

## Revised Small Group Agent Guide, effective July 2018

---

We now have two more paths for people to get small group health benefits! Starting with July effective groups, there are two significant changes in eligibility that make it possible for certain types of employees to get health benefits through their small group employer. Take a few moments to [review the updated Agent Guide](#) and the documents needed to establish coverage for these two new scenarios.

### **Expansion to include 1099 employees**

Small group employers can offer group health benefits to their 1099 employees (workers designated as independent contractors), if they meet the following criteria:

- No more than 50% of the group's total eligible employees can be employed on a contractual 1099 basis.
- The 1099 employees must be employed by the company **full time and year round**.
- All present and future 1099 employees are subject to the same eligibility requirements as taxed employees.
- The small group employer must contribute the same amount for 1099 employees as for all other employees.
- The employer must have at least two taxed employees enrolling in coverage, with tax documents that verify the company is a valid business.
- Employers must also submit the 1099 Eligibility Requirement Form at the time of sale or upon the group's renewal date.
- 1099 employees are not eligible for life insurance benefits.

### **Compliance with Virginia Senate Bill 672 (self-employed eligibility)**

This bill broadens the definition of a small group employer for the purpose of being able to provide health care benefits to a self-employed person.

- *As defined by the Virginia code, a "Self-employed individual" means an individual who derives a substantial portion of his income from a trade or business (i) operated by the individual as a sole proprietor, (ii) through which the individual has attempted to earn taxable income, and (iii) for which he has filed the appropriate Internal Revenue Service Form 1040, Schedule C or F, for the previous taxable year.*
- If the group has more than one owner and no common law employees who are eligible (such as the owners and a part-time employee), then it does not qualify under the new self-employed eligibility definition. (This includes, but is not limited to, husband and wife companies where both are owners.)
- Self-employed groups (groups of one) are not eligible for life insurance benefits.