April 2, 2018

To: Dean Van Galen, Chancellor
   116 North Hall
   University of Wisconsin – River Falls

From: Mialisa Moline, Chair
   Faculty Senate
   University of Wisconsin – River Falls

Re: UWRF Faculty Senate Motion 2017-18/98

The following motion was approved with 19 in favor, 0 opposed, and 0 abstentions by the Faculty Senate on March 21, 2018:

Motion from the Executive Committee (Mialisa Moline, Chair) to approve the attached revisions to Chapter 5 of the Faculty and Staff Handbook.

_______ Approved

_______ Disapproved

Dean Van Galen, Chancellor 4/3/18

Date
Chapter V: Compensation Procedures and Issues

5.4 Fringe Benefits - Procedures

A number of benefit programs are available to eligible University of Wisconsin employees. These staff benefits can add more than 40% to the value of the employee’s total gross wage. UW-River Falls contributes toward State Group Health, State Group Life and Income Continuation insurance and to the Wisconsin Retirement System. The employee pays the entire premium of other insurances offered; however, these are group rates, and the plans may provide coverage which is important for the employee’s particular situation. For the most current overall summary of applicable benefits, see http://www.uwssa.edu/hr/benefits/uben.pdf

5.4.1 Wisconsin Retirement System (WRS)

Detailed information is available at http://www.uwssa.edu/hr/benefits/relsav/wrs.htm Participation in the Wisconsin Retirement System is immediate and mandatory for those employed at least one-third time for at least one year. All employees who meet BOTH of the following criteria upon hire, as listed in Wisconsin Statute § 40.22, must be enrolled in the Wisconsin Retirement System (WRS) on the date they first render compensable service for the employer:

(1) Employee is expected to work one-third of full-time per year (defined as 600 hours for non-teaching employees and 440 hours for teachers in Administrative Code ETF 20.015).

AND

(2) Employee is expected to be employed for at least one year (365 consecutive days, 366 in leap year) from his or her date of hire.

NOTE: Employees hired to work only nine or ten months per year (e.g., teacher contract) but expected to return year after year are considered to have met the one-year requirement.

For academic year appointments, one academic year meets WRS qualifications. One-third time is equivalent to a 28% academic year or a 21% annual year appointment. Those not immediately eligible are covered after one year if they have worked one-third time in the preceding year. Visiting staff who are on leave from another educational institution are excluded by state law from WRS coverage for the first twelve months of University employment.

Under the WRS, there are both employer and employee required contributions. The University pays the entire WRS contribution on the employee’s behalf—a total of 10.6% of the non-executive employee’s WRS earnings. If the employee leaves WRS employment prior to retirement age, he or she is eligible to receive the employee contribution (5%) plus accrued interest.

In addition to the required contributions, there is a Benefit Adjustment Contribution (BAC) that is used to fund the WRS
benefit improvements that have been legislated over the years. BAC amounts are not credited to the employee’s WRS account and are not included in any benefits. Each year, the BAC is subject to change.

The WRS provides retirement annuities based on age at retirement, years of service and average monthly salary for the three highest years (or total cash value of account, if greater). The earliest age for retirement for general employees is 55, but with reduced benefits. At age 57 and with 30 years of WRS service, an employee is eligible for unreduced retirement benefits. With less than 30 years of service, an employee must be age 65 for unreduced benefits. The Money Purchase option will be used if that would provide a higher retirement benefit than the Formula. A lifetime disability annuity is available after five years of participation in WRS.

5.4.2 Group Health Insurance

Detailed information is available at

http://www.uwsa.edu/hr/benefits/ins/sqhealth.htm

The State of Wisconsin offers a comprehensive group health insurance program which is available to all employees who participate in the Wisconsin Retirement System. Open enrollment is limited to the first 30 days of employment with coverage effective the first of the month following date of timely application. Visiting staff who are excluded from WRS are eligible if they are appointed to work at least 28% for at least one semester (21% for six months for year-round positions).

