Benefits for Chauffeurs, Teamsters, Warehousemen and Helpers Union No. 597

The information in this chapter is meant to be a summary of benefits for UVM employees represented by the United Electrical, Radio & Machine Workers of America, Local 267. In regard to insured benefits, actual plan provisions are contained in the individual insurance/subscriber certificates. In the case of discrepancies, the insurance/subscriber certificate will prevail.

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Who is eligible for benefits?

Unless noted otherwise, the following description of eligibility for employees and dependents will apply to all UVM benefits.

The following six groups of employees are eligible for UVM benefits:

	Months of Year Worked	Full-time Equivalency
Full-time		
Group A	12 months	100%
Group B	9, 10, 11 months (academic year)	100%
Group C	12 months	75 - 99%
Part-time		
Group D	9, 10, 11 months (academic year)	75 - 99%
Group E	12 months	50 - 74%
Group F	9, 10, 11 months (academic year)	50 - 74%

For benefit eligibility, there is a difference between full-time and part-time employees.

For benefit eligibility purposes, a full-time staff member is employed in a regular capacity of at least 75% of a 12 month work year of 37-1/2 or 40 hours per week (Groups A and C) or a staff member in a regular capacity of 100% of an academic year of 9, 10, or 11 months for 37-1/2 or 40 hours per week (Group B).

A part-time staff member is employed in a regular capacity of 50-74% of a 12 month work year of 37-1/2 or 40 hours per week (Group E) or 50 - 99% of an academic year of 9, 10, or 11 months for 37-1/2 or 40 hours per week (Groups D and F).

Note: An employee is considered to be employed in a regular capacity if the position is continuing, not temporary, and it appears on UVM's position inventory or is an approved hourly position included in the department's wage budget, and a completed and approved position description exists. An employee is considered to be temporary when he or she is paid by electronic payroll systems for temporary employees, whether full-time or part-time, or by time sheets that are designated as temporary.

Dependent Eligibility

UVM employees may wish to apply for benefits for their dependent spouse, civil union partner or dependent children. In order to qualify, dependents must meet the eligibility conditions of the University medical, dental and life insurers. The following summarizes those conditions:

Dependents are considered qualified dependents if they are the lawful spouse of the employee, party to a civil union with the employee, or the dependent child of the employee. The University reserves the right to require proof of marriage or a civil union. The University also reserves the right to require proof of legal responsibility for dependent children. Note: For the purposes of University policy, the term "party to a civil union" means a legal civil union as defined by Vermont Law. It will also include for the first three months of employment, the same sex spousal equivalent of the new employee who comes to UVM from another state where civil unions are not legal. Such employees must enter into a marriage under Vermont law within three months of employment in order to retain spousal benefits.

A qualified dependent child is under 19 years of age and single, and:

- a natural child of an employee; or
- a legally adopted child of an employee; or
- a stepchild, foster child, or any other child for whom an employee has legal guardianship and who lives in the household of an employee in a parent/child relationship and is dependent upon the employee for support.

Qualified dependent children are covered until the end of the month after their 19th birthday or their marriage, if earlier. Eligibility may be extended beyond an eligible child's 19th birthday to the 24th birthday as long as the child is otherwise eligible and a full-time student. In addition, eligibility is extended to a child with a disability which prevents the child from being able to obtain meaningful, gainful employment. The dependent must have been eligible for benefits prior to his/her 19th birthday and such disability must occur or exist on the date eligibility would normally end. Proof of such disability must be provided to the medical plan administrator or the insurer prior to the child's 19th birthday, or in any event, no later than 20 days following age 19. If approved, eligibility for such a child will be continued as long as the child lives with the employee.

Adding a Dependent

New dependents are eligible for benefits on the first day of the month following the day they become your qualified dependent, provided you complete an enrollment form and agree to make the necessary contributions, if required. If for some reason you do not enroll within 20 days of the date your dependent becomes eligible, coverage will be delayed until the first day of July in the next enrollment year.

If a child is born or adopted while you are covered, the child will be automatically covered for up to 31 days after the date of birth or placement for adoption. Coverage beyond the 31-day period will be continued provided you enroll the child within 31 days of the date of birth or placement for adoption (and make the necessary contributions, if required). If you enroll within 32 to 60 days following the birth or placement for adoption, the child's membership and the new membership type will become effective on the first of the month following receipt of your enrollment request. If you fail to enroll within 60 days, you must wait until the next Open Enrollment to do so. To prevent a lapse in coverage, Human Resource Services should be immediately notified and you should complete an enrollment form after the child is born.

