



POLICY & PROCEDURE DOCUMENT

NUMBER: 4.6002

DIVISION: Finance and Administration

TITLE: Employee Benefits Eligibility

DATE: January 3, 2000

REVISED: January 1, 2011, September 25, 2012, December 5, 2016

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

Authorized by: Director, 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 need of employees and eligible family members.

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 to regularly work 37.5 hours per week (over a 9, 12 or other defined period each academic year).
2. **Part-time employee**- an individual who is scheduled to regularly work less than 37.5 hours per week (over a 9, 12 or other defined period each academic year); hours may be fixed or may vary from week to week.
3. **Temporary employee**- an individual employed to fulfill a temporary or seasonal need and whose employment period is **less than** six (6) calendar months; actual working hours may be full-time or part-time over the specified employment period.

B. General Eligibility

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

1. Faculty and non-faculty employees who hold regular full-time positions, based on the standard work week of 37.5 hours and whose employment is anticipated to be for six (6) months or longer.
2. Individuals employed as faculty (instructional) in temporary, one-semester full-time positions.
3. Part-time, non-faculty employees who, at the time of appointment, are *anticipated* to work an average of 30.0 hours or more per week for six (6) months or longer; for individuals working in more than one position/department, total hours per week are aggregated for this purpose.

Compliance Advisory

In compliance with requirements of the Affordable Care Act, hiring officials are not permitted to schedule employees for 29.0 hours per week merely to avoid eligibility for Health Plan and other benefit eligibility.

C. Special Eligibility—Variable Hour 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 part-time, 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 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 calendar year 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 process.

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 by applicable statutes/regulations and are subject to change.
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 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 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 continued 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.

Appendices: