

## Employee Insurance and Other Benefits

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#### I. **Group Insurance Plans**

Employees who are appointed one-half time or more for a period of 4-1/2 months or longer are eligible for participation in the university's group insurance programs. These programs include Group Medical, Dental, Vision, Term Life, Accidental Death and Dismemberment, Short Term Disability, Long Term Disability and Long Term Care. Specific eligibility requirements and details of each program are available from the Office of Human Resources.

#### II. **Premium Sharing**

The University provides each eligible employee appointed one-half time or more for four and one-half months or longer with a monthly premium sharing amount as specified in the current Appropriation Bill for payment of certain group insurance premiums. For each full-time employee, the university will provide 100% of the employee's premiums for the Basic Coverage Package, and up to 50% of the premiums for the employee's dependents. For each part-time employee, the university will provide 50% of the part-time employee's premiums for the Basic Coverage Package, and up to 25% of the premiums for the part-time employee's dependents. Newly eligible employees and dependents will be required to satisfy a 90-day waiting period before State Premium Sharing is provided.

### III. **Premium Redirection**

The University provides each eligible employee with premium redirection which allows an employee to have insurance deductions paid with pre-tax dollars, thus reducing his/her taxable income.

### IV. **Basic Coverage Package**

Each full-time employee will be provided a basic plan of insurance coverage effective on the first day of the calendar month following the completion of a ninety (90) day waiting period from the day the employee becomes benefits eligible. Each such employee may elect optional coverages or waive/decline coverage within thirty-one (31) days of the day the employee becomes benefits eligible. The Basic Coverage Package includes:

- UT SELECT Health Plan, with Prescription Drug Coverage (employee only)
- \$10,000 Basic Term Life Insurance (employee only)
- \$10,000 Accidental Death and Dismemberment Insurance (employee only)

### V. **Optional Coverage**

The employee may select the following Optional Coverages for himself/herself and his/her eligible dependents:

- Dental Insurance
- Vision Insurance
- Voluntary Life Insurance Coverage for employee and dependent
- Voluntary Accidental Death and Dismemberment Insurance for employee and dependent
- Short and Long Term Disability (employee only)
- Long Term Care
- UTFLEX Medical and Dependent Day Care Reimbursement Accounts

### VI. **UTFLEX**

Employees half time or greater appointed for at least 4-1/2 months are eligible for a flexible benefits plan known as UTFLEX. The plan encourages the wise use of medical, dental and day care facilities to promote family wellness. In addition, it allows the employee to save money on his/her taxes.

- A. A portion of an employee's salary that would otherwise be subject to federal taxes can be used to benefit the employee and the employee's dependents. Dollars which the employee redirects through UTFLEX are "tax-free" dollars because the employee pays no federal income tax or Social Security on these dollars.
- B. Under the law, the redirected dollars may be used for:
  - 1. Medical Expense Reimbursement - to reimburse the employee for any unreimbursed medical expenses, such as eyeglasses, dental costs, co-payments, deductibles, over-the-counter drugs and other medical expenses not covered under the employee's insurance or HMO plan; and
  - 2. Dependent / Daycare Expense Reimbursement - to reimburse the employee for expenses for care of children or other dependents.
- C. Full enrollment details will be provided to each new eligible employee during the orientation session. The official enrollment period for all other employees will be the month of July and/or August for an effective date of September 1.
- D. UTFLEX is a voluntary program and employees must re-enroll each year.

## VII. **Teacher Retirement System**

Any employee of the university employed at least one half time, whether paid on a monthly basis or hourly basis, and provided the employment is expected to continue for a period of four and one half months, is eligible for and required by law to participate in the Teacher Retirement System. Exceptions to the law are:

- A. Participants under the Optional Retirement Program.
- B. A person who is solely employed by a public institution of higher education which requires as a condition of employment that the person be enrolled as a student in that institution.
- C. Has retired under the retirement system and has not been reinstated to membership.

Additional information about the Teacher Retirement System may be obtained from the Employee Benefits Section of the Office of Human Resources.

## VIII. **Optional Retirement Program**

The Board of Regents has authorized the establishment of an Optional Retirement Program in lieu of active membership in the Teacher Retirement System of Texas. Please refer to *Optional Retirement Program (ORP)* ([Procedure 3-53](#)) for complete details.

**IX. Tax Sheltered Annuities**

Under a plan approved by the Board of Regents, employees of the university may purchase 403(b) Tax-Deferred Annuities from certain Texas licensed insurance companies. All paid employees are eligible to participate in this program regardless of the percent of time appointed. The amounts contracted by the employee will be forwarded to each insurance company after the salary reductions. A list of carriers approved to offer annuities under the Tax Sheltered Annuity Program is available upon request in the Employee Benefits Section of the Office of Human Resources.

**X. Deferred Compensation Program**

The Deferred Compensation Plan is a program administered by the State Comptroller's Office and is designed to provide employees a method of deferring income tax by investing through payroll reduction in tax sheltered annuities, mutual funds, life insurance, and investment contracts with banks, savings and loan associations and credit unions. All employees of the university are eligible to participate in the Deferred Compensation Plan. Employees interested in participating can receive a list of companies authorized to offer the plan and enrollment forms in the Employee Benefits Section of the Office of Human Resources.

**XI. Social Security**

University employees are covered under the Federal Old Age and Survivors Insurance Program, commonly referred to as Social Security, and are required by law to participate. The United States Congress sets the monthly percentage and maximum contribution amounts.

**XII. Unemployment Compensation**

Under this program, certain weekly benefits are payable to former employees who were separated from employment with the university under conditions specified in the Texas Unemployment Compensation Act and who are unable to find suitable employment. Application for unemployment benefits may be made by contacting the Texas Workforce Commission.

Related Procedures

- *Optional Retirement Program (ORP)* ([Procedure 3-53](#))