An employee can choose from several health care plans. Members of HMOs are expected to receive their health care only from physicians, health professionals, and hospitals affiliated with the HMO. Special provision is made for emergency care while traveling outside of the HMO service area. An employee is eligible to select any plan which meets his or her needs. An employee may change plans only during the Dual-choice enrollment period each October for coverage effective the first of the following year. Electronic information is made available each Fall to help employees evaluate their health care options. The only exception is at the time an employee moves out of the service area for his or her health plan. If an application is submitted within 30 days of the date of the move, a change in health plan can be made.

Employee cost varies depending on whether the plan selected is tier 1, 2, or 3. The university premium contribution also varies depending on the tier of the plan. For employees working less than 50%, the University contributes 50% of the total premium.

Late enrollment: Health insurance may be picked up at a later date, but options for coverage may be limited. There would be a 180-day waiting period on pre-existing conditions. Coverage would be effective on the first of the month following receipt of the health application.

Enrollment when other coverage is lost: If an employee and/or spouse are not insured under the State Health Insurance Program because they are insured under a qualifying group health insurance plan elsewhere, and eligibility for that coverage is lost, the employee may take advantage of a special 31-day enrollment period to become insured in the state program without a waiting period for pre-existing conditions.

5.4.2.1 Supplemental Major Medical and Dental Insurance (Epic Life)
The EPIC plan is a voluntary, supplemental insurance that pays costs for covered dental and medical expenses that are left over after the primary insurance policy makes payment. It also provides a small benefit in case of accidental death or certain accidental injuries.

### 5.4.2.2 Anthem DentalBlue Insurance – DentaCare Supplemental, PPO and HMO

Three plans are offered with coverage for diagnostic and preventive services. Other services such as crowns and orthodontia require coinsurance. Benefits and provider restrictions vary between plans. If the HMO is selected, a dental provider must be selected from those associated with the plan. A plan orthodontist must be used. Annual benefit maximums apply. Single, domestic partner, and family coverage are available. Employee-paid premiums are deducted pre-tax.

There are two enrollment periods: Within 30 days of employment, or prior to becoming eligible for employer contributions for the State Group Health Insurance.

### 5.4.2.3 Spectera Vision Plan

Covers one eye exam per year with a $10 co-pay; one pair of glasses/contacts per year; frames covered once every 24 months. The employee must enroll for entire year for eligibility. Premiums are paid pre-tax one month in advance.

### 5.4.3 Life Insurance – State Group Life Insurance

Detailed information is available at:

http://www.uwsa.edu/hr/benefits/ins/intro.htm

The State Group Life insurance program offers term life insurance to employees who have been covered under the Wisconsin Retirement System (WRS) for at least 6 months. Coverage is available to the employee without providing medical evidence of insurability as long as the employee applies within 30 days of completing 6 months of WRS covered employment.

The policy offers five coverage levels: Basic, Supplemental, and Additional (three units), which will pay benefits up to 500% of the employee's annual WRS earnings upon the employee's death. Accidental death and dismemberment coverage is included with the Basic coverage. This would pay a benefit equal to the total coverage the employee has in effect (Basic + Supplemental + Additional) in the event of the employee's accidental death. All or a portion of the total benefit would be payable in the event of accidental loss of limb or sight. Coverage reduces after age 70 for active employees.

If the employee enrolls for coverage, he or she can also apply for Spouse and Dependent coverage when initially eligible, or within 30 days of first having a spouse or dependent to insure.

On termination with 20 years of WRS service or at retirement, coverage may be continued. At age 65, if the employee is retired, the life insurance premiums are waived and the accidental death and dismemberment and all supplemental life insurance in force is terminated. While age 65, the employee's coverage is 75% of the basic coverage at the time of retirement. At age 66 and thereafter, the coverage is 50% of the employee's basic coverage.
5.4.3.1 Individual and Family Term Life Insurance

Employees have the option of carrying additional term life insurance for themselves, their spouses, and members of their families. The cost of the program is borne completely by the insured and is based on the employee’s age. Initial enrollment is within 30 days of employment. Persons who elect to have the coverage after the initial enrollment date must present evidence of insurability satisfactory to the insurer. A premium waiver for disability is included. This coverage is not available to employees collecting a WRS annuity. Domestic partner and his/her dependents may be eligible.

