

To maintain affordable, quality benefit plans, Paychex – PEO and our partners have agreed to the specific employer contribution and participation requirements outlined below.

General Requirements – applies to all Carriers

- Client contributions, waiting period and plan selections may only be changed at initial offering or at annual enrollment. Maximum waiting period for all Carrier plans is 60 days.
- Client must offer a qualified medical plan for employees to participate in PEO FSA Medical Reimbursement Plan; employees may participate in PEO FSA Dependent Plan regardless of medical plan availability.
- All Major Medical Carriers have a \$10,000 life insurance policy through MetLife on the employee only level.
- All employees who work an average of 30 or more hours per week are eligible for benefits.
- Spouses who work in the same company count as one enrollment for participation purposes.
- A maximum of 4 plans can be offered to a group.
- Groups with under 10 eligible at initial UW must meet additional underwriting criteria
- Class codes must be based on bona fide business differences and treat all similarly situated employees equally.
- Deductions are based on payroll frequency. Weekly pay frequencies will have deductions over 48 pay periods per year. If a month has five pay periods, the fifth pay period will be automatically blocked. Biweekly and semi-monthly pay frequencies will have deductions over 24 pay periods per year. If a month has three pay periods for Biweekly pay frequencies, the third pay period will be automatically blocked. Monthly pay frequencies will have deductions over 12 pay periods per year.

Contribution Requirements – applies to all Carriers

- Minimum employer contribution is 50% of the lowest employee-only rate offered to employees*
 - As the coverage level increases, the employer contribution must be greater than or equal to the contribution for the previous coverage level.
 - If offering dual carriers, the minimum employee-only rate for client contributions will be by Carrier
- *Note: Health Care Reform may require different contribution requirements based on each client's situation. The client should consult their legal counsel and/or tax professional for additional guidance.

State Mandated Disability Insurance Requirements

- Employees who work in New York and Hawaii will automatically be enrolled in STD state plans. No self-retaining STD plans or employee contributions allowed for either of these disability plans.
- NY Paid Family Leave Plan will be automatically added to any employee with a NY SUI state. 100% employee paid

MetLife Disability Insurance Requirements

- Employers have the option to offer all employer paid disability plans, all employee paid disability plans, or a combination of employer and employee paid disability plans.
- If offering employer paid plans, only one (1) employer paid LTD and one (1) employer paid STD plan may be offered per class code.
- If a client offers short-term disability (STD or VSD) and long-term disability (LTD or VLD) plan together for a specific class code, the STD 13-week plan and the LTD 90-day plan must be offered together, or the STD 26-week plan and the LTD 180-day plan must be offered together. All full-time employees in that class code are automatically enrolled in the employer-paid plans, if applicable.
- If a client offers a combination of employee paid disability plans alongside an employer paid disability plan, the client may only offer one employer paid option within a class code. The client may offer all employee paid options that coordinate with the chosen employer paid option.
 - A client may not offer both employee paid and employer paid plans of the same benefit level. I.E. EE paid VSD 13 weeks and ER paid STD 13 weeks
- Clients can offer both VSD and VLD plans within a class code but the employee's individual VSD election will determine which VLD plan is available- VSD 13 week plans can be paired with VLD 90 day plans. VSD 26 week plans can be paired with VLD 180 day plans.
- Employees who are eligible for NY and HI disability are not eligible for the other STD or VSD plans. See state specific requirement chart on page 4-5. Employees where state cash programs are taken as a tax will be eligible for STD or VSD, but benefit payment may be reduced.

MetLife Life Insurance Requirements

- Only one (1) employer-paid group life (GTL) plan may be offered per class code. All full-time employees listed in a class code where the client offers GTL, are automatically enrolled in GTL
- Employees are eligible for up to 5x their annual salary or \$400,000, whichever is less without additional medical review (SOH). A temporary class code will be created if SOH is required and the employee will be enrolled in the maximum allowable amount until

the carrier issues approval to increase their life insurance. Once Paychex has approval from MetLife, the employee's coverage will be increased to the full amount going forward to the first of the month following the date approval is received.

- Total allowable life insurance is a combination of employer and employee paid benefits.
- Voluntary, Spouse, and Child Life Insurance plans are automatically available to all full-time employees. Employee may only elect SPI and CHI if they are enrolled in any life insurance. SPI cannot be more than 50%.
- Employees may not be covered as both an employee and dependent.

MetLife Voluntary Insurance

- All plans are deducted post-tax and are 100% employee paid
- Accidental, Hospitalization, Critical Illness, and Pre-paid legal are packaged together.
- Clients must offer all plans within the suite and they cannot be cancelled midyear.
- Accidental Insurance – High and Low Plan and all coverage levels available
- Hospitalization Insurance – High and Low Plan and all coverage levels available
- Critical Insurance – High and Low Plan and all coverage levels available; age rated plans
- Pre-Paid Legal Insurance – Enrolled Employee only coverage; cannot be unenrolled outside of Annual Enrollment
- Short Term Disability Insurance – Employee only coverage; cannot be unenrolled outside of Annual Enrollment
- Long Term Disability Insurance – Employee only coverage; cannot be unenrolled outside of Annual Enrollment
- Whole Life +Long Term Care – Employee only coverage; age rated coverage locked in at initial eligibility. Can only be enrolled in at initial eligibility or at Annual Enrollment; the employee can cancel midyear. Cancellation date is not effective until they submit the MetLife Surrender form.

