



(SECTION 300) BENEFITS

301 GENERAL BENEFITS INFORMATION

Kennesaw State University offers benefits eligible employees the opportunity to participate in various benefit plans provided by the Board of Regents and/or Kennesaw State University, which include but are not limited to health insurance, dental insurance, vision insurance, life insurance, accidental death and dismemberment insurance, disability income insurance, life insurance, dependent life insurance, pre-tax saving flexible spending accounts (parking, health, dependent care) and retirement plans.

The University contributes toward the premiums for health, basic life and 40% long-term disability insurance and matches retirement contributions based upon terms set by the Georgia Legislature.

Human Resources provides each eligible employee with complete descriptions and comparisons of the available benefit plans, along with the respective monthly premiums. For specific information on the available benefit plans, please refer to the Human Resources webpage at <http://www.kennesaw.edu/HR>

302 BENEFITS ELIGIBILITY

It is Kennesaw State University's policy that "benefits eligible" employees must be appointed to a regular position that has an anticipated duration of six months or more, and is at 75% FTE (30hrs/wk). Benefits eligible employees may elect to cover their spouses and eligible dependent children.

302.1 New Employees

New benefits eligible employees may enroll in available benefit plans within the first 31 days of employment without a medical underwriting review.

Employees who do not enroll in benefit plans within the first 31 days of employment must wait until the annual open enrollment



period to enroll or until a qualifying event takes place (see section 308.1). Employees should be aware that some plans only offer enrollment within the first 31 days of employment which may be their only opportunity to enroll in certain benefits. Additionally, enrollment in certain benefit plans during the Open Enrollment period may be based upon the approval of a medical underwriting review.

302.2 Eligible Dependents

Eligible dependents include the spouse and dependent children up to age 19, or up to age 26 with proof of full-time student status at an accredited institution. If a dependent becomes medically disabled prior to the age of ineligibility, he/she may continue as a dependent with medical certification. A marriage license, birth certificate, or other document establishing a dependent relationship is required as a condition of dependent coverage.

302.3 Domestic Partners

Domestic partner of employees are eligible to enroll in certain benefit plans offered by Kennesaw State University. An affidavit of domestic partnership is required. This form can be obtained from Human Resources.

303 HEALTH INSURANCE

Employees who are benefits eligible have 31 days from their benefits eligibility date to select a medical plan from the various plans offered. Every fall the University offers an open enrollment period during which employees may change their healthcare plan elections and/or levels of coverage.

The University pays approximately 75% of the cost of healthcare coverage. The employee must pay the remaining portion of the premium through payroll deduction. Premiums for medical insurance are withheld from the payroll check on a pre-tax basis.

304 DENTAL INSURANCE



The University provides voluntary dental programs for all benefits eligible employees. The employee pays 100% of the monthly insurance premium and the premium is withheld from the payroll check on a pre-tax basis. The Regent's Dental plan is only available to eligible employees within the first 31 days of employment. All other dental plan options have an annual open enrollment period.

305 ACCIDENT INSURANCE TRAVEL & IDENTITY THEFT

All regular classified employees under age 70 who are benefits eligible may elect supplemental accidental death and dismemberment insurance. The employee pays 100% of the monthly insurance premium and the premium is withheld from the payroll check on an after-tax basis. This insurance includes medical travel assistance and identity theft assistance.

306 LIFE INSURANCE

306.1 Group Life Insurance

The University pays the full cost for \$25,000 of basic life insurance for all benefits eligible employees.

306.2 Supplemental Life Insurance

Eligible employees may purchase supplemental life insurance in increments of 1, 2, or 3 times annual salary. The premiums are based on the age of the insured and the amount of coverage selected. This is optional coverage and is paid entirely by the employee with after tax premiums.

306.3 Dependent Life Insurance

Eligible employees may also insure their dependents (spouse & children). Dependent life insurance is equal to \$10,000 for your spouse and each of your children between the ages of six months and 19, or up to age 26 with proof of full-time student status at an accredited institution and unmarried status. If a dependent becomes medically disabled prior to the age of ineligibility, he/she may continue as a dependent with medical certification. Premiums are deducted after tax.



