

PAPER 07 / 08

Workforce Structure Series

GOVCON + WORKFORCE EMPLOYERS
Eligibility | Classification | Contributions | Payroll |
Evidence

Eligibility, Classification, and Contribution Governance

How Archer Jordan Health aligns workforce classifications, plan eligibility, payroll contribution rules, fringe obligations, and trust-controlled funding into one governable health plan structure.

IN THIS PAPER

Paper 07 explains how TrustFirst™ governs the workforce layer of employer health plans: eligibility, classification, contribution rules, payroll alignment, waivers, fringe coordination, enrollment evidence, and trust-controlled funding.

RELEVANT FOR

Government contractors · Service Contract Act employers · prevailing wage employers · Davis-Bacon contractors · multi-state employers · large hourly workforces · CFOs · HR leaders · payroll and operations teams

Eligibility who is covered	Classification what work defines	Contributions what value moves	Evidence what proves alignment
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Eligibility is where plan design meets workforce reality. Paper 07 explains how TrustFirst™ turns classifications, contributions, waivers, payroll data, and participation rules into governable evidence for regulated and workforce-intensive employers.

EXECUTIVE SUMMARY

Paper 07 governs the workforce layer of the plan.

Paper 01 proved TrustFirst™ Architecture through measurable outcomes. Paper 02 defined the fiduciary governance framework. Paper 03 showed where proof lives. Paper 04 governed vendors and fee reasonableness. Paper 05 governed data and transparency. Paper 06 governed the flow of plan money.

Paper 07 turns to the workforce itself: who is eligible, how employees are classified, what contribution rules apply, how fringe obligations are satisfied, how payroll deductions are handled, and how enrollment activity connects back to the plan documents and funding architecture.

For regulated workforce employers, eligibility and contribution governance is not administrative housekeeping. It is the bridge between the plan sponsor's legal obligations, workforce structure, employee experience, payroll execution, and fiduciary evidence.

OPERATING PREMISE

The plan must match the people doing the work.

Employer health plans often fail at the point where the written plan meets the workforce. The plan document may define eligibility one way, HRIS may track employees another way, payroll may code hours differently, and vendors may administer enrollment based on data that no one has reconciled.

That gap matters for Service Contract Act contractors, prevailing wage employers, Davis-Bacon contractors, government contractors, multi-state employers, and large hourly workforces because employee classification, covered work, wage determination status, location, hours, and contribution rules can all affect the plan.

TrustFirst™ begins with a simple premise: a governed plan must be able to explain who is covered, why they are covered, what the employer contributes, what the employee contributes, how fringe value is applied, where deductions flow, and where the record lives.

THE WORKFORCE GAP

Most plans assume eligibility. Few govern it.

Traditional benefit administration often treats eligibility as a data feed. Employees are hired, coded, enrolled, waived, terminated, transferred, or reclassified. The carrier, TPA, PBM, payroll system, and HR team each receive pieces of the story.

TrustFirst™ does not assume that enrollment activity equals eligibility governance. It asks whether the eligibility rule is written, whether the workforce data supports it, whether contribution amounts match the rule, and whether the fiduciary file can prove the process.

Workforce area	What must be governed	TrustFirst™ governance record
Eligibility and classification	Who is covered, which rule applies, how covered work, wage determination status, location, hours, and employment status affect the plan.	Plan documents, SPD, eligibility matrix, classification crosswalk, roster, approval record.
Contributions and fringe	Employer contributions, employee deductions, fringe value, cash-in-lieu rules, waiver treatment, and contribution timing.	Contribution schedule, payroll reports, waiver/election files, fringe analysis, governance minutes.
Enrollment and exceptions	Late elections, rehires, transfers, terminations, retroactive changes, corrections, employee notices, and escalation ownership.	Enrollment audit file, exception log, correction record, employee notice, issue-resolution file.
Payroll, vendor data, and trust alignment	Whether payroll, HRIS, carrier, TPA, PBM, vendor files, deductions, trust activity, claims funding, and payments tell the same story.	Data reconciliation report, trust activity report, contribution tie-out, vendor feed records, quarterly governance summary.

Eligibility must be designed, mapped, reconciled, and recorded.

TrustFirst™ Architecture requires eligibility and contribution governance to be organized around the actual workforce, not around vendor convenience. The plan should define who is eligible, when coverage begins, how classifications are handled, what happens when employees move between contracts, how waivers are treated, and how contributions are calculated.

Where authorized and documented by the plan sponsor, Archer Jordan Health assumes delegated fiduciary governance responsibilities over the structure of the plan: eligibility rules, contribution design, vendor coordination, plan economics, documentation, and the operating cadence used to keep the system aligned.

