

# Benefits Insights

Brought to you by the insurance professionals at  
Ag Health Benefits Alliance

## What Happens if an Employee Misses Open Enrollment?

Open enrollment can be an extremely stressful and overwhelming time for both you and your employees. It is typically the only time during the year in which employees can make changes to their benefits choices, such as adding or dropping coverage, adding or dropping dependents, or enrolling in benefits for the first time.

For an employee, missing this vital deadline can mean losing coverage, or being unable to change benefits elections, which can have a significant financial impact on the employee. For you, when employees miss this deadline, it can result in additional administrative burdens and unhappy or unproductive employees.

In order to prevent these issues, it is important to understand what it means when an employee misses open enrollment and how it can affect your business—before it actually happens. Communicating potential consequences to employees will encourage them to take the open enrollment deadline more seriously.

### What Am I Legally Required To Do?

Legally, employers are not required to do anything for employees who have missed the open enrollment deadline. In fact, the terms of your benefits plans may prohibit you from making exceptions for employees who do not make benefits elections within a certain time period, such as before the new plan year begins.

The only exception to these terms is if an employee qualifies for a special enrollment period (SEP). Employees who experience qualifying life-changing events (such as getting married, divorced or legally separated, having or adopting a child, or moving to a new residence or work location that affects benefits eligibility) are eligible to enroll in or make

changes to their benefits elections outside of the open enrollment period. It is in your best interest to create simple and comprehensive policies and procedures so that you are prepared in the event of a SEP. If you are concerned about complying with the technicalities of SEPs, contact your representative at Ag Health Benefits Alliance to learn more.

Employers that are applicable large employers (ALEs) under the Affordable Care Act (ACA) may have additional concerns. These employers must offer affordable, minimum-essential coverage to their full-time employees or potentially face the employer shared responsibility penalty. You will not be subject to this penalty if you have offered appropriate coverage to employees, regardless of whether they enrolled in coverage.

In order to ensure that their businesses will not face any penalties, many ALEs should document that coverage has been offered. By requiring employees to sign either an acknowledgement of benefits form for those who opt in to coverage, or a waiver of coverage form for those who opt out or miss the deadline to enroll in employer-based benefits packages, you will create a uniform policy. If you are concerned about complying with ACA stipulations, contact your representative at Ag Health Benefits Alliance to acquire both of these forms to distribute to your employees.

### How Can I Help Employees with Open Enrollment?

In order to ensure that your employees are able to make the most out of the open enrollment period and the benefits your company provides, you should take an active role during open enrollment. Consider implementing the following strategies:



### *Opportunities for Education*

Offering adequate benefits education to your employees prior to and during the open enrollment period can help alleviate much of the confusion that they may face. The first step in achieving this is to provide as much information as possible in many different forms, such as flyers, posters, emails and videos. Additional education can come in the form of personal worksite consultations, one-on-one appointments with HR representatives, seminars, webinars and self-paced e-learning modules. Utilizing as many forms of communication as possible will enable you to reach more employees.

### *Asking for Feedback*

Every employee has his or her own preferences when it comes to receiving important information. It can be beneficial to ask your employees if they like the way information is being provided to them, if they would prefer information to be distributed in different ways, or if they have any questions that have yet to be answered. Surveying your employees will help you clarify their benefits options and the open enrollment process, and it can demonstrate that you are willing to set aside time to help answer employee questions—potentially reducing the number of employees that miss open enrollment.

### *Make Time for Employees Who Missed Open Enrollment*

If an employee misses open enrollment, he or she may understandably be panicked and unhappy. In order to offset any decrease in morale, it is important that you provide opportunities for the employee to meet with HR or to attend informational meetings that discuss his or her options to obtain coverage for the next year. At this point, there is not much more that you can do for him or her unless he or she qualifies for an SEP. The most beneficial ways in which you can help the employee is by offering additional opportunities for education and by asking for feedback regarding the process so that you can work to prevent this from happening again in the future.

Although many of these suggestions are not legal requirements, it is in your best interest to take these steps in order to protect your business and its productivity. Demonstrating to your employees that their needs are important to you will instill high employee morale, and ensuring that you have done all that you were required to do

in regards to ACA regulations will protect your business in the event that an employee misses the open enrollment deadline.