306.4 Optional Insurance

Eligible employees may purchase directly from various University benefit providers supplemental insurance for themselves and their dependents. For a complete list of available plans, please refer to:

http://www.kennesaw.edu/hr/ben_supp_plans.shtml

307 DISABILITY INCOME INSURANCE

Eligible employees will receive long-term disability insurance upon hire. This coverage provides for 40% of an employee's existing monthly income after a 150 day elimination period. The illness or injury must be certified by a physician.

Employees may choose to participate in short-term and/or additional long-term disability income insurance. These voluntary plans allow employees to receive a benefit if employees become ill or injured and are unable to perform their jobs duties for an extended period of time.

Short-Term Disability is for any covered employee who experiences an illness or injury which lasts more than 14 calendar days as certified by a physician. Coverage is 60% of weekly salary and benefit payments are made accordingly. Coverage is extended as long as the employee continues to be certified disabled by a physician up to 22 weeks.

Employees also have the option of purchasing an additional 20% layer of long-term disability insurance coverage, which will provide 60% of their existing monthly income.

Benefits are provided as long as the employee continues to be medically certified as disabled, possibly up to retirement age.

Premiums for optional coverage are deducted after-tax.

308 SECTION 125 PLAN – FLEXIBLE SPENDING ACCOUNTS

Kennesaw State University participates in a Section 125 Plan as authorized by the Internal Revenue Code.



Employee health, dental, vision and flexible spending account premiums are deducted on a pre-tax basis and are not subject to federal tax, state tax and/or FICA. The choices made by a new employee or during the annual open enrollment period must remain in effect for the entire plan year (January 1 – December 31), unless the employee has a mid-year qualifying event (refer to section 308.1).

The annual open enrollment period normally occurs during the months of October and November with coverage dates effective January 1 of the following calendar year.

308.1 Qualifying Events for Mid-Year Changes

The IRS regulation, under Section 125, has strict rules regarding the operation of these plans. Exceptions are permitted under IRS rules when a member has a mid-year qualifying event. Employees are required to notify Human Resources within 31 days of the qualifying event and complete the appropriate forms to make mid-year changes. Some examples of mid-year qualifying events include:

- Change in marital status
- Birth or adoption of a child
- Death of a covered dependent
- Loss of eligibility status by a covered dependent
- Change in employment status that affects eligibility for coverage
- Loss or gain of healthcare coverage eligibility under Medicare or Medicaid
- Change in residence to a location outside of a healthcare plan's service

308.2 Transfer of Benefits to another Unit within the University System of Georgia

Upon movement of an employee among institutions of the University System, accumulated sick leave, retirement benefits and service continuity will be transferred if there is no actual break in service. Plans which are unique to Kennesaw State University may not be transferred to an employee's new employment.



For employees with accrued vacation of 20 or fewer days (160 hours), the employee must transfer to the new unit all accrued vacation up to 20 days (160 hours). For employees with accrued vacation of greater than 20 days (160 hours), an employee may elect one of the following options:

- Transfer of the total accrued vacation balance, not to exceed 45 days (360 hours); or
- Receive payment from the former institution of accrued vacation leave in excess of 20 days (160 hours). The total accrued vacation leave for which the employee may be paid shall not exceed 25 days (200 hours)

An employee must transfer accumulated sick leave if there is not a break in service.

309 CONTINUING BENEFIT PLANS AT TERMINATION

Terminating employees will retain insurance benefits through the end of the month that they terminate, provided the full premiums have been paid. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), employees may elect to continue medical, dental, vision, and/or flexible medical spending account for up to 18 months. In special instances, the 18 month period may be extended. The flexible spending medical account terminates at the end of the calendar year after employment ends. COBRA election must be made within 60 days from the date COBRA notification is received by the employee. Payment of COBRA premiums must be paid in full before coverage is reinstated.

309.1 Disabled Status

If a qualified beneficiary is determined to be disabled under Title II or XVI of the Social Security Act at the time employment ends and the plan administrator is notified within 60 days, the qualified beneficiary may elect benefit continuation for up to a total of 29 months following the termination of employment.

309.2 Dependents



A spouse of an employee whose coverage ends due to divorce or a child who reaches the maximum age for coverage as a dependent may continue coverage for thirty-six (36) months. Election must be made within sixty (60) days from the date COBRA notification is received. Payment of COBRA premiums must be paid in full and on time each month or COBRA coverage will be discontinued.