Employees may be insured for $5,000, $10,000 or $20,000 initially, with the option to increase coverage by the same amount yearly up to the maximum of $200,000. An employee’s spouse may be insured initially for $5,000 or $10,000 and, by yearly increases, may increase coverage to a maximum of $100,000. Each child may be insured for either $2,500 or $5,000, with a maximum of $10,000. The optional insurance on children guarantees their future insurability through a special conversion to whole life insurance. An employee may, at any time, apply for additional amounts of coverage by providing evidence of insurability. Upon retirement or termination, a conversion policy is available.

5.4.3.2 University of WI Employees Group Life Insurance: Mutual Service Life Insurance

The University of Wisconsin Employees, Inc. Group Life Insurance Plan provides group term life insurance for eligible employees. The employee must enroll for this coverage within six months of his or her first day of employment. If the employee does not enroll during the open enrollment period, he or she may obtain coverage if he or she provides medical evidence of insurability satisfactory to the company.

5.4.3.3 Accidental Death and Dismemberment Insurance

This plan provides coverage for (1) accidental death, (2) dismemberment or loss of sight, (3) permanent total disability indemnity, and (4) permanent and total loss of use indemnity. It also provides coverage for the employee’s spouse, domestic partner, and/or children under points 1 and 2. The principal sum of coverage available ranges from $25,000 to $250,000. There are no restrictions on enrollment. The employee may enroll at any time. For new appointments the earliest date of coverage is the date of appointment. Re-education and re-training benefits are included. A pilot coverage rider is available. Coverage reduces after age 70.

5.4.3.4 University Insurance Association Group Life Insurance Plan

Membership in the University Insurance Association and this insurance plan is a condition of employment as of March 1, 1979, for persons under age 65 receiving a November 1 check meeting the annually determined minimum salary requirements. This plan provides for decreasing term life insurance under a group policy. The current cost of $24 per year is an annual payroll deduction from the November payroll check. Eligible employees beginning employment after November 1 will have a $12 deduction from the April 1 check for 6 months of coverage.

5.4.3.5 Beneficiary Designation

The state of Wisconsin and the UW System apply the same rules for beneficiary designations for all life insurances and for the death benefit in an employee’s Wisconsin Retirement account.
If the employee does not file a specific designation of beneficiary, or if his or her designated beneficiaries are not living at the time of his or her death, death benefits will be paid according to the statutory sequence:

1. Spouse
2. Children (natural children or legally adopted). If at least one child survives, the share of any deceased child will be paid to that child’s spouse. If there is no surviving spouse of that child, payment will be made to any surviving children of that child. Otherwise, payment will be made to the employee’s other eligible children in equal shares.
3. Grandchild or Grandchildren
4. Parent(s)
5. Brother(s) and Sister(s)
6. Estate

Payment to two or more persons included in any group will be made in equal shares. If the standard beneficiary sequence does not fit the employee’s needs or if at anytime he or she desires to make a change in the beneficiary designation, the staff benefits coordinator will provide a new beneficiary designation form.

5.4.4. Income Continuation Insurance

Detailed information is available at:

http://www.uwsa.edu/hr/benefits/ins/ici.htm

The Income Continuation Insurance (ICI) program is a disability insurance which will replace a portion of the employee’s salary if he or she becomes physically or mentally disabled.

Employees are initially eligible after completing six months of Wisconsin Retirement System participation. At the end of the first year of WRS employment, when the State begins to pay a share of the premium, there is a second enrollment opportunity. After one year of employment, the cost of the 180-day plan is paid entirely by the State. If a shorter waiting period is selected, the employee will pay only a small portion of the premium. Benefits begin at the end of the waiting period the employee selected or after his or her sick leave is exhausted (up to 130 days), whichever is greater. Benefits are available for short term and long term disability, but benefits are reduced by the amounts payable from other state and federal disability programs.

