eVerge LIVE

Oracle HCM Cloud Benefits
Configure for New Hires that Cross Plan Years

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PURPOSE

This paper will explain how to effectively produce the correct benefit enrollment plans/options and rates when the event date and the coverage/rate start dates are in different years for a New Hire.

SUMMARY OF THE ISSUE

Many employers have a waiting period that an employee must satisfy before new benefit enrollments will take effect. However, an employee can make their enrollment choices during the waiting period.

Configuration can generally handle different coverage and rate start date rules. But an issue presents when the date of hire is in one plan year and the benefit rates and coverage start in the next plan year, for example an employee is hired on December 5, 2020 but benefits are not effective until February 1, 2021. When the New Hire life event is evaluated, the resulting benefit enrollment plans/options and rates available to the employee for enrollment are the benefits as of the date of the event (date of hire December 5) instead of when the benefits will become effective (February 1).

The first issue is that the employee is not viewing/enrolling the most up to date benefits and rates that apply when benefits become effective.

The second issue is that the rates applied are for the plan year that the employee was hired (2020), but when the benefits became effective and will deduct the old plan year rates instead of the new plan year rates. Typically, an administrative life event would need to be processed with a life event date in the new plan year for the employee so the new rates to take effect.

BACKGROUND

Life events are used to determine eligibility for benefits (or reevaluate), when an employee can make enrollment changes, or person data like salary or age that can affect rates or coverage. A life event is required for the Benefits module to evaluate or reevaluate any the benefits offered to an employee.

When any life event is evaluated, the Benefits module uses the date of the event as a point in time in which to evaluate eligibility and enrollment options. In the case of a New Hire enrollment, the Benefits module evaluates the benefits program and rates as of the date of the event, not the effective date of coverage and rates.
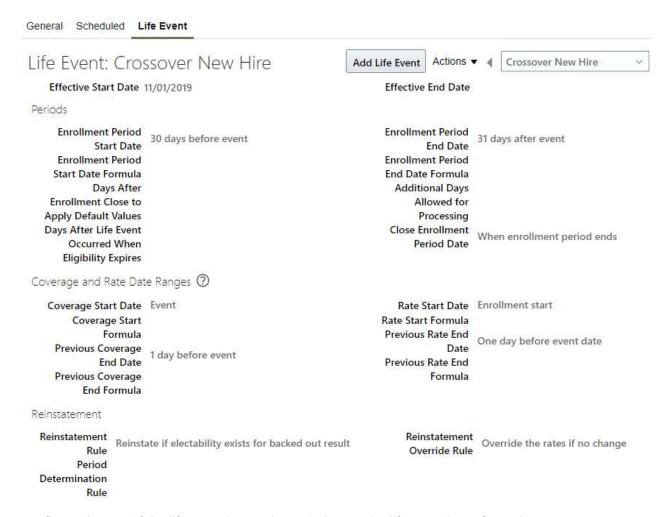
SOLUTION

CROSSOVER NEW HIRE LIFE EVENT CONFIGURATION

Example: a new employee is hired on December 6, 2021 and the benefits coverage starts the first of the next month. The employee's benefits will begin January 1, 2022.

Create a crossover New Hire event that will have the same configuration as the original New Hire life event, except for the Enrollment period, coverage and rate start dates and Employee Self Service (ESS) access. The plans/options configuration would be the same as the original New Hire life event.

For a Crossover New Hire event the Event date will be the date that coverage should start, so in in the configuration the Coverage Start Date and Rate Start Date need to be configured for the Event Date.

Enrollment Period Start and end dates will depend on the client's requirements. In this example, the client gave the employee access to ESS 30 days before the Event date, which would include the employee's hire date. Chose whatever option works best for the client requirements.
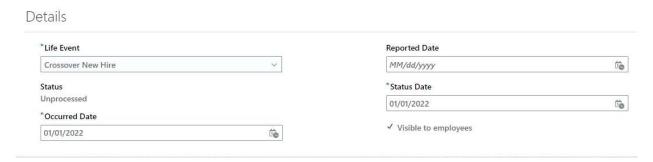
General   Scheduled   **Life Event**

Life Event: Crossover New Hire   Add Life Event   Actions ▼ ◄   Crossover New Hire ▼

Effective Start Date 11/01/2019   Effective End Date

Periods

Enrollment Period Start Date	30 days before event	Enrollment Period End Date	31 days after event
Enrollment Period Start Date Formula		Enrollment Period End Date Formula	
Days After Enrollment Close to Apply Default Values		Additional Days Allowed for Processing	
Days After Life Event Occurred When Eligibility Expires		Close Enrollment Period Date	When enrollment period ends

Coverage and Rate Date Ranges ⑦

Coverage Start Date	Event	Rate Start Date	Enrollment start
Coverage Start Formula		Rate Start Formula	
Previous Coverage End Date	1 day before event	Previous Rate End Date	One day before event date
Previous Coverage End Formula		Previous Rate End Formula	

Reinstatement

Reinstatement Rule	Reinstate if electability exists for backed out result	Reinstatement Override Rule	Override the rates if no change
Period Determination Rule			

Configure the rest of the life event just as the typical New Hire life event is configured.
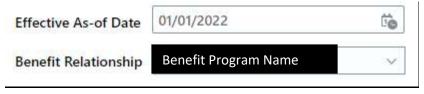
ADMINISTERING THE CROSSOVER LIFE EVENT

Example: a new employee is hired on December 6, 2021 and the benefits coverage starts the first of the next month. The employee's benefits will begin January 1, 2022.

1. Query EE in the Benefits Service Center (Benefit Administration area).
2. Find any life events detected for Hire life event. Delete those events.
3. Scroll to the Potential Life Events, create the new Crossover New Hire life event with the Event/Occurred date that equals the Coverage effective date. For example, this EE started on December 6, so the Event Date will be January 1, 2022. Save the life event.

4. On the main page, change the Effective As of Date at the top of the page to the Event Date. In the case of this example it would be 1/1/22.

5. Scroll to the Potential Events > Actions > Evaluate Life Events.
6. Enrollment window should open up in 'Started' Status. The EE can enroll now and see the new plan year's rates/benefits and Coverage/rates will start on the correct effective date.

Document Control

Change Record

Date	Author	Version	Change Reference
July 26, 2021	Beth Blom	1.0	Initial Document

Reviewers

Name	Position

Approvals

Name	Date