310 TUITION ASSISTANCE PROGRAM (TAP)

The tuition assistance program is available to full-time, benefits eligible employees of the University System of Georgia who have successfully completed at least six (6) months of continuous employment in a benefits eligible position as of the date of the TAP application deadline for the desired academic semester. Employees who wish to take advantage of the TAP program must qualify as a student prior to registration.

Employees are required to register during the final registration period prior to applying for TAP. Employees who pre-register will not be eligible for the TAP program.

Employees must complete a TAP application for each semester in attendance and submit it to Human Resources.

Employees may seek approval to enroll in up to eight (8) academic semester credit hours for each of the three designated semester periods: fall semester, spring semester, and summer semester.

For complete policy reference:

<http://www.usg.edu/employment/benefits/tuition/>

311 PROFESSIONAL LIABILITY INSURANCE

The University, as a unit of the University System of Georgia, provides limited liability insurance protection to its employees while in the conduct of the business of the University. This insurance covers employees' legal liability to others for personal or bodily injury and property damage resulting from actions or inactions of an employee of the University System of Georgia acting within the scope of his or



her employment. The Office of the Attorney General will defend the employee from such claims under most circumstances.

312 RETIREMENT PLANS

All employees, excluding student employees, must be part of a state sponsored retirement program. Benefits eligible Kennesaw State University employees are required to enroll in either the Teachers Retirement System of Georgia (TRS) or the Optional Retirement Plan (ORP) within 60 days of employment. This election is irrevocable. ORP eligible employees who do not make an election within 60 days default into the Teachers Retirement Plan of Georgia. (Refer to section 312.3 and 312.4).

Temporary employees are required to participate in the Georgia Defined Contribution State Plan. When employment ends with Kennesaw State University, the temporary employee, if they so choose, may request a refund of all the contributions made to the Georgia Defined Contribution Plan.

312.1 Social Security

Terms, conditions, requirements, reservations, benefits, privileges and other conditions of Title II of the Social Security Act, as amended, apply to all employees of the University System except those specifically excluded under the agreements with the Employee Retirement System of Georgia.

312.1a Employees Covered by Social Security

All employees eligible for the Teachers Retirement System of Georgia and Optional Retirement Plan are covered by Social Security.

312.1b Employees Subject to the Medicare Portion of Social Security Only

The following employees are subject to the Medicare portion of Social Security only:



- Temporary, seasonal or intermittent employees who are employed at an hourly rate of pay, including part-time instructors
- Student assistants, under certain circumstances
- Graduate assistants, under certain circumstances
- Employees working less than half-time (19 hours per week or less)

312.1c Employees Not Covered by Social Security

Non-resident aliens may be exempt from Social Security deductions, in accordance with their visas. All non-resident aliens are required to undergo a KSU tax analysis prior to claiming exemption from social security.

312.2 Georgia Defined Contribution Plan

Temporary employees contribute 7.5% of their wages to the Georgia Defined Plan, which is the State equivalent of Social Security. For complete policy reference:

<http://www.ersga.org/gdcp.htm>

Employees terminating with Kennesaw State University must complete a refund form in order to receive a refund of the Georgia Defined contributions. To request a refund, obtain a form online at

http://www.kennesaw.edu/hr/pdf/Def_Con_Refund_App.pdf or in Human Resources. All refund applications must be returned to Human Resources for processing.

312.3 Teachers Retirement System of Georgia

The Teachers Retirement System of Georgia is a defined benefit plan. The employee's contribution to TRS is 5% of gross salary. This contribution rate is applicable regardless of the source of salary. Employee contributions are deducted from salary before federal and state income taxes (pre-tax dollars) are paid on contributions. Employees pay FICA (OASDI and Medicare) on contributions just as it is on any other salary. Federal and State of Georgia income tax is deferred until the account is withdrawn or retirement benefits are received.