If a child is born to a covered child while the mother is insured as a dependent child, the birth will be covered and the child will be insured for 31 days after the date of birth. In order for such a grandchild to be covered beyond 31 days, you must adopt the child or be appointed legal guardian for the child.

An adopted child is eligible on the date the child is placed in your legal custody. You are considered to have custody when there is a legal document which places the child under your care and protection and the child is in your physical possession. A newborn adopted infant will not be considered to be in your physical possession until the infant is discharged from the hospital immediately following birth.

Change in the Number of Dependents or Your Marital Status

Please report immediately to the Benefits Office any changes in the number of your dependents when that change results in the loss of eligibility. Failure to do so within 60 days of the change will result in loss of COBRA rights for your former dependents.

If your marital status changes, or a civil union ends, report that change immediately to the Benefits Office. Failure to do so will result in the loss of COBRA rights.

In the case of a dependent child who no longer qualifies as a dependent, coverage will terminate at the end of the month on which she or he no longer qualifies for benefits.

In the case of divorce or dissolution of a civil union, coverage of your former spouse/civil union partner terminates on the first day of the month following the day your divorce becomes final or the first day of the month following the day on which the civil union partnership ends. Your spouse or civil union partner may be able to extend coverage at the group rate at his/her expense by exercising COBRA rights.

Change in Address or Name

- Notify your department of any change in your name or address immediately after the change.
- Change your address through PeopleSoft Employee Self-Service or by emailing HRSInfo@uvm.edu with the new address.
- You must notify your retirement plan, medical insurance, and dental insurance vendors with address changes directly.
- You can find vendor change of address forms in the Human Resource Services Office or in the Forms section of the HRS web site.

Change in Your Employment Status

If you initiate a temporary reduction of your FTE and remain in benefit groups B or C, it will not affect your insurance coverage. However, vacation and medical leave will be based on your reduced FTE and retirement contributions will be based upon your reduced salary. If you move outside benefit groups B or C (except as described in the policy for Partial Leave for the Purpose of Caring for Members of the Immediate Family), your benefits will be reduced or terminated as appropriate with your benefit group and your length of service. Deductions will begin automatically unless you notify Human Resource Services to discontinue your insurance. This cost is waived for reductions lasting less than 30 calendar days; however to maintain coverage, you must always make your own personal contributions.

Enrollment and Effective Date of Coverage

In order to enroll, you must complete and sign the appropriate applications and submit them to the UVM Benefits Office. Normally, you will be asked to enroll in all benefits except the retirement plan at the new employee orientation, held on the first and third Mondays of each month. If Monday is a holiday, it will be held on the Tuesday following the holiday.

Your coverage will begin on the date you become eligible if you enroll and agree to pay the required premium within 15 days of your eligibility date. Otherwise, it will become effective on the first of the month following the date upon which the Benefits Office receives your application, provided it is received within 60 days of your eligibility date (20 days for Northeast Delta Dental, life, and long-term disability insurance). If you do not apply within 60 days of your eligibility date (or 20 days for Northeast Delta Dental, life and long-term disability insurance), you must do so during open enrollment for coverage to begin in the new plan year on July 1st. Both life and disability insurance require proof of good health and the carrier's approval before your coverage can begin.

In the case of life insurance, if you wish to enroll after 20 days of employment, you must do so during Open Enrollment, and coverage is contingent upon providing proof of insurability to TIAA. In the case of long-term disability insurance, if you do not enroll within 20 days of your eligibility date, you may enroll later during Open Enrollment, but you will be required to show proof of insurability. You must be actively at work on the date you become eligible for coverage. Otherwise, coverage will not begin until you are actively working at UVM in an eligible position for at least 5 consecutive work days. In addition, if a special life event occurs, such as the birth of a child or a marriage, a special Open Enrollment occurs for long-term disability. Within 20 days of the special life event, employees who previously waived coverage or who elected a lower level of coverage may enroll without proof of insurability. A one-year preexisting condition exclusion will apply.