CHUBB Voluntary Cancer Advocate Insurance

- Plan is deducted post-tax and is 100% employee paid
- Employee only and EE+Spouse coverage available
- Age-rated plan based on employee's age
- Can only be enrolled in at initial eligibility or Annual Enrollment

SmartSolutions Marketplace Plus Plans

- Plans include virtual primary care, discount medical & wellness program, dental and vision discount program
- Available to all part-time employees
- Plans are 100% employee paid and are billed directly to the employee; no contributions through payroll

Miscellaneous Information

- **Self-Employed Individuals (SEIs) and K-1 Earners – Not taking W2 wages**
 - These employees must be in a separate class code
 - All benefits offered must be 100% employer paid
 - These employees are NOT eligible for salary-based life insurance (i.e. 1x, 2x, etc. annual salary)
 - These employees are NOT eligible for Metlife STD, LTD, VLI, SPI or CHI
 - These employees are NOT eligible for MetLife Voluntary Products
 - These employees are NOT eligible for FSA
 - These employees may make posttax contributions to HSA by mailing contributions to PBA. They are not eligible for employer contributions.
- **NextGen EAP** – NextGen EAP is an employee-assistance program (EAP) offered to the entire PEO employee base, free of charge
- **BalanceCare** – BalanceCare is a health advocacy service provided to any employee enrolled in a PEO-sponsored medical plan
- **Working Advantage** – Working Advantage offers exclusive discounts for various goods and services to the entire PEO employee base, free of charge
- **Financial Wellness** – Financial Wellness program (including short term credit) offered through FinFit available free of charge to employees the client opts into the program
- **Health Savings Account (HSA)** – available through Paychex Benefit Account (PBA) to employees enrolled in a qualified high deductible medical plan; no additional cost to the client or employees
- **Flexible Spending Account (FSA)** – medical and dependent care available through Paychex Benefit Account (PBA) at no additional cost to the client or employees
- **Martin Insurance Group** – available to employees at least 64.5 years old for assistance with Medicare supplemental plans.
- **GotZoom** – available to employees to assist with federal student loan dept relief.

Carrier Mandates

California	<ul style="list-style-type: none"> • State-mandated short-term disability (incl. as a tax) • State-mandated paid family leave (incl as a tax)
Colorado	<ul style="list-style-type: none"> • State-mandated paid family leave (incl as a tax)

Connecticut	<ul style="list-style-type: none"> State-mandated paid family leave (incl as a tax)
Delaware	<ul style="list-style-type: none"> State-mandated paid family leave (incl as a tax) begins 1/1/2026
D.C.	<ul style="list-style-type: none"> State-mandated paid family leave (incl as a tax)
Hawaii	<ul style="list-style-type: none"> State-mandated short-term disability (employee(s) are automatically enrolled in Paychex the MetLife STD plan), 100% employer paid FT employees must be offered medical coverage Hooray Health is not available to HI employees
Maine	<ul style="list-style-type: none"> State-mandated paid family leave (incl as a tax) begins 1/1/2026
Maryland	<ul style="list-style-type: none"> Employers headquartered in Maryland, with 51+ Full time eligible employees, may be considered for the PEO Master medical and/or Hooray Health. Employers headquartered in Maryland with less than 51 Full time eligible employees cannot participate in the PEO Master medical and/or Hooray Health (they can access community rated, state-approved plans- self-retained). State-mandated paid family leave (incl as a tax) begins 7/1/2026
Massachusetts	<ul style="list-style-type: none"> State-mandated paid family leave (incl as a tax)
Minnesota	<ul style="list-style-type: none"> State-mandated paid family leave (incl as a tax) begins 1/1/2026
New Jersey	<ul style="list-style-type: none"> State-Mandated Short-Term Disability (incl as a tax) Employer must offer an Aetna Dental PPO plan if they want to also offer the Aetna Dental DMO plan (High PPO must be offered with High DMO and Low PPO must be offered with Low DMO)
New Mexico	<ul style="list-style-type: none"> Employees living in NM, regardless of client situs are not allowed to enroll in any PEO plans. Clients are approved to self-retain benefits for these employees only.
New York	<ul style="list-style-type: none"> State-Mandated Short-Term Disability (employee(s) are automatically enrolled in Paychex MetLife STD plan), 100% employer paid) State-Mandated Paid Family Leave (employee(s) are automatically enrolled in Paychex PFL MetLife plan), 100% employee paid
Oregon	<ul style="list-style-type: none"> State-mandated paid family leave (incl as a tax)
Rhode Island	<ul style="list-style-type: none"> State-Mandated Short-Term Disability (incl as a tax) State-mandated paid family leave (incl as a tax)
Texas	<ul style="list-style-type: none"> All Texas employees participating in a benefit plan, the carrier must be notified within 3 days of the termination of an employee's plan.
Washington	<ul style="list-style-type: none"> State-mandated paid family leave (incl as a tax)

The Benefits Effective Date provided does not guarantee coverage. Benefits always start at the first of the month following the employee's wait period. Rather, Client understands the products and rates provided herein are, and remain, contingent, and subject to Client's continued compliance with the benefit eligibility requirements, which may be changed from time to time by PBS and/or its carriers, required to participate in the applicable benefit plans including, but not limited to, those eligibility requirements set forth in the Medical Fact Finder, the terms of which are incorporated herein by reference. If for any reason, Client cannot or does not, at any time, meet the applicable benefit plan eligibility requirements, or if Client's demographic information changes, or inaccurate information was provided to PBS, PBS can, at its option, withdraw the availability of such plan(s) to Client, or terminate the Agreement. Client understands that the rates above may include commissions payable to the PEO's broker(s) of record and/or benefit administration fees.