Employees who leave the University before retirement are advised to investigate their options regarding TRS funds. All withdrawals of funds (not including rollovers) are subject to additional tax and penalties. The form to request a refund of contributions is available online at: <http://www.trsga.com/>

312.3a Vesting

Vesting in the Teachers Retirement System occurs after ten (10) years of service. Service may also be purchased for teaching in the public schools of Georgia, State of Georgia employment, maternity leave and study leave. Up to five years credit may be obtained for service in the armed forces of the United States during periods of national emergency. After six years of Georgia service, credit may be purchased for out-of-state teaching in public schools or colleges. The formula for the purchase of out-of-state credit is one year of out-of-state service for each additional year of Georgia service up to a maximum of ten years.

312.3b Eligibility for Retirement

Eligibility for retirement is governed by the Teachers Retirement System of Georgia and the Board of Regents. The Board of Regents policy reference can be found in the Board of Regents of the University System of Georgia Policy Manual, section 802.0902-- Definition of a University System of Georgia Retiree and Eligibility for Retirement.

312.3c Early Disability

Permanent disability retirement is available at any age if the TRS member has at least 9 1/2 years of service.

312.4 Optional Retirement Plan (Regents Retirement Plan)

The Optional Retirement Plan is available to faculty and certain administrators. The employee's contribution to ORP is 5% of gross salary. This contribution rate is applicable regardless of



the source of salary. Employee contributions are deducted from salary before federal and state income taxes (pre-tax dollars) are paid on the contributions. Employees pay FICA (OASDI and Medicare) on contributions just as it is on any other salary. Federal and State of Georgia income tax is deferred until the account is withdrawn or retirement benefits are received.

Contributions may be distributed among various funds offered. Members may change funds selections on a regular basis as per fund rules. Members may change retirement companies once per quarter.

Employees eligible for the optional retirement plan have 60 days from their hire date to make an election. If no election is made, participation will default to the Teachers Retirement System Plan. This election is irrevocable.

312.4a Vesting

Vesting in the Optional Retirement Plan is immediate. Since vesting is immediate, the total funds, including the state's contributions, remain in the member's name for his or her retirement.

If the member becomes permanently and totally disabled or dies, all monies in the fund, including the State's contribution and appreciation or depreciation of the funds, would be made available to the member or the named beneficiary.

312.4b Eligibility for Retirement

Eligibility for retirement is governed by the Board of Regents. The Board of Regents policy reference can be found in the Board of Regents of the University System of Georgia Policy Manual, section 802.0902-- Definition of a University System of Georgia Retiree and Eligibility for Retirement.

312.5 Voluntary Supplemental Retirement Accounts



Kennesaw State University provides voluntary retirement programs to eligible employees. These programs allow employees to set aside additional funds for retirement on pre-tax bases.

312.5a Tax-Sheltered Plans [403(b)]

Most employees* are eligible to participate in a voluntary tax-deferred plan offered through Kennesaw State University under provision 403(b) of the Internal Revenue Code (IRC). This plan allows participants to direct a portion of their income, on a tax-deferred basis, into any of a number of investment vehicles such as annuity contracts and mutual funds. Taxes are deferred until the money is withdrawn-usually upon retirement (withdrawal prior to retirement age carries a penalty).

Employees make the full contribution, via salary reduction (there are no employer contributions). Employees may enroll or change their elections for the 403(b) plan at any time, including during the annual benefits open enrollment period.

A variety of retirement companies offer investment options and information is available from Human Resources.

312.5b Deferred Compensation Plans [457(b)]

Kennesaw offers a voluntary deferred compensation plan under provision 457 of the Internal Revenue Code (IRC). This plan allows employees to defer a portion of their income, on a tax sheltered basis, into any of a number of investment vehicles. Taxes are deferred until the money is withdrawn. Unlike a 403(b) plan, withdrawals at times other than retirement do not carry an additional penalty. Employees make the full contributions, via salary reduction (there are no employer contributions). Employees may enroll or change their elections for the 457 plan at any time, including during the annual benefits open enrollment period.



Employees may participate in both the 403(b) and the 457 plans.

*Tax treaties generally disallow non-immigrant foreign nationals who work in the U.S. from excluding such contributions from their taxable income, so there is no tax advantage to participation.