Coverage for eligible dependents will begin when your coverage begins if they meet the definition of dependent on that date unless, as is the case for life insurance in excess of $50,000, proof of insurability is required. If your dependent is hospitalized on the day coverage would begin, medical coverage will not begin until your dependent is discharged from the hospital. If they meet the definition of dependent after coverage begins, you must apply for coverage and agree to pay your share of the required premium for each dependent. You must apply for Blue Cross/Blue Shield, and/or Northeast Delta Dental coverage within 20 days of eligibility. If you do so, coverage will become effective on the date the dependent becomes eligible. Otherwise, coverage will not begin until the next Open Enrollment. With respect to the BCBS plan, there is one exception to the 20-day enrollment requirement. Newborn children will be covered for the first 30 days retroactively as long as the mother is covered on the date of delivery, even if the enrollment is more than 31 days from the date of birth. Enrollment must be done within 60 days of birth, or else the child cannot be added until the next Open Enrollment. However, if enrollment of the newborn isn't done as soon as possible after birth (within 30 days) claims for the child might initially be denied and if enrollment is after 31 days, coverage will not be effective until the first of the month following enrollment, resulting in a lapse of coverage between the 32nd day and the effective date of coverage.

Summary of Benefit Costs for Teamsters Members

This is a summary of the benefits for active bargaining unit employees, groups AF, organized by benefit groups. See above for definitions of groups. **UVM reserves the right to modify or amend these benefits any time there are unilateral changes made by the carriers. In the event of a discrepancy between what appears in this handbook and the individual insurance subscriber certificate, the insurance subscriber certificate of a fully insured plan will govern. This includes health, dental, life, and disability insurance.**

Summary of Benefit Costs by Benefit Groups							
Groups	Medical	Dental (after 6 mos. A-C) (after 12 mos. D-F)	Life Insurance	Short-term Permanent Disability (after 4 mos.)	Long-term Disability (after 12 mos.)	Retirement Plan after 3 yrs.	Tuition Remission
A - C	From 4% to 24% of the cost of coverage based on salary.	No cost for Base Dental	First $6,000 no cost. Next $44,000 shared by employee & UVM.	No cost	Cost shared by employee & UVM.	Employee 2% UVM 10% of base salary.	No cost
D	After 1 year, cost shared by employee & UVM.	Cost shared by employee & UVM.	After 1 year, cost same as above.	Employee not eligible.	Employee not eligible.	Same as above.	No cost (reduced benefit)
E & F	Same as above	Same as above	Employee not eligible.	Employee not eligible.	Employee not eligible.	Eligible to participate, no University contribution.	No cost (reduced benefit)

Health Insurance

Effective Dates of Coverage

Medical insurance coverage will begin on the first day of benefits-eligible service (employment start date).

Cost of Coverage

The University offers health insurance to employees who work 50% or more in groups A-F.

All full-time employees will be charged a percentage of the premium cost based on their base salary. (See current fiscal year Medical & Dental Costs)

Employees with 9, 10, or 11-month appointments will pay their share of year-round medical insurance premiums through their regularly scheduled paychecks. For example, a 9-month staff member will pay for 12-month coverage by deductions from his or her 18 annual paychecks. A 10-month staff member will pay for 12-month coverage by deductions from his or her 20 annual paychecks.

The salary will be the employee's base salary as of January 1 of each year and will not be affected by salary changes during the year, unless you have a job or FTE change.

For College of Medicine employees paid by the common UVM/FAHC paymaster, base salary for the purpose of determining premium payments will be defined as the combined salary under the common paymaster. The Benefits office will charge such employees 30% of the premium cost unless notified otherwise.

Part-time staff must pay the full cost of coverage during the first year of employment. After one year of employment, cost of coverage is shared in proportion to the employee's FTE. If he or she is working at 60% FTE, the employee will pay 40% of the cost of coverage.

Part-time staff may waive coverage during the waiting period without affecting enrollment at the beginning of the semester after completion of one year in groups A-F.

As a condition of employment, all premium payments will be made through pretax dollars in accordance with the provisions of Section 125 of the Internal Revenue Service code. Exception: Premiums for coverage of parties to a civil union will be made in after-tax dollars in accordance with IRS regulations and guidelines and Vermont tax laws. In addition, the value of the University's contribution for coverage will be considered taxable income to the employee for federal tax purposes (and for state tax purposes if the same sex spousal equivalent is not a party to a civil union).

Health Insurance Options

There are two (2) medical insurance options offered to full-time employees as follows:

1. UVM Open Access Plan (through BlueCross BlueShield of Vermont)
2. Waiver of Medical Coverage

Each year during Open Enrollment in May, staff who are eligible for healthcare coverage will have the option of waiving or adding coverage for the upcoming fiscal year.

Reference to "you" includes you and your eligible dependents.

To see the current **medical plan coverage chart**, click here.

UVM Open Access Healthcare Plan

Participants who live in Vermont are required to select a Primary Care Physician (PCP) from a list of doctors who are in the Blue Card PPO network. Each individual on the plan may select a different PCP. Individuals may seek medical care from either their PCP or any other network physician without a referral. Participants pay $10 per visit to their PCP and $20 per visit to any other network physician.

