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Spousal Surcharge Q&A

What is the spousal surcharge?

The spousal surcharge is an additional premium that will apply when your spouse works and has access to group health coverage from his or her employer but elects to decline that coverage, using Gordmans health plan for primary coverage instead. The 2016/2017 spousal surcharge will increase to \$90 per pay period.

If my spouse chooses Gordmans health insurance because their company doesn't offer health insurance, or my spouse is self-employed, would the surcharge apply?

No.

What if my spouse quits or loses their job but has access to COBRA. Does COBRA constitute employer-sponsored coverage?

No. The spousal surcharge applies to those who are employed and have access to employer-sponsored health care. COBRA coverage would not qualify as employer-sponsored health care. Medicare would not qualify as employer-sponsored health care, either.

My spouse is unemployed. Do I have to pay the surcharge?

No.

My spouse is retired and has coverage based on their retirement. Do I have to pay the surcharge?

No. That is why the spousal surcharge is often called the working spousal surcharge.

If my spouse does not have a job during Gordmans annual enrollment but starts working after I have elected to cover them under Gordmans, do I have to pay the surcharge?

Yes, you will need to notify Corporate Benefits Department within 30 days of this change. Please note that if your spouse becomes employed after the plan year begins, this is a qualifying event that will allow you to make new elections under Gordmans health plan. For example, you could choose to terminate your spouse's coverage under Gordmans plan and he/she could become covered under his/her employer's plan provided this change is made within 30 days of the event.

My spouse works and wants to elect Gordmans benefits as primary coverage, even though his employer also offers health care coverage. Do I have to pay the surcharge to use Gordmans as his primary benefits provider?

Yes, you will have to pay a surcharge for benefits under the Gordmans health care benefit plans.

If my spouse is covered by Medicare, a Medicare individual policy, or Medicaid, will the surcharge apply?

No.

If both me and my spouse work at Gordmans, will the surcharge apply?

No.

What happens if my spouse picks-up coverage at his/her employer and sends in notification of their other coverage at a later time?

Upon receipt of a letter from the other employer showing the effective date of the group health insurance coverage, the spousal surcharge will be discontinued the first paycheck following the receipt of the documentation. The documentation must be submitted to Corporate Benefits Department within 30 days of the effective date of other coverage. No refunds of health insurance premiums or spousal surcharge will be made.

Is the spousal surcharge deducted before or after income tax?

The spousal surcharge is deducted before income taxes.