

At Meldrum Horne, we act as an extension of your HR team, offering expert guidance to safeguard your organization from risks and liabilities. Your employee benefits program reflects your commitment in supporting your team and their families during challenging times, such as illness, disability or loss. To provide comprehensive protection, it is crucial for plan sponsors to mandate participation in the benefits program, for all eligible employees.

Some employers may hesitate to enforce mandatory participation, especially in cost-sharing arrangements, fearing resistance from employees over premium contributions. However, allowing employees to opt out can have serious consequences. If an employee who has declined coverage encounters a death or disability, both the employee and the employer face significant financial burdens and emotional distress.

Employees who initially meet the eligibility requirements, but choose not to enroll are classified as late applicants. This can lead to legal liability issues, as evolving case law increasingly places the burden of "duty of care" on employers. These trends underscore the importance of establishing robust and inclusive coverage from the start to protect both employees and the organization.

To minimize these risks and avoid potential legal challenges, we strongly recommend making participation in your employees benefits program a mandatory condition of employment. This policy ensures that all employees, regardless of concerns about affordability or assumptions that coverage is not needed, are protected. Mandatory participation fosters security and peace of mind for everyone involved.

Please note: While participation in the benefits program is mandatory, members can choose to waive the health and dental coverage if they have equivalent coverage through an alternative source, such as a spouse's plan.

If you have eligible employees (as defined by your contract) who are not currently enrolled in the benefits program, please contact your Meldrum Horne Service Consultant. We can work with you to explore potential options for enrolling these employees as a one-time exception without classifying them as a late applicant.

** This is not a legal document, and is intended solely for informational purposes.*