

Health & COBRA Benefits as Applicable To Legal Status Of Employees

An important issue that faces counties at this time is the legal status of workers in the state of Colorado.

In the broad-spectrum, it is the employer's responsibility to assure the legal status of employees as it applies to their right to work in the U.S. This becomes an important issue when addressing eligibility for medical benefits.

In general, most health plans exclude rights of access to health benefits for any employees that do not maintain a legal employee status to work in the U.S. This limitation for plan eligibility places the first and most immediate burden on the employer regarding the employee and their eligibility, but does not impose an employer's responsibility for dependent status. That responsibility still lies with the employee regardless of their status. This may become a significant issue depending upon the legal status of those dependents and the plan regulations (ERISA and other regulations).

In addition, and of more significant importance, is the application of the Consolidated Omnibus Reconciliation Act (COBRA) upon a qualifying event. COBRA regulations may or may not require COBRA to be offered to employees that do not have current legal status in the U.S. However, this may not apply to dependents, depending on their legal status and rights. Therefore, it is imperative for employers to exercise due caution in establishing legal status for all employees.

What This Means For Counties

Counties, as employers, need to provide due diligence in establishing the legal status of all employees or potential employees. In addition, counties need to be aware of and notify employees of their individual plan requirements as they apply to this subject.

For more information, contact CTSI at 303-861-0507.