Health Insurance Contribution/Subsidy Strategies Guide

Including Adoption Agreement Site Information & Scenarios

September 2016
About This Guide

IMPORTANT INFORMATION

• This guide is intended to help McDonald’s Owner/Operators understand sample health insurance contribution/subsidy strategies as well as how to input their health and welfare benefits contribution strategy into the McDonald’s Licensees Health and Welfare Plan’s Adoption Agreement website in order to display employee contributions online during annual enrollment.

• Owner/Operators are independent employers and make their own policies regarding employment-related matters. If you work for an Owner/Operator organization, please check with your Owner/Operator, or the person designated by your Owner/Operator, to determine whether these materials apply to your organization. Because Owner/Operators are independent employers who make their own employment policies and decisions, Owner/Operators may choose to use part, all or none of the contents contained in this guide. To the extent these materials contain certain references to Owner/Operators; these references are for demonstrative purposes only and are incorporated in an effort to assist Owner/Operators in case they choose to implement any portion of these materials within their individual organizations.

• This guide is for educational purposes only to help Owner/Operators and their advisors understand basic scenarios for entering a contribution strategy on the Adoption Agreement site and should not be relied upon for the Owner/Operators’ own organizations.
As an employer who offers the McDonald’s Licensees Health & Welfare Plan to your employees, each fall you have the opportunity to update your Adoption Agreement.

Recently, the National Operators Insurance Team (NOIT) has added the ability to enter the subsidy you offer toward the cost of your employees’ benefits. This is called your contribution strategy. If you enter your contribution strategy on the Adoption Agreement website, then your employees will see their personal estimated benefits cost when they enroll online this fall. You have the flexibility to enter contribution strategies by Job Class, and also to display costs for employees in some but not all Job Classes.

This guide provides an overview of sample contribution strategies and how to enter them on the Adoption Agreement website.
What is a contribution strategy?

The cost of medical, dental and other benefits is typically shared between an employer and an employee. When the employer covers a portion of the cost of benefits, the employee then makes contributions out of their paychecks.

A contribution strategy is the formula you as an employer use to determine the cost to your employees for benefits. There are multiple strategies of varying levels of complexity. Some strategies are simply based on flat dollars or percentages. Others consider variables such as Job Class or dependent coverage.

You as an employer would pay the difference between the total premium rate and the employee’s contribution amount.

To view the total premium rates for your employees, please review your 2017 Rate Sheet, which you can find in the Quick Links on the home page of the Adoption Agreement site.
Advantages of displaying costs online

While optional, displaying estimated personalized monthly premium costs online:

✔ Creates a better enrollment experience for your employees
  – Promotes greater engagement
  – Helps them make more informed decisions about their elections

✔ Supports an easier communication process for you as an employer
  – Less effort required to communicate premium costs to employees
  – New ability to model what your employees will see based on the contribution strategy you enter
## Overview of sample contribution strategies

While there are multiple contribution options that can be offered to each job class, generally they all boil down to five distinct concepts:

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>If you select Percentage, you will enter the percentage of the total premium that you, the Operator, contribute. For example, if you subsidize 80% of the cost of medical premium for a particular job class, you would enter 80%.</td>
</tr>
<tr>
<td>Flat Dollar</td>
<td>Flat Dollar allows you to select the actual monthly dollar amount you wish to contribute. For example, if you contribute $500 per month toward the cost of single coverage, you would enter that dollar amount.</td>
</tr>
<tr>
<td>Safe Harbor Method – W2</td>
<td>Safe Harbor – W2 will allow you to set your employer subsidy to ensure that your employees do not pay more than 9.69% of their Box 1 W-2 wages for 2017 toward the cost of single coverage for the plan you select as your “anchor.” This allows you to satisfy the affordability portion of the Affordable Care Act by ensuring your coverage is technically affordable.</td>
</tr>
<tr>
<td>Safe Harbor Method – Rate of Pay</td>
<td>Similar in concept to W2, this Safe Harbor allows you to set your employer subsidy so your employees do not pay more than 9.69% of their hourly wage times 130 hours for single coverage. This method generally provides more consistency from month to month relative to using the W2 method, but could cost you more if your employee works more than 130 hours in a month.</td>
</tr>
<tr>
<td>Safe Harbor Method – Federal Poverty Level (FPL)</td>
<td>This Safe Harbor allows you to set your contribution to ensure your employees are not paying more than 9.69% of the Federal Poverty Level ($11,770 in 2016) for single coverage.</td>
</tr>
</tbody>
</table>
What is a “buy-up” strategy?

With a buy-up strategy, you generally “anchor” your employer subsidy on one medical plan option, and allow your employees to “buy up” (or down) to other medical plan options and/or coverage tiers, but at their own cost.

For example...

Subsidizing the Bronze plan, but allowing an employee to pay the difference to buy up to the Gold plan.

Allowing an employee to buy up to coverage tiers beyond single coverage (Employee + Spouse, Family, etc.) and pay the difference.
Adoption Agreement website process

1 Update your Adoption Agreement for 2017 by selecting which Job Classes you will cover and which benefits you will offer.

2 Decide whether to enter a contribution strategy and make costs visible for your employees during online enrollment.

3 Enter your contribution strategy that outlines how much you contribute to the cost of your employees’ coverage by Job Class, then model what your employees will see.

You can begin updating your Adoption Agreement for 2017 on September 1. We recommend you complete your updates by October 19. Any updates made after that date may be delayed, meaning they may not appear on the employee online enrollment site when it opens on November 7.

Note: You don’t need to complete this step if you’re not displaying employees’ costs online.

We will focus on this step in this guide.
Job Class flexibility

- For the first time this fall, the Adoption Agreement website will allow you to edit, add or remove the Job Classification titles to better meet the needs of your organization—you won’t be tied to the generic job classes anymore.
- You’ll continue to select which benefit options you offer to each Job Class on your Adoption Agreement.
- And, if you elect to enter your contribution strategy, you’ll have the flexibility to vary your strategy by Job Class the way you want.
- You can decide to display costs online for employees by Job Class, meaning you don’t have to display costs for every Job Class.

Quick Tip! Remember to think ahead and include coverage for all Job Classes in which you may have employees during 2017. You cannot make changes to your Job Classes or the coverage available to them during the year.

Note: You can’t edit or remove the Owner/Operator or Executive Director Job Class.
Decide if you want to display costs online

- When you make your medical plan elections on the Adoption Agreement website, you will be prompted to decide if you want to display costs for your employees online as well.

- **If you select “Yes,”** you will then enter your contribution strategy after completing the rest of the Adoption Agreement process.

- **If you select “No,”** you will then complete your Adoption Agreement without entering a contribution strategy, and your employees will not see their costs when they enroll online.
Contribution display choices

If you select “Yes” in step 2 and elect to display costs online, you will go through the process to enter your contribution strategy by Job Class.

For each Job Class, you will be able to:

Set up a contribution strategy for medical plans and, separately, for dental/vision plans  
Elect to display the full cost of benefits online during employee enrollment  
Elect to display NO costs online during employee enrollment

On the following pages, we walk through the process to enter your contribution strategy and show some examples.
Setting up your contribution strategy

You will be prompted to select whether you’d like to set up a contribution strategy for each Job Class included on your Adoption Agreement. The site will progress through each Job Class in numeric order.

On this page you are setting up the contribution strategy for this Job Class only. If you are offering benefits to other Job Classes, you will complete information for each Job Class.

If you select the first option, you’ll proceed to answer additional questions to create a contribution strategy for this Job Class.

If you select one of the second two options, you’ll proceed to make selections for the next Job Class.

Remember, you can set up different contribution strategies for different Job Classes.
Applying a contribution strategy

If you decide to enter a contribution strategy for this Job Class, you will have two options:

- Create a contribution strategy based on medical plan option (Gold, Silver, Bronze, etc.) and/or coverage tier (Employee Only, Family, etc.); or
- Create a buy-up contribution strategy
Entering a buy-up contribution strategy

Select the drop-down to choose the medical plan option and coverage tier you would like to set as anchor for the buy-up strategy.

