

## Important Early Health Fund Coverage Update

Two weeks ago, we sent all of our 2020 and 2021 contributing employers an e-mail, and a letter, explaining a new Early Health Coverage program being offered by the Equity-League Health Fund (a copy of the part of that letter that explained the new program is enclosed). Essentially, the new program enables employers to make contributions for periods prior to the actual commencement of work, so that their actors and stage managers can become eligible for health coverage earlier than under the Fund's standard rules. These payments are in addition to, not in lieu of, the normal health contributions you must make under your CBA for all weeks of work.

As you will see, the letter indicated that employers could make retroactive contributions for 12 consecutive weeks for non-work periods under this program, by the week ending before rehearsals start (and no later than December 31, 2021). Under the rules set forth in the letter, contributions under this new program would have had to have been received by August 1 for coverage to have started on October 1. Since some employers may have just received that letter, the **Trustees have agreed to extend the deadline for receipt of contributions under the new program to Monday, August 16, for coverage beginning on October 1.** Payments received after that date will be credited based on the rules described in the July 16<sup>th</sup>, 2021 letter.

Since the announcement of the new program, we have received a number of questions regarding it. We are reproducing those questions, and the answers to them, below. If you have any additional questions, please contact the Benefits Services department at the Fund Office at 212.869.9830, or send an e-mail to [health@equityleague.org](mailto:health@equityleague.org)

1. **What is the earliest date that coverage can begin under the new program?** In no event can coverage begin earlier than the first of the month after rehearsals begin, regardless of when payment is received.
2. **How does the Fund determine when coverage starts?** The Fund will credit all 12 weeks based on the receipt date of the retroactive contributions. As set forth in the July 16<sup>th</sup> letter, the 12 weeks are credited to the 12 weeks ending the Sunday before your payment in full is received. The start date of coverage is based on the regular Plan rules as if the individuals had worked those 12 weeks ending on that Sunday, except that coverage based on the retroactive contributions will not start before rehearsal starts.
3. **Can you give an example of when coverage starts based on retroactive contributions?** If your payment was received on August 1, it would automatically be applied to the 12-week period ending July 25, for coverage beginning on October 1 (assuming rehearsals started by September 30). Given the new extended deadline mentioned above, a payment received by Monday August 16 will be applied to the 12 weeks ending on July 25 as well. However, any payments received after August 16 will be applied to the 12 weeks ending the week before the payment was received, and coverage will begin the first of the month following a two month waiting period. For example, if a final payment is received by September 5, it will be credited to the 12 weeks ending August 29, and coverage will begin on November 1 (two months after the end of the last week to which your early contributions were applied), assuming rehearsals started by October 31.
4. **What is the latest date I can take advantage of the Early Coverage Program?** The program ends on December 31, so payment must be received no later than that date (and in any case must be received by the end of the first week of rehearsal). Payments received on December 31, 2021 will be

applied to the 12 weeks ending on December 26 (with coverage beginning on March 1, assuming rehearsals started by February 28).

5. **Must I make contributions for the entire cast that will be in place when the show opens, or can I just contribute for the employees who were already in the cast before the shutdown occurred?** That depends on the nature of your production. If it is returning from the shut down, you need only make contributions for all the cast members who were with the show at the time of the shut down and who will be part of the re-opening. But you have the option of contributing for cast members who were not with the show when it closed but will be part of the cast as of the beginning of rehearsals. If you choose to contribute for these new cast members, you must contribute for all new cast members. If yours is a new production, you must contribute for everyone in the cast when rehearsals start.
6. **Can contributions be made for some of the cast at one point, and the rest of the cast on a subsequent date?** No, payment must be made for the entire cast you intend to provide early coverage for at the same time.
7. **What happens if I make early contributions for a cast member who ends up withdrawing or otherwise leaves the show before the first date that person would have started rehearsals?** Coverage is conditioned upon the individual actually starting work as of the first day of rehearsal. Therefore, coverage would not be provided based on retroactive weeks contributed for any performer who leaves the show prior to the start of rehearsal. If this occurs, you will have the option of receiving a refund for your contributions for that person, because that person did not qualify for coverage. Alternatively, if you have agreed to contribute for new employees, you can apply the contribution you made for the cast member who has withdrawn to a new employee who will be employed when rehearsals begin. Once work on a show begins, a contribution cannot be transferred to another cast member.
8. **What happens if rehearsals are delayed or employment on a show never begins?** If the show/rehearsals are delayed, then coverage would be similarly delayed. If a show is cancelled prior to rehearsals beginning, then coverage would not be provided (and the contributions would be refundable under the Fund's existing policy or available as a credit). No refunds would be provided once rehearsals start.
9. **What do I have to do to get started?** You must have a CBA for the show in place that requires the contributions to the Health Fund (a CBA in place prior to the shutdown suffices as long as it has not been superseded). In addition, you need to provide the Fund Office with a list of cast members and their Social Security numbers, and explain when rehearsals/other covered employment begins. Once we receive your request, we will send you an e-mail explaining your responsibilities under the program, which will include an attestation that you must sign that the individuals for whom you are contributing are expected to be engaged by the start of rehearsals.
10. **Must my employees elect coverage on the first date it is available?** No, just as under the regular plan rules, coverage does not begin until the employee pays the required premium.

Excerpt From Letter to Employers Dated July 16, 21

## **NEW TEMPORARY EQUITY-LEAGUE HEALTH FUND EARLY COVERAGE OPTION**

**Opportunity to Pay for Health Weeks for Non-work Periods Before Rehearsal** In light of the pandemic, and limited opportunities for actors to obtain health coverage through employment, the Trustees of the Equity-League Health Fund are happy to announce that they have adopted the following policy to allow payment of Health Fund contributions for non-work periods prior to the resumption of work. This will enable health coverage to begin sooner than it otherwise would have under the Fund's coverage standard eligibility rules.

Early commencement of coverage eligibility is subject to the following conditions:

1. Employers may contribute to the Health Fund for 12 consecutive weeks for non-work periods.
2. In order to accelerate the start date of coverage for employees, the 12 weeks of contributions may be made for prior weeks. In that case, the weeks will be credited backwards from the last Sunday prior to the date the Fund receives the contributions. For example, contributions for 12 weeks received on July 2 would be credited to the 12 weeks ending April 11 through June 27. Instead of paying the 12 weeks in a lump sum, Employers may also pay the 12 weeks on a weekly basis (or a combination of lump sum and weekly) for periods prior to the start of work. For example, an Employer could contribute 6 weeks on July 2 and then contribute weekly thereafter for 6 more weeks (through August 13). In that case, the contributions would be credited for the 12 weeks ending May 23 to August 8.
3. All the regular Fund eligibility rules, including the two-month wait period before coverage starts, apply. So if an Employer contributed 12 weeks ending with the week of June 27, the employees would be offered coverage (at Tier 3 In-Network Only) on September 1\*. Alternatively, if the Employer contributed for the weeks ending May 23 to August 8, the employees would first be offered coverage (at Tier 3 In-Network Only) starting November 1. (Both examples assume the employees had no other work weeks and were not already covered).
  - i. \*In this example, if an Employer has a weekly contribution rate of \$150 and chooses to pay for 12 weeks in a lump sum by July 2, the contribution would be \$1,800 and would cover the period from April 11 through June 27, triggering coverage eligibility on September 1, for Tier 3 In-Network Only coverage. Simultaneously, assuming work (e.g., rehearsals) began on October 1, the Employer would begin paying weekly contributions of \$150 then, which would earn ordinary eligibility through employment for Tier 3 In-Network Only coverage on March 1, exactly as the coverage earned via the lump sum contribution was ending. Therefore, any gap between the beginning of pre-employment contributions and normal contributions that is greater than exists in this example will result in a gap in coverage. Consequently, Employers should

- take care in selecting the timing of pre-employment contributions in relation to when employment starts (and therefore, regular contributions resume).
- ii. In the above example, based on the timing of the lump sum pre-employment contributions and the start of work-based contributions, employees who work continuously from the start of work for at least 12 weeks will qualify only for Tier 3 In-Network Only (unless they buy up to Tier 2) when their first 6 months of coverage (based on the lump sum contributions) ends. However, if an Employer wishes its employees to be offered a level of coverage above Tier 3 In-Network Only immediately after the 6 months of coverage based on the pre-employment lump sum coverage expires, the Employer may be able to adjust the timing of the lump sum contributions to make the gap between the pre-employment contributions and normal contributions a month shorter. In that case, while the initial coverage (based on the lump sum contributions) will be for Tier 3 In-Network Only, there will be enough weeks of work accumulated (for those who continue to work) to qualify for Tier 1 coverage in the second period of coverage. But note that if the pre-employment contributions are paid later, coverage will also start a month later, a month after the start of work in this example.
  - iii. Since the timing rules for coverage are complicated. Employers who are interested in contributing under this policy should contact the Fund Office as soon as possible.
    - 4. For shows resuming following the pandemic-related shutdown, contributions must be made for all furloughed cast members returning to the show at the start of rehearsals. Employers may agree to make contributions on behalf of new members in the cast, provided they are made for all new members. For new shows, contributions must be made for all cast members.
    - 5. Contributions for non-work periods under this policy must be received by the end of the first week of rehearsal and no later than December 31, 2021. The option pay for non-work periods prior to rehearsal will no longer be in effect after December 31, 2021.
    - 6. Contributions are due at the weekly rate under the applicable collective bargaining agreement.
    - 7. Contributions for non-work periods under this policy are in addition to (and do not reduce) contributions due for all weeks of work, starting with the first week of work.
    - 8. Contributions must be due pursuant to a written agreement between the employer and Actors' Equity Association and comply with the requirements of this policy, and such written agreement must be made prior to the start of the first rehearsal.

For questions about this policy, please contact the Fund Office by telephone: (212) 869-9380 or toll free outside of NYC (800) 344-5220.