The goal is not to make HR or payroll carry undefined governance responsibility. The goal is to put the rules, records, vendors, and money movement into a structure that leadership can understand and defend.

CLASSIFICATION AND COVERED WORK

Classification is not just an HR label. It is plan evidence.

In regulated workforce environments, employee classification affects more than job titles. It can affect wage determinations, fringe benefit obligations, eligibility timing, contribution strategy, plan participation, contract cost, and audit documentation.

A TrustFirst™ eligibility file should connect employee status, job classification, contract assignment, location, hours, wage determination status, eligibility category, election or waiver, employer contribution, employee deduction, and record location.

When classifications drift, governance weakens. Employees may move between covered and non-covered work. Part-time or variable-hour employees may be treated inconsistently. New contracts may introduce different wage determinations. Supervisors may change duties without triggering a plan review. TrustFirst™ treats those moments as governance events.

CONTRIBUTION GOVERNANCE

Contributions are where employee trust, plan economics, and compliance meet.

Contribution governance determines how employer money, employee deductions, fringe benefit value, cash-in-lieu arrangements, and self-funded plan funding interact. If the rule is unclear, the money becomes difficult to explain. If payroll does not match the rule, the fiduciary file becomes incomplete.

TrustFirst™ contribution governance requires the plan sponsor to know what the employer is funding, what the employee is paying, how contributions are coded, when deductions are taken, how waivers are handled, and how those amounts reconcile to plan documents, payroll records, trust activity, and vendor invoices.

In self-funded TrustFirst™ plans, contribution governance also connects to trust-controlled funds flow. Employer contributions and employee deductions should not disappear into vendor-controlled economics. They should flow through documented authority tied to the plan documents, trust documents, administrative services agreement, summary plan description, vendor agreements, and approved fee schedules.

ENROLLMENT, WAIVERS, AND EXCEPTIONS

The exception is often where exposure begins.

Eligibility governance is tested by real workforce behavior: late enrollments, missing elections, waivers, rehires, transfers, leave, contract changes, union or non-union populations, part-time schedules, variable hours, and employees who move across locations or job classes.

A functioning plan may process those events. A governed plan records why they occurred, who approved the treatment, what rule applied, whether money moved correctly, and whether the issue created a correction, communication, or future control change.

TrustFirst™ software supports this architecture by preserving eligibility files, plan documents, contribution rules, waiver records, payroll exceptions, employee communications, vendor data, funding records, and fiduciary decisions. Software is part of TrustFirst™. The architecture is bigger than the software.

PAYROLL, DATA, AND VENDOR ALIGNMENT

Eligibility governance depends on systems telling the same story.

The plan document, SPD, payroll system, HRIS, enrollment platform, carrier file, TPA file, PBM file, and trust records should not become separate versions of the plan. If those systems disagree, leadership may not know there is a problem until renewal, audit, employee complaint, or claims dispute.

TrustFirst™ requires eligibility, classification, and contribution data to be reviewed through a year-round governance cadence. Monthly review may include new hires, terminations, waivers, deductions, payroll exceptions, and funding status. Quarterly review may include classification drift, contribution strategy, vendor file accuracy, and documentation updates.

Annual and event-driven reviews should summarize what the workforce structure actually did: who was eligible, who participated, who waived, what contributions were made, how fringe value was applied, where exceptions occurred, what was corrected, and what changes should be made before the next renewal or audit cycle.

TRUSTFIRST™ WORKFORCE STRUCTURE TEST

The questions every governed eligibility system should answer.

- Can the plan sponsor identify which employees are eligible, what rule applies to them, when coverage begins, and how eligibility is documented?
- Can the organization connect employee classification, contract assignment, wage determination status, hours, contribution category, election or waiver, and payroll code?
- Can leadership reconcile employer contributions, employee deductions, fringe treatment, trust activity, vendor files, and employee communications?
- Can the fiduciary file show who approved eligibility rules, contribution strategy, waiver treatment, corrections, and exceptions?
 - Can Archer Jordan Health and the plan sponsor produce a coherent eligibility record under DOL inquiry, DCAA review, contract transition, private equity diligence, employee complaint, or vendor dispute?

If the answer is yes, eligibility is no longer an administrative assumption. It becomes governed workforce infrastructure. That is the TrustFirst™ standard: the plan must match the people, the payroll, the documents, the money, and the record.

LOOKING AHEAD TO PAPER 08

The operating cadence closes the circle.

Eligibility, classification, and contribution governance give the plan a reliable workforce foundation. They connect the people, the payroll, the plan documents, and the funding architecture so the health plan can be governed as it operates.

Paper 08 completes the TrustFirst™ Evidence Library by turning that foundation into a recurring compliance and governance calendar: monthly monitoring, quarterly fiduciary reviews, annual strategy, and event-driven documentation before pressure arrives.