This box will list all medical plans that you have elected to offer in 2017 for this Job Class. Select one option to be your “anchor” plan.

Choose if the buy-up applies only to Employee Only coverage or All Coverage Tiers—Employee + Child(ren), Employee + Spouse/Domestic Partner and Family.

Important: If you select Employee Only, this means your subsidy will NOT apply if the employee selects a dependent coverage tier.
Entering a buy-up contribution strategy (cont.)

Select the drop-down to choose how you determine your monthly subsidy and whether you would like to cap the amount you contribute each month.

You can select a subsidy based on one of the following strategies: a percentage of premium you subsidize, a flat dollar amount you provide, or one of the three Affordability Safe Harbor Methods.

If you want to cap your monthly employer contribution, you can enter a dollar amount here. Adding a maximum contribution amount may result in ACA penalty exposure if your coverage is deemed unaffordable.
A note on Affordability Safe Harbors

- At this time, if you select any of the Affordability Safe Harbor methods, the affordability threshold will automatically be set at 9.69% of income for 2017.

- With the Affordability Safe Harbor methods, the contribution modeler will calculate your employees’ monthly contribution using income data you provide on your eligibility census file.

- If you choose any of the Affordability Safe Harbor methods, then you as an employer would pay the difference between the total premium rate and the employee’s contribution amount.
Entering a contribution strategy by plan and tier

You can enter different strategies for each medical plan option and coverage tier for each Job Class.

### Medical Plans

I would like to set up a contribution strategy for this Job Class for the medical plan(s) offered.

<table>
<thead>
<tr>
<th>Medical Plan</th>
<th>Coverage Tier Application</th>
<th>Strategy Type</th>
<th>Employer Monthly Contribution Amount</th>
<th>Maximum Contribution Amount per Month</th>
<th>□ Apply to all</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOLD PLUS</td>
<td>Employee Only</td>
<td>No Contribution</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOLD PLUS</td>
<td>Employee + Spouse</td>
<td>No Contribution</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOLD PLUS</td>
<td>Employee + Children</td>
<td>No Contribution</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOLD PLUS</td>
<td>Family</td>
<td>No Contribution</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOLD</td>
<td>Employee Only</td>
<td>No Contribution</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOLD</td>
<td>Employee + Spouse</td>
<td>No Contribution</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOLD</td>
<td>Employee + Children</td>
<td>No Contribution</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOLD</td>
<td>Family</td>
<td>No Contribution</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SILVER PLUS</td>
<td>Employee Only</td>
<td>No Contribution</td>
<td>$0.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

You can apply the same strategy to all medical plans and coverage tiers for a Job Class by checking the box at right.

Or, you can create individual strategies for each medical plan and coverage tier by completing the supplemental information for each.
Setting your dental/vision contribution strategies

- Once you complete your contribution strategy selection for medical, you can set your strategy for dental and/or vision coverage, if you offer them.

- You’ll see the subsidy choices are slightly different for dental and vision: the Affordability Safe Harbor doesn’t apply, and the buy-up strategy is not an option. You can select only ONE strategy to display for dental and vision benefits.

- If you offer life and/or disability insurance to your employees, those costs (if displayed) will assume no employer subsidy.
Example: Flat percentage

Let’s look at an Operator who subsidizes 80% of the cost for all medical plan options and all coverage tiers offered on their 2017 Adoption Agreement — meaning employees in this Job Class pay 20% of the cost, regardless of plan or coverage tier elected.

The Operator selects “Percentage” as the strategy type, and enters the 80% employer contribution amount.

The Operator checks the box to apply this strategy to all medical plans and coverage tiers for this Job Class.

When employees in this Job Class enroll online later this year, they will see an amount equal to 20% of the total premium for each medical plan and coverage tier displayed.

Go to the next page to learn how to apply one contribution strategy to ALL Job Classes...
The same Operator who subsidizes 80% of the cost for all medical plan options and all coverage tiers offered wants to extend this strategy to all Job Classes. The Operator can check this box at the bottom of the page after completing their contribution strategy for the first Job Class. This will apply the same contribution strategy to ALL Job Classes.

