



POLICY & PROCEDURE DOCUMENT

NUMBER: 4.6003

DIVISION: Strategy, Operations and Finance

TITLE: Employee Benefits Eligibility

DATE: January 3, 2000

REVISED: January 1, 2011, September 25, 2012, December 5, 2016, March 1, 2021, April 1, 2026

Policy for: All Regular Full-Time Employees and Other Employees Meeting Specific Criteria

Authorized by: Department of Human Resources

I. Purpose and Scope

The University offers a wide array of employee benefit programs to all eligible employees and eligible dependents. These programs are in addition to salary and represent a significant part of total compensation. The University's comprehensive benefits package is intended to remain competitive with the higher education marketplace and to accommodate the needs of employees and eligible family members.

Effective January 1, 2027, this policy applies to all regular full-time employees, and other employees meeting specific criteria.

II. Policy

A. Definitions

The following definitions shall be used only for purposes of benefit program eligibility. These definitions are not intended to define or determine employee status and classification for other purposes.

1. **Full-time employee**- an individual who is scheduled or reasonably expected to work an average of 30 or more hours per week.
2. **Variable hour employee** – an individual whose hours of work cannot be confidently determined in advance to be equal to or greater than 30 hours per week and whose hours are tracked in an initial 12-month measurement period to determine any future benefit eligibility.
3. **Temporary/short-term employee**- an individual employed to fulfill a temporary need and whose employment period is **less than** twelve (12) calendar months.
4. **Seasonal employee** – an individual employed in a position in which the customary annual employment period is six (6) months or less. "Customary" means that:

- a. By the nature of the position, the employee typically works for a period of up to six (6) months, and
- b. The period of employment begins each calendar year at approximately the same timeframe, such as summer or winter.

B. General Eligibility

The following categories of individuals are considered as meeting the eligibility criteria for comprehensive benefit program participation:

1. Faculty and non-faculty employees who hold regular full-time positions as defined above.
2. Individuals employed as faculty (instructional) in temporary, one-semester full-time positions.
3. Temporary/short-term, non-faculty employees who, at the time of appointment, are *anticipated* to work an average of 30.0 hours or more per week; for individuals working in more than one position/department, total hours per week are aggregated for this purpose.
4. Full-time employees who are benefits eligible and who subsequently change to a part-time status will maintain benefits eligibility for the remainder of the current calendar year. Benefit eligibility for the subsequent calendar year will be assessed prior to commencement of the annual open enrollment period and will be based on weekly average hours worked during the preceding 12- month measurement period.

Compliance Advisory

In compliance with requirements of the Affordable Care Act, hiring officials are not permitted to schedule employees for hours below 30 per week merely to avoid eligibility for the Health Plan.

C. Special Eligibility—Variable Hour and Seasonal Employees

In certain instances, and at the time of appointment, it may not be possible to immediately determine if a non-faculty employee is anticipated to work an average of 30.0 hours per week. Similarly, it may be difficult to determine if a faculty employee will teach an average of fourteen (14) credit hours per semester over twelve (12) calendar months. (Note: each credit hour equates to 2.25 hours of work so that 14 credit hours equal 31.5 total hours) These individuals are defined as “variable hour” employees. Variable hour employees attain benefit eligibility status under the following conditions:

- When variable hours accumulate such that total aggregated hours average 30.0 hours or more per week over a measurement period of twelve (12) calendar months,

the affected employee becomes eligible for benefit participation during the succeeding twelve (12) calendar months.

D. Eligible Dependents for Benefit Program Participation

Unless otherwise specified within benefit program plan documents, the following individuals are eligible for participation in benefit programs:

- A legal spouse
- Other Qualified Adult Dependent (OQD) who is financially interdependent and who shares primary residence with the employee (see Human Resources web page for complete eligibility criteria and related forms).
- Dependent children of the employee or the OQD from birth up to age 26, including natural children, step children, newborn or legally adopted children and children otherwise required to be covered by court directive or law. Children are eligible for coverage through the end of the month of the 26th birthday.

E. Benefit Coverage Effective Date

Unless otherwise specified, benefit plan coverage is effective on the first day of the month following the date of employment OR the first day of the month following attaining eligibility and is conditional upon proper completion of required enrollment documents.

F. Mandatory Retirement Contributions

1. As a condition of employment, retirement participation is required (contributions by the employee and the University) for employees who hold full-time positions covered by the **Teachers' Retirement System** (TRS). Retirement participation is also required for individuals holding part-time positions if employment averages seventy (70) percent time or more. Retirement contributions are applicable regardless of the duration of appointment and are effective on the first day of covered employment. Both employee and employer contribution rates are established by TRS and are subject to change.
2. As an alternative to TRS, an Optional Retirement Plan (ORP)--a defined contribution plan-- is offered to eligible employees. Membership eligibility rules for the ORP are the same as those for TRS. Both employee and employer contribution rates are established based on applicable guidelines.
3. As a condition of employment, retirement participation is required (contributions by the employee and the University) for employees who hold full-time positions covered by the **Kentucky Employees' Retirement System** (KERS). Retirement participation is also required for individuals holding part-time positions (including those that may have changed from full-time to part-time) if employment averages one hundred (100) hours or more per month over a fiscal or calendar year.

G. Voluntary Retirement Plan Participation

Full-time employees and part-time or variable hour employees, whose hours of work average 20 or more hours per week, are eligible to enroll in voluntary supplemental retirement accounts effective the first day of any given month following completion of required enrollment documents.

H. Official Leaves of Absence

1. Employees in an unpaid status or on an official leave of absence may elect to continue applicable benefits provided arrangements are made with the Department of Human Resources and the total premiums for coverage are paid by the employee. The University will continue to pay its share of employer sponsored benefits during any approved FMLA or military leave, as described below:
 - a. For health coverage, employer contributions will be continued up to six (6) months
 - b. For dental, vision, life insurance, short-term disability and long-term disability, employer contributions will be continued up to three (3) months

The above employer sponsored benefit rules also apply in situations where employees are granted unpaid leave for professional development purposes (i.e., leave that is determined to have a mutual benefit to the employee and the University).

The option for continuation coverage through COBRA will be offered for those benefits subject to COBRA at the expiration of the applicable three (3) or six (6) month periods referenced above.

Vacation and sick/medical leave continue to be earned during any period of paid leave, but is not earned during an unpaid leave of absence.

2. Service credit in TRS or KERS, as applicable, is generally earned during any period of paid leave, but not earned during an unpaid leave of absence. However, employees may elect to purchase retirement credit for unpaid qualifying leaves following the rules established by the appropriate retirement system. Employees who elect to purchase such credit shall be responsible for all costs and payments to the respective retirement system.

IV. Exclusions

V. Related Policies

4.6503 Sabbatical Assignments & Retirement Participation
1.1302 Sabbatical Leave

VI. Reason for Revision

To remove the section of this policy pertaining to sabbatical assignment and retirement participation; to modify the Sabbatical Assignments and Retirement Participation Policy for compliance with revised TRS regulations.

To adjust policy for added clarification, Affordable Care Act (ACA) compliance and other elected provisions.

03-01-2021 Modification of policy for compliance and guidance related to full-time and variable hour status and when employees change from full-time to part-time.

04-01-2026 Update dependent eligibility so that coverage ends at the close of the dependent's birthday month rather than at the end of the calendar year.