313 FLEXIBLE SPENDING ACCOUNTS

Kennesaw State University offers programs which allow individuals to set aside funds on a pre-tax basis for certain healthcare, dependent care and transportation related expenses. Depending upon the program, employees may reduce their salaries by an amount up to \$5000 per year.

313.1 Healthcare Flexible Spending Account

The healthcare flexible spending account may be used to cover the cost of medical, dental and related expenses that are not otherwise paid by other insurance (i.e., medical, drugs, dental plan co-pays, and deductibles and qualifying out-of-pocket medical & dental expenses that fall outside your plans' coverage). Employees may enroll within 31 days of being hired or after a qualifying event or during the annual benefits open enrollment period. To participate in the Healthcare Spending Account, employees must re-enroll each plan year.

Note that setting up a Healthcare FSA can save employees substantial tax dollars on predictable medical costs. However, employees are forewarned - **any unspent funds left in the account after the end of the plan year are forfeited per IRS rules.** The plan year is defined as January 1 through December 31. Expenses incurred during the plan year can be submitted for reimbursement until March 31 of the following year.

313.2 Dependent Care Flexible Spending Account

The dependent care flexible spending account may be used to cover the cost of qualifying childcare, eldercare or care of other legal dependents. Employees may enroll within 31 days of



being hired or a qualifying event, or during the annual benefits open enrollment period.

Note that setting up a Dependent Care FSA can save employees substantial tax dollars on predictable costs. However, employees are forewarned - **any unspent funds left in the account after the end of the plan year must be forfeited per IRS rules.**

Under the law, the combined dependent care contributions of both parents **can not** exceed the maximum allowable election set by the IRS (currently \$5,000.00).

313.3 Transportation & Parking Spending Account

This is a monthly program that allows employees to pay for work-related transportation costs (i.e. parking) on a pre-tax basis. Employees have the option of increasing or decreasing their deduction for transportation expenses at any time. The effective date of the change will be the 1st of the following month that the form is received in Human Resources.

314 GEORGIA HIGHER EDUCATION SAVINGS PLAN

Employees may participate in the Georgia Higher Education Savings Plan by payroll deduction. The program, known as a 529 Plan, allows employees to set aside money for higher education expenses - for their children, grandchildren, or other beneficiaries of their choice (including themselves). Under current law, any earnings grow tax-free in the account and are tax-free when withdrawn and used for education purposes. Employees who participate in the program may also be eligible for a state tax credit for such contributions.

Participation in the Georgia plan does not mean that the beneficiary must attend college in Georgia. The fund may be used for qualified higher education expenses at accredited postsecondary institutions across the country. Accounts can be opened with as little as \$15 and have high allowable total limits (more than \$200,000). A variety of investment options are available. To learn more about the program, visit <http://www.gacollegesavings.com> or visit the Human Resources web site at http://www.kennesaw.edu/hr/ben_529.shtml.



315 APPEALING DENIED BENEFIT CLAIMS

Denied benefit claims must be contested directly through the benefits provider such as Blue Cross/Blue Shield.

316 EMPLOYMENT AFTER RETIREMENT

When an individual retires from the University System of Georgia and is receiving benefits from the Teachers Retirement System, the Employees Retirement System or the Regent's Retirement Plan, he/she shall not be reemployed by the University System without the prior approval of the Board of Regents. When an employee has retired from the University System of Georgia, he/she may be reemployed by the University System of Georgia under the following conditions:

1. The reemployment of a University System of Georgia retiree must be approved by the Board of Regents;
2. A rehired retiree must have a minimum break of one month between the effective date of his/her retirement and the effective date of his/her reemployment;
3. The work commitment of a rehired retiree must be less than half-time; i.e., less than 50%;
4. The salary that is paid to a rehired retiree must be
 - a. less than 50% of the annual benefit-base compensation amount that he/she was earning at the time of his/her retirement, with consideration for the average merit increase percentages that have been applied since the employee retired, or;
 - b. Less than 50% of the average compensation for the position into which the retiree is being hired based on the institutions' existing compensation plan, or, if not applicable, the average compensation of existing or previous incumbents, or;
 - c. Less than 50% of a reasonable market competitive rate for the position into which the retiree is being rehired as determined by the institutional chief human resources officer.
5. The salary that is to be paid to a rehired retiree must be consistent with his/her work commitment.