After completing the strategy selection for Dental and Visions Plans, the Operator can “Save and Continue.”

Next, the Operator will go to a confirmation page...
Example: Flat percentage (cont.)

After saving the contribution strategy, the Operator will come to a summary page that shows their elections.

If the contribution strategy is entered correctly, the Operator can select “Model My Contributions”

If the Operator needs to make changes, they can select “Make Changes” to return to the tool
Example: Flat percentage (cont.)

Now, let’s take a look at what the Operator would see when modeling the results of their contribution strategy.

First, the Operator selects the Job Class for which they want to model contributions. The options will match those entered on the 2017 Adoption Agreement.

Then, the Operator enters an employee’s age and either annual wages or hourly pay rate.

Finally, the Operator clicks on “Calculate” at the bottom of the page.
The Operator will see a page that shows the total monthly premium for their Rate Area, as well as the monthly employer and employee contributions by medical plan and coverage tier.

If needed, the Operator can “Return to Contribution Strategy” to make any changes.

*Please Note:* The calculations displayed on this page are representative of what employees will see on the online enrollment site. However, the amounts may differ slightly. In addition, these amounts may differ from actual paycheck deductions.
Example: Flat percentage with buy-up (Employee Only) and maximum contribution

Now let’s look at another example. Here’s an Operator who subsidizes 80% of the cost of coverage and also has decided to apply a buy-up strategy based on Employee Only coverage. The Operator has decided to cap their monthly contribution amount at $1,000.

The “anchor” plan for the buy-up is the Operator’s contribution to Employee Only coverage under the Bronze plan, as shown here. However, the employee can “buy up” to a higher medical plan (for example, the Silver plan), paying the additional incremental cost for Employee Only coverage. The buy-up in this case would NOT extend to all coverage tiers. **If the employee selects a coverage tier with dependents, they would not receive a subsidy.**

The Operator caps the monthly amount she will contribute to coverage at $1,000. This means the Operator will pay no more than $1,000 each month toward the cost of an employee’s coverage, even if the employee decides to buy up to a higher medical plan option.
Example: Flat percentage with buy-up (Employee Only) and maximum contribution (cont.)

The Operator completes the contribution strategy and decides to model employee contributions for a 55-year-old employee with annual wages of $50,000.
Example: Flat percentage with buy-up (Employee Only) and maximum contribution (cont.)

The Operator will see a page that shows the total monthly premium for their Rate Area, as well as the monthly employer and employee contributions by medical plan and coverage tier.

Please Note: The calculations displayed on this page are representative of what employees will see on the online enrollment site. However, the amounts may differ slightly. In addition, these amounts may differ from actual paycheck deductions.

If needed, the Operator can “Return to Contribution Strategy” to make any changes.
Example: Flat dollar

The Operator decides to contribute a flat dollar amount to the cost of coverage every month—this is different from the percentage selected in the previous example. In this scenario, the Operator does not select a buy-up strategy but applies this contribution strategy to all medical plan options and all coverage tiers offered on their 2017 Adoption Agreement.

The Operator selects “Flat Dollar” for his or her contribution strategy at an amount of $200 per month.

The Operator applies this contribution strategy to the other coverage tiers he or she decided to offer.
Example: Flat dollar (cont.)

The Operator completes the contribution strategy and decides to model employee contributions for a 35-year-old employee with annual wages of $25,000.
Example: Flat dollar (cont.)

The Operator will see a page that shows the total monthly premium for their Rate Area, as well as the monthly employer and employee contributions by medical plan and coverage tier.

The Operator’s monthly contributions are a flat $200 for all medical plans and coverage tiers offered.

If needed, the Operator can “Return to Contribution Strategy” to make any changes.

Please Note: The calculations displayed on this page are representative of what employees will see on the online enrollment site. However, the amounts may differ slightly. In addition, these amounts may differ from actual paycheck deductions.
Example: Safe Harbor (W2) with buy-up

The Operator decides to use the Safe Harbor method to decide what to contribute to employee coverage each month. He or she selects one of the Safe Harbor calculation methods. The Operator applies a buy-up strategy and applies to all coverage tiers. The Operator does not apply a maximum contribution amount.

The Operator chooses to base his or her contribution strategy on the Safe Harbor method and selects “Employee W-2 Earnings” as one of three methods used to calculate Safe Harbor. The Operator does not apply a maximum contribution amount.

The Operator applies the buy-up strategy to All Coverage Tiers, which means that while the “anchor” is the Bronze plan, an employee will receive a subsidy for any coverage tier selected.

If applying a maximum while using Safe Harbor, make sure your contribution falls within ACA requirements.
The Operator completes the contribution strategy and decides to model employee contributions for a 27-year-old employee with annual wages of $30,000.

Take Note: In general, you should use an “Employee Hourly Wage” when modeling only when you have selected a Safe Harbor – Rate of Pay contribution strategy.

In this case, the Operator uses “Employee Annual Wages” because she is using Safe Harbor – W2 as her contribution strategy.
The Operator will see a page that shows the total monthly premium for their Rate Area, as well as the monthly employer and employee contributions by medical plan and coverage tier.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Rate Area</th>
<th>Medical Plan</th>
<th>Coverage Tier</th>
<th>Employer Premium</th>
<th>Employee Premium</th>
<th>Total Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silver Plus</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Family</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$9,061.23</td>
<td>$87.03</td>
</tr>
<tr>
<td>Silver</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Employee Only</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$390.33</td>
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<tr>
<td>Silver</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Employee + Spouse</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$899.83</td>
<td>$87.03</td>
</tr>
<tr>
<td>Silver</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Employee + Children</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$514.11</td>
<td>$87.03</td>
</tr>
<tr>
<td>Bronze Plus</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Family</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$1,000.26</td>
<td>$87.03</td>
</tr>
<tr>
<td>Bronze Plus</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Employee Only</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$866.44</td>
<td>$87.03</td>
</tr>
<tr>
<td>Bronze Plus</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Employee + Spouse</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$779.63</td>
<td>$87.03</td>
</tr>
<tr>
<td>Bronze Plus</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Employee + Children</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$885.51</td>
<td>$87.03</td>
</tr>
<tr>
<td>Bronze Plus</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Family</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$329.28</td>
<td>$87.03</td>
</tr>
<tr>
<td>Bronze</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Employee Only</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$778.56</td>
<td>$87.03</td>
</tr>
<tr>
<td>Bronze</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Employee + Spouse</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$704.38</td>
<td>$87.03</td>
</tr>
<tr>
<td>Bronze</td>
<td>Safe Harbor: Safe Harbor Method: Employee W-2 Earnings</td>
<td>Employee + Children</td>
<td>None</td>
<td>9.59% of the Employee W-2 Earnings</td>
<td>$891.25</td>
<td>$87.03</td>
</tr>
</tbody>
</table>

Please Note: The calculations displayed on this page are representative of what employees will see on the online enrollment site. However, the amounts may differ slightly. In addition, these amounts may differ from actual paycheck deductions.

Because the Operator selected the Safe Harbor Method: Employee W-2 Earnings, the subsidy is the same across all plans and coverage tiers offered on the Adoption Agreement. The Bronze plan is the anchor plan.

If needed, the Operator can “Return to Contribution Strategy” to make any changes.
Example: Safe Harbor (FPL) with buy-up (Employee Only) and maximum

Again, the Operator decides to use the Safe Harbor method to decide what to contribute to employee coverage each month, but he or she selects a different Safe Harbor calculation method. The Operator applies a buy-up strategy but does not extend it to dependent coverage tiers. The Operator also applies a maximum monthly contribution amount.

The Operator chooses to base his or her contribution strategy on the Safe Harbor method and selects “Federal Poverty Level” as the method for calculating Safe Harbor.