Participants who live outside of Vermont are not required to select a PCP, but they too must use the Blue Card PPO Network when seeking care. By using a general practitioner, family practitioner, pediatrician, internal medicine practitioner, naturopath or osteopath who is a member of the PPO Network, you will pay the PCP rate of $10 per visit. Find a PPO Network physician at BCBSVT Member Benefits: Find a Doctor.

You have the option of seeking medical treatment from a network hospital or physician or from a non-network hospital or physician. All hospitals in Vermont and Dartmouth-Hitchcock Medical Center in New Hampshire belong to the network, but not all physicians in this same area belong to the BCBSVT network. When you receive treatment from an out-of-network hospital or physician the plan covers 70% after a $500 deductible per covered family member ($1,000 family maximum). You will pay 30% until you have met a $2,500 out-of-pocket maximum ($5,000 family out-of-pocket maximum) after which you will be reimbursed 100%.

You may receive treatment from a network hospital or physician without getting referrals from your PCP and still receive preferred benefits. Instead of referrals, you need prior approval when you plan to have one of the 16 specific procedures or services listed below, whether treated by an in-network or out-of-network hospital or physicians. If you fail to get prior approval for a procedure on the list, you may receive standard benefits or be denied benefits regardless of the medical necessity of the procedure.

- Plastic or cosmetic surgery (for example, abdominoplasty, lipectomy, blepharoplasty, breast reconstruction, otoplasty, panniculectomy, rhinoplasty or septorhinoplasty)
- Dental surgery (oral surgery, trauma, orthognathic surgery)
- Chiropractic care after initial 12 visits in a calendar year
- Radiology special procedures (MRI, MRA, MRS, PET scans)
- UPPP/somnoplasty
- Continuous Passive Motion (CPM) equipment
- Durable Medical Equipment with a purchase price over $1,000
- Orthotics/prosthetics
- Polysomnography (sleep studies)
- Chondrocyte transplants
- Home infusion therapy
- Private duty nursing
- Transplants
- TENS units/neuromuscular stimulators
- Rehabilitation (cardiac/pulmonary/inpatient rehabilitation facility)
- Services by an out-of-network provider (without Prior Approval, Standard Benefits may apply)

Emergency hospital care has a $50 co-pay per visit that is waived if followed by hospitalization. There is a co-pay of $250 for each hospitalization with a maximum of three copays per family per plan year. This copay is for an entire course of treatment; if one is readmitted to the same hospital for the same diagnosis or treatment after a discharge within 21 days, there is no additional copay. Outpatient surgical benefits have a co-pay of $100 and ambulance services have a co-pay of $50.

One advantage of the BlueCross BlueShield plan is that you can go to any physician or acute care short-term general hospital worldwide. However, the plan will pay only reasonable and customary charges. If the provider does not participate in the local BlueCross BlueShield plan and the charges are above reasonable and customary, you must pay the difference.

Mental health and substance abuse (MH/SA) treatment is provided through a network managed by Invest EAP. As long as outpatient MH/SA treatment is in-network and pre-certified, there is no member cost. Out-of-network treatment for MH/SA requires a 30% copayment after the $500 out-of-network deductible has been satisfied. The maximum benefit for self-referred MH/SA is $3,000 per year, subject to a $10,000 lifetime limit.

Prescription drug coverage is provided through a pharmacy network managed by Express Scripts under contract with BCBSVT. After a $100 per person / $300 per family deductible, the covered member pays $5 per generic prescription, $20 per preferred brand prescription or $40 per non-preferred brand ($5/20/40). An optional mail-order prescription drug program through Express Scripts is available for people who use maintenance drugs. You may purchase a 90-day supply at a cost equal to two co-pays (i.e., $10/40/80). There is no deductible on mail-order prescriptions. You may call Express Scripts toll-free through BCBS Customer Care number at 888-222-7886. Press 1 to reach an available customer service agent who can help you with placing or re-filling your prescription, and have your member ID number ready. Retail and mail-order prescription drug coverage will have an out-of-pocket maximum of $1,300 for individuals and $3,800 for family coverage.

Limited coverage for routine vision examinations is provided by Vision Services Plan (VSP). Those who identify themselves as a member of the BCBSVT UVM Open Access Plan are covered for one routine vision exam per year with a $20 co-payment. Lenses, frames, and contact lenses are not covered under this plan.

