrants are defined as anyone who elects coverage more than 31 days after becoming eligible.

Life and AD&D

- **Equitable expects separate records to be provided on the EDI file for Life and AD&D coverages.**
  - **Within the client system, these plans can be combined into one plan. When the EDI file is created, the combined plan will need to be mapped into two separate plans: a Life Plan and an AD&D plan.**
  - **The same holds true for the Supplemental/Voluntary Life and AD&D coverages.**
- **To enroll in Supplemental/Voluntary Spouse or Child Life coverage, the employee must first be enrolled in Supplemental/Voluntary Employee Life coverage.**
- **To enroll in Supplemental/Voluntary AD&D coverage, that policyholder must first be enrolled in Supplemental/Voluntary Life coverage.**
- **If a Life benefit is capped by a multiple of a salary and the salary is reduced, the benefit amount should be reduced to be an increment less than the multiple of salary cap.**
- **Equitable does not restrict employees or spouses from Supplemental/ Voluntary Life/AD&D plans due to age.**
- **For Supplemental/Voluntary Life for a spouse, rates can be calculated using employee or spouse age to determine their age band. Equitable defaults to employee age unless spouse age rating is requested.**

Reduction of benefit amounts (age reduction)

- **For benefit administrator:**
  - Equitable expects to receive the reduced benefit amounts.
  - Reduced amounts are based on the original benefit amount.
  - Age reduction is applied at the Equitable policy anniversary date, unless otherwise noted in the contract.
  - Age reduction should be applied after benefit calculation and rounding rules are applied.
    - Example: 2x salary election, salary = $50,400, age reduction % = 35%
      - Formula = salary * 2, round up to the next $1,000, then multiply by the age reduction percentage
      - $50,400 * 2 = $100,800, round to $101,000, $101,000 * .65 = $65,650
  - For new enrollees who are already at an age where reduction applies, the plan maximum would be based on the reduced amount.

Salary change effective dates

- **Equitable expects salary updates to occur on the salary effective date.**
- **Any salary-driven benefits are expected to be updated when a salary change is passed on the file.**

Termination rules

- **For benefit administrator:**
  - Equitable expects to receive the enrollee's actual termination date, not the coverage termination date as the benefit termination date.
    - **For billing:** Employees and dependents who are terminated prior to the 15th of the month will not be billed for that month. Employees and dependents who are terminated after the 15th of the month will be charged for the entire month.
    - **For EDI:**
      - Employees and dependents should only be sent with the termination date once and then dropped from the EDI file going forward.
      - All benefits must be terminated with the termination date. If electing COBRA coverage after termination, a new plan will be set up post-termination.
      - COBRA is available for vision and dental. If COBRA elections are sent through the EDI file, the policyholder should be sent with a status of C, the COBRA indicator set to Y and the benefit termination date left blank.

Tier-based products

- **Equitable supports 2 Tier, 3 Tier or 4 Tier Dental and Vision plans.**
  - 2 Tier — employee only, family
  - 3 Tier — employee only, employee + 1 dependent, family
  - 4 Tier — employee only, employee + spouse, employee + child(ren), family
- **Equitable supports 1 Tier or 4 Tier for Accident and Hospital Indemnity plans.**
  - 1 Tier — employee only
  - 4 Tier — employee only, employee + spouse, employee + child(ren), family

If you have other questions or need additional information, please contact EB_EDI_GROUP@equitable.com.

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