The Operator applies a buy-up strategy to the Employee Only coverage tier. The employee can buy up to higher plans under Employee Only coverage, but will pay the full cost for dependent coverage tiers (e.g., Family coverage).

The Operator enters the maximum amount they contribute toward an employee’s coverage each month. In this example, it's $1,000.
Example: Safe Harbor (FPL) with buy-up (Employee Only) and maximum (cont.)

The Operator completes the contribution strategy and decides to model employee contributions for a 49-year-old employee with annual wages of $30,000.

Take Note: In general, you should use an “Employee Hourly Wage” when modeling only when you have selected a Safe Harbor – Rate of Pay contribution strategy.

In this case, the Operator uses “Employee Annual Wages” because she is using Safe Harbor – FPL as her contribution strategy.
The Operator will see a page that shows the total monthly premium for their Rate Area, as well as the monthly employer and employee contributions by medical plan and coverage tier.

Because the Operator selected the Safe Harbor Method: Federal Poverty Level applied to the Employee Only tier, the subsidy is the same for Employee Only coverage across all plans offered on the Adoption Agreement. The Bronze plan is the anchor plan.

If needed, the Operator can “Return to Contribution Strategy” to make any changes.

Please Note: The calculations displayed on this page are representative of what employees will see on the online enrollment site. However, the amounts may differ slightly. In addition, these amounts may differ from actual paycheck deductions.
Example: Safe Harbor (Rate of Pay) with buy-up and maximum

Again, the Operator decides to use the Safe Harbor method to decide what to contribute to employee coverage each month, but he or she selects a different Safe Harbor calculation method. The Operator applies a buy-up strategy and applies to all coverage tiers and applies a monthly maximum contribution amount.

The Operator choses to base his or her contribution strategy on the Safe Harbor method and selects “Employee Rate of Pay” as the method for calculating Safe Harbor.

The Operator applies the buy-up strategy to all coverage tiers. However, the Operator also applies a maximum contribution amount, which limits the Operator’s contribution toward an employee’s coverage each month. In this example, it’s $1,000.
Example: Safe Harbor (Rate of Pay) with buy-up and maximum (cont.)

The Operator completes the contribution strategy and decides to model employee contributions for a 38-year-old employee with an hourly wage of $10.

Take Note: In this example, the Operator uses “Employee Hourly Wage” for modeling because he has selected a Safe Harbor – Rate of Pay contribution strategy.

This modeler will calculate contributions so employees do not pay more than 9.69% of their hourly wage times 130 hours for single coverage per month.
Example: Safe Harbor (Rate of Pay) with buy-up and maximum (cont.)

The Operator will see a page that shows the total monthly premium for their Rate Area, as well as the monthly employer and employee contributions by medical plan and coverage tier.

Because the Operator selected the Safe Harbor Method: Rate of Pay applied to all coverage tiers, the subsidy is the same across all plans offered on the Adoption Agreement. The Bronze plan is the anchor plan.

This modeler will calculate contributions so employees do not pay more than 9.69% of their hourly wage times 130 hours for single coverage per month.

If needed, the Operator can “Return to Contribution Strategy” to make any changes.

Please Note: The calculations displayed on this page are representative of what employees will see on the online enrollment site. However, the amounts may differ slightly. In addition, these amounts may differ from actual paycheck deductions.
Make updates before employee enrollment

- You can visit the Adoption Agreement website and make changes or updates any time before **December 21** by clicking on the Contribution Strategy link you will see on the home page. *Take note: This link will only appear after you have completed your 2017 Adoption Agreement and Contribution Strategy the first time.*

- The Plan recommends you complete all updates by **October 19** so they will be ready on the employee online enrollment site when it opens on **November 7**. *Take note: Any updates made after October 19 may be delayed, meaning they may not appear on the employee online enrollment site by November 7.*
Questions?

- If you have further questions about entering your contribution strategy online, please contact the Operator Support Line at **866-881-6646**.
  - Support is available Monday – Friday, 8 a.m. to 4:30 p.m. CT
- If you need help defining your contribution strategy, the Plan encourages you to work with your accountant, legal counsel or tax advisor.