5.4.5 Employee Reimbursement Accounts

Detailed information is available at:

http://www.uwsa.edu/hr/benefits/ins/oera.htm

The Employee Reimbursement Account (ERA) program is authorized by Section 125 of the Internal Revenue Code and allows the employee to pay certain expenses from his or her pre-tax, pre-social security income. Participation in the ERA program does not reduce the employee's earnings for Wisconsin Retirement System benefits. The employee must enroll no later than 30 days from his or her date of hire. The employee must re-enroll each year that he or she chooses to participate. There is an annual open enrollment period in October during which he or she may apply for coverage effective
the following plan (calendar) year.

The ERA program includes three components:

1. A Tax-free Medical Reimbursement Account
2. A Tax-free Dependent Care Reimbursement Account
3. Payroll deductions for State Group Health and State Group Life premiums are automatically paid with pre-tax, pre-social security dollars. The employee must file a "Tax-free Waiver" form if he or she does not want to participate in Automatic Tax-free Premium Conversion.

The Tax-free Reimbursement Accounts allow the employee to deposit money into medical or dependent care accounts through pre-tax payroll check reductions. The employee can then pay for qualified out-of-pocket medical and dependent care expenses and be reimbursed with his or her own tax-free money by making withdrawals from his or her reimbursement accounts. Note: If a balance remains in either reimbursement account at the end of the plan year, these funds may be forfeited.

5.4.6 Tax-sheltered Annuity

Detailed information is available at:

http://www.uwse.edu/hr/benefits/retsav/lsa.htm

A provision of the Internal Revenue Code (IRC 403 (b)) permits University employees to defer taxes on a portion of their salaries by making contributions to a tax-deferred retirement account. This is accomplished through a payroll reduction agreement with the University and is subject to a maximum exclusion allowance. Payroll deductions are permitted for the following approved tax-sheltered annuity vendors: TIAA-CREF; WRS, mutual funds, and insurance companies. Details are available in the Staff Benefits Office.

5.4.7 Deferred Compensation

Detailed information is available at:

http://www.uwse.edu/hr/benefits/retsav/wdc.htm

State employees have an opportunity to participate in a deferred compensation plan. The employee enters into an agreement with the University to reduce salary within set limitations. Amounts not paid are contributed to an investment vehicle belonging to the State. Funds cannot be withdrawn until normal retirement except in the case of financial hardship. These funds are not taxable to the employees until received. Funds are chosen and monitored by the State Deferred Compensation Board. Additional information is available in the Staff Benefits Office.

5.4.8 Retiree Health Insurance Credits

Even though the University does not contribute to health insurance premiums after employment ends, employees who receive WRS retirement may continue their State of Wisconsin Group Health Insurance program coverage for their entire lifetime. Upon termination with at least 20 years of creditable service (whether or not one begins his or her annuity
immediately) or upon retirement and the start of an annuity (regardless of years of service), unused sick leave is converted to credits at the employee's highest hourly pay rate. These credits are used to pay health insurance premiums until exhausted. In addition, employees with 15 or more years of state and/or UW service are eligible for supplemental sick leave credits. Supplemental sick leave credits in an amount equal to the employee's own accumulation are converted at the employee's highest rate of pay, subject to program maximums.

Sick leave credits are pre-funded by the University with an annual contribution of 1.9% of salary.

Examples:

An employee who starts an annuity and retires after five years, with 480 hours of accumulated sick leave and a highest hourly salary of $30, would have $14,400 of nontaxable sick leave credits (480 x 30).

An employee who retires after 15 years, with 1500 hours of accumulated sick leave and a highest hourly salary of $30, would have $45,000 of non-taxable sick leave credits (1500 x 30). In addition, the 15 years of service entitles the employee to supplemental sick leave credits. For someone with 15 years of service, the highest number of allowable hours is 780, regardless of accumulation over that amount. This employee then has an additional $23,400 of non-taxable sick leave credits (780 x 30).

5.4.9 Long-term Care Insurance

Detailed information is available at:

http://www.uwsa.edu/hr/benefits/ins/oltc.htm

All employees may apply for long-term care insurance at any time, subject to medical underwriting. Spouses and parents of employees or spouses may also apply. Benefits may include short and long-term care, assisted living, community-based care, and nursing home care. The employee pays 100% of the premium.