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

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I. Purpose and Scope

The University offers a wide array of employee benefit programs to all eligible employees and eligible dependents.

II. Policy

A. General Eligibility

1. An eligible employee is defined as an individual who holds a regular full-time position, based on the standard work week of 37.5 hours.

2. Individuals employed in full-time temporary positions are eligible to participate in the University's benefit programs only if employment is expected to continue nine (9) consecutive months or longer.

3. Individuals holding part-time positions are generally not eligible to participate in the University's benefit programs, except for selected benefits (such as limited tuition waivers; please refer to HR Policy 4.6502).

B. Eligible Dependents for Benefit Programs

1. Except as may be specified in certain programs, the following individuals are eligible for coverage in benefit programs:

   a. Legal spouses as recognized under the laws of the State of Kentucky (or if outside of Kentucky, laws of the state where the employee resides).
b. Other Qualified Adult Dependent (OQD) who is financially interdependent and shares primary residence with the employee (see HR web page for complete eligibility criteria).

c. 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 as otherwise required by court action or law. Children may be covered under health and dental programs through the end of the calendar year of the 26th birthday.

C. Benefits Effective Date

1. Benefit program participation is effective on the first day of the month following the date of full-time employment. Retirement participation is governed by separate rules as noted in the following section.

III. Procedure

A. Mandatory and Voluntary 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 Kentucky Teachers' Retirement System (KTRS). 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.

2. Participation rules for the Optional Retirement Plan (ORP- TIAA-CREF, VALIC, ING and Fidelity) are the same as those for KTRS.

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. Under KERS procedures, mandatory retirement contributions only apply to individuals whose employment is expected to be six (6) months or longer. Should an appointment originally be established for less than six (6) months, but later exceed this limit, retirement contributions must be initiated at the earlier of the following: 1) at the time employment extends to six months or more, or 2) at the time it is determined that employment will exceed the six (6) month limitation, if sooner than six (6) months.

4. Student employees are ineligible for retirement participation.

B. Voluntary Retirement Plan Participation

1. 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.
C. 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 FMLA approved leave and/or leave for personal illness, as provided under policy. This same rule applies in situations where employees are granted unpaid leave for professional development purposes. Benefit continuation during an unpaid leave of absence may extend up to a one (1) year period (refer to plan documents for special rules applicable to certain benefit programs).

2. Vacation and sick/medical leave are not earned during an unpaid leave of absence. Service credit in KTRS or KERS, as applicable, is not earned during an unpaid leave of absence. However, employees may elect to purchase retirement credit for 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.

D. Sabbatical Assignments

1. Employees who participate in KTRS and who are granted sabbatical assignments with full pay or half pay shall not earn retirement service credit nor make retirement contributions to KTRS during the period of their sabbatical assignment. Similarly, the University shall not make retirement contributions on behalf of employees. Employees may continue to participate in other employee benefit programs and the University will continue to pay its applicable share of (non-retirement) employer-sponsored benefits.

2. Upon returning to active employment, employees shall then become eligible to purchase retirement service credit for sabbatical assignments under the guidelines established by the KTRS. Employees shall be responsible for the full cost of any service credit purchased except that the University will pay a share of the cost under certain conditions as permitted by KTRS regulations. If the sabbatical service credit is purchased by the returning employee prior to June 30th of the year in which the sabbatical occurred, the employee shall pay 6.16% of the applicable salary and the University shall pay 2.215% of the applicable salary.

3. In cases where the sabbatical service credit is purchased in the fiscal year immediately subsequent to the year in which the sabbatical occurred, the University shall pay 2.215% of the applicable salary plus related interest charges. The employee shall pay 6.16% of the applicable salary plus related interest charges.

4. If the sabbatical service credit is purchased by the employee at any time after the immediate subsequent year, the University shall not participate in the cost of the purchase and the employee shall pay 8.375% of the applicable salary plus interest charges as determined by KTRS.

E. Definitions of Applicable Salary for Sabbatical Service Credit
1. In cases where a sabbatical assignment extends for the complete fiscal year or is limited to the first semester of a fiscal year, the service credit cost calculation is based on the prior fiscal year’s salary. If a sabbatical assignment occurs in the second semester of a fiscal year, the service credit cost calculation is based on the current fiscal year’s salary.

F. Employees Who Participate in the ORP (Optional Retirement Plan)

1. Employees who participate in the ORP—a defined contribution plan—and who are granted sabbatical assignments with full pay or half pay shall continue to participate in the ORP and make contributions just as if in a regular employment status. Similarly, the University will continue to make customary retirement contributions.

G. Faculty Employees Participating in the Transitional Retirement Program (TRP)

1. Faculty members who have attained official retirement status and who have been appointed to instructional assignments under the Transitional Retirement Program, are eligible to participate in certain continuing benefit programs as identified below:

   a. Life insurance
   
   b. Long-term disability insurance
   
   c. Flexible spending accounts—medical and dependent care
   
   d. Voluntary supplementary retirement accounts

IV. Exclusions

V. Related Policies

VI. Reason for Revision

Appendices: