Spousal Surcharge Information

As of April 1, 2018 MCHS introduced a spousal surcharge that will be applied to the monthly health insurance under special circumstances. A “spousal surcharge” is an additional fee of $100 (pre-tax) per month applied to an employee’s monthly premium, if a spouse is included on their MCHS health insurance plan and he/she has access to health insurance through his/her employer.

The application of a surcharge is common among large employers as a way to help navigate the rising costs and other challenges facing employers in today’s health insurance environment.

The below FAQ has been developed to provide additional information on the “spousal surcharge” and how it applies to MCHS health plan members.

Q: What is a spousal surcharge?
A: A spousal surcharge is an additional fee of $100 (pre-tax), added to the participant’s share of the health insurance premium. The surcharge will apply if a spouse is included on your MCHS health insurance plan and he/she has access to health insurance through his/her employer.

Q: Will the spousal surcharge apply to the dental insurance also?
A: No, the surcharge will apply to health insurance only.

Q: Will the spousal surcharge apply if my spouse is enrolled in both a plan through his/her own employer and included on my family health plan?
A: Yes, the spousal surcharge will apply if your spouse is included on your MCHS group health plan and he/she has access to coverage through his/her employer.

Q: My spouse works part-time through his/her own employer and is eligible to enroll in health insurance. Will the surcharge still apply?
A: Yes. If your spouse has access to health insurance through his/her own employer, regardless if they are full or part-time status, the $100 (pre-tax) spousal surcharge will still apply.

Q: Is the $100 (pre-tax) surcharge prorated if I am part-time or my spouse works part-time?
A: No, the $100 (pre-tax) surcharge will still apply as long as your spouse has access to health insurance through his/her own employer.
Q: How is the $100 (pre-tax) fee deducted?
A: The $100 (pre-tax) fee is added to the total monthly premium, divided in half and deducted from the first two checks of the month. Premiums are deducted during the coverage month; premium for March is deducted from the March paychecks.

Q: Will the additional $100 fee be deducted pre-tax or post-tax?
A: The additional fee will be deducted pre-tax.

Q: My spouse is Medicare eligible. My spouse is included on my MCHS health plan and is not enrolled in Medicare. Will the surcharge apply?
A: No, the surcharge will not apply, assuming the spouse is not employed and does not have access to health insurance through his/her own employer. For this purpose, Medicare is not considered own employer coverage.

Q: What other health insurance coverages are not considered own employer coverage?
A: The spousal surcharge will not apply if your spouse is also employed with MCHS in a benefit eligible status, eligible for Medicare, inactive military coverage or qualify for Badger Care or Medicaid type benefits.

Q: Who is responsible for maintaining spouse’s eligibility status?
A: You (health plan participant) are responsible for maintaining your spouse’s eligibility status on the Workday Benefits/Change Dependents event. Edit A Dependent instructions are available or contact a Human Resources benefits representative for assistance – mcl.hr.benefits@marshfieldclinic.org