

**BOARD OF PENSIONS
ADMINISTRATIVE RULES**

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| Section | 1 (Eligibility) | Subject: | ENROLLMENT |
| Rule Number: | 105 | | PRACTICES |
| Reference: | | Resource: | Healthcare, Member Services |
| Article III, Section 3.1 | | Original Date: | 10/90 |
| Article V, Section 5.1, 5.2, 5.3 | | Revision Dates: | 10/92, 6/95, 4/97, 3/98, |
| Article XIII, Section 13.13 (e) | | | 5/00, 6/02, 1/07 |
| Administrative Rule 109 | | | |
| Administrative Rule 301 | | | |

Purpose

The purpose of this rule is to clarify the non-discrimination provisions of the Benefits Plan as related to enrollment practices of participating employing organizations. The Board recommends that churches and other employing organizations develop written policies governing their enrollment practices to ensure conformance to the Plan's non-discrimination provisions as required by law.

Scope of Non-discrimination Provisions

These provisions apply to all members participating in either the Traditional Program or Affiliated Benefits Program.

Traditional Coverage

The Benefits Plan requires that an employing organization providing traditional coverage to its employees may not discriminate in its enrollment practices among employees in the same employment classification. This means that the employment practices with regard to enrollment in the Plan and levels of coverage provided must be the same for all employees in a given employment classification. See Administrative Rule 301 for participation levels available under the Benefits Plan.

When an employing organization fails to timely enroll a member for limited participation, the time worked prior to the late enrollment, excluding probationary periods, must be counted as part of the period of limited participation. An employing organization may not penalize members by using the actual effective date of enrollment in the Benefits Plan to start the clock for the limited participation window when the enrollment date should have been earlier.

Because employees enrolled for limited participation are enrolled as of their own eligibility dates, their three-year anniversary dates will vary. Therefore, an employer will have different anniversary dates for employees enrolled for limited participation. This is not considered a discriminatory enrollment practice under the Benefits Plan.

An employing organization may have an enrollment policy that upgrades members from limited to full participation after a period of less than three years. The policy must be consistent regarding the time period used to upgrade coverage from limited to full coverage. For example, if one employee is enrolled for full coverage after two years of limited participation, all employees in the same classification must be enrolled for full coverage after two years of limited participation.

Employment Classifications and Definitions

For Plan purposes, the employment classifications are:

- Ordained - full-time
 - Ordained - part-time
 - Exempt lay - full-time
 - Exempt lay - part-time
 - Non-exempt lay - full-time
 - Non-exempt lay - part-time
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- Ordained: applies only to Ministers of the Word and Sacrament ordained by or received into the PCUSA.
 - Exempt lay: applies to lay employees whose duties are primarily administrative and to Commissioned Lay Pastors. See “Exempt and Non-exempt Classifications” and “Ministers of Other Denominations” below.
 - Non-exempt lay: applies to lay employees whose duties are primarily non-administrative.

Ministers of Other Denominations

When a minister of another denomination serving the PCUSA elects to participate in the Benefits Plan, that minister is classified as exempt lay, except for ministers of denominations covered under the Formula of Agreement. (See Administrative Rule 109.) Because of the uniform coverage requirement, any other exempt lay employees at the employing organization have to be enrolled when such a minister is enrolled in the PCUSA Plan as exempt lay. Eligibility of lay employees at the organization will not be affected, however, when the minister of another denomination elects participation in his/her own denominational plan.

Responsibility for Employment Classification Determination

It is the employing organization's responsibility to correctly identify the member's employment classification, scheduled hours to work per week, and total annual effective salary information, and to provide timely notice to the Board of Pensions of any change in that classification or the related information.

The correct determination of an employee's classification, hours per week and annual effective salary ensures that the member's benefits are determined accurately and that the Plan's non-discrimination requirements are met.

Exempt and Non-exempt Classifications

Employing organizations are responsible for complying with Department of Labor Fair Labor Standards Act (FLSA) when classifying jobs as exempt or non-exempt.

For additional information, visit the U.S. Department of Labor, Employment Standards Administration, Wage and Hour Division website at http://www.dol.gov/esa/regs/compliance/whd/fairpay/fs17a_overview.htm or call 1-866-487-9243 and request Fact Sheet #17A, Fair Pay Fact Sheet by Exemption Under the Fair Labor Standards Act (FLSA).

Full-time, Part-time and Temporary Employees

Employees are classified as full-time for benefit determination purposes when they are scheduled to work at least 35 hours per week. Employees who work fewer than 35 hours per week but between 20-34 hours per week are considered part-time under the Benefits Plan. Non-mandated employees must work at least 20 hours per week to be considered eligible for participation in the Benefits Plan.

Individuals classified as temporary employees may be excluded from Plan participation without impacting other employees at the organization. The Board of Pensions will allow an employing organization to classify as a temporary employee, an individual employed for a specified period of time not to exceed one year, whose term of service automatically expires at the end of that period unless terminated earlier because of resignation, retirement or termination by either the employer or employee. The policy of classifying employees as temporary must be consistently applied by the employing organization.

Individuals may not be enrolled in the Benefits Plan using an employment classification of "Temporary Employee." This classification may only be used for employees who are not eligible for Plan enrollment. An employing organization may not enroll individuals classified as temporary employees for either limited or full participation.

Probationary Periods

An employing organization may require a probationary period of up to one year before lay employees are enrolled in the Plan but must be consistent in applying the same probationary periods and offering the same benefits to employees within any one classification. Employing organizations cannot select different probationary periods for individual employees within an employment classification.

Affiliated Benefits Program

Employing organizations participating in the Affiliated Benefits Program must be consistent in offering benefits to employees by employment classification and complying with Internal Revenue Service non-discrimination rules.

See Administrative Rule 121 for more information about the Affiliated Benefits Program.