Waiver of Medical Coverage

The State of Vermont has established the Catamount Health Plan for individuals who are not covered by their employer. A provision requires annual certification of coverage when an employee waives medical insurance coverage. Beginning July 1, 2007, if you elect to waive medical insurance coverage, you are required to complete an annual written certification form attesting that you are covered with two-person or family coverage by your spouse or civil union partner. Certification must be returned to the Benefits Office, 228 Waterman Building. Failure to provide annual certification will make you ineligible for the waiver payment described below.

UVM offers an annual $1,000 payment in lieu of medical coverage. This option is available to any full-time employee with two person or family coverage who certifies that they and their dependents are covered by non-UVM group medical insurance. This option is not available to employees whose spouses or civil union partners also work at UVM nor is it available to former employees retired from UVM with post-retirement benefits, or their spouses or civil union partners. Further, it is not available if you waive coverage for your eligible dependents but not for yourself.

The $1,000 is a payment, subject to withholding taxes, spread throughout the year based on the number of paychecks you receive during the year. All or part of the waiver payment can be converted to pretax dollars if you enroll in a Flexible Spending Account. (Flexible Spending Account enrollment takes place in November for the following calendar year.)

If you lose your other insurance coverage, you are allowed back into a UVM medical coverage option if you sign up for coverage within twenty days of the loss of coverage. You will be entitled to only a prorated portion of the $1,000 based on the length of time (in whole months) your coverage was waived. If you waived coverage for yourself and your dependents, you may come back into the UVM plan if your spouse or civil union partner loses employment, or if you lose coverage because of divorce or your spouse or civil union partner's death. You may not come back into a UVM plan simply because your spouse or civil union partner's employer increases premiums or decreases coverage until your next year's Open Enrollment period.

Termination of Coverage

Coverage will end on the date you terminate employment, i.e., your last day worked. If you are paid for accumulated vacation at termination, coverage will be extended one calendar day for each vacation day paid, up to a maximum of 30 days. When coverage terminates, you will be offered the option of extending coverage under COBRA.

Dependents' coverage will end when they no longer meet the definition of dependent under the plan. When coverage terminates, former dependents will be offered the option of extending coverage under COBRA.

Special Eligibility Issues Concerning Health Insurance

Eligibility for Health Insurance during Educational/Professional Development Leave

If you are granted a paid leave for educational or professional development, there will be no change in your health insurance coverage.

Medical Leave

If you take a paid or unpaid full or partial medical leave, and if you were covered by health insurance through UVM before taking leave, UVM will continue to contribute toward your coverage up to a maximum of 26 weeks. Coverage will continue during medical leave as long as you contribute your portion of the cost. The University's contribution will be in the same proportion as it was before your medical leave.

Dental Insurance

The University provides two dental insurance plans insured by Northeast Delta Dental a Base Plan and a High Option Plan. UVM pays the entire cost of coverage for you and your dependents if you are employed in benefit groups A, B, or C for the Base Dental Plan. If you are employed in benefit groups D, E, or F, the cost of coverage is prorated between you and UVM with UVM's contribution corresponding to your FTE. If you select the High Option Plan you pay the cost difference between the Base and High Option Plan. The coverage is year round, so your term of employment does not affect the proportion you pay at any time.

All premiums are paid in pretax dollars as allowed under Section 125 of the IRS code. Exception: Premiums for coverage of civil union partners will be made in after-tax dollars in accordance with IRS regulations and guidelines.

When Does Coverage Begin?

- Dental insurance is provided **six months** after the date of hire for employees in groups A, B, and C.
- It is offered to employees in groups D, E, and F **twelve months** after the date of hire.
- You may not purchase dental coverage individually before the end of the waiting period.

What Is Covered Under The Base Plan?

The base dental plan covers reasonable and customary charges incurred for medically necessary dental services and supplies when they are performed or prescribed by a licensed dentist. There is a $25 deductible per person or a maximum deductible of $75 per family each calendar year. After the deductible, preventive expenses will be paid at 100%, minor restorative expenses will be paid at 80%, and expenses for major restorative procedures such as bridgework and dentures are paid at 50%. The annual maximum dental coverage for individuals is $750. There is a lifetime maximum of $500 for orthodontics. The Dental Plan booklet, available from Human Resource Services (228 Waterman or 656-3322), details the percentages paid for treatment.

What Is Covered Under The High Option Plan?

The High Option Plan is the same as the Base Plan except the deductible does not apply to Coverage A (see table); Coverage C is paid at 60%, not 50%; the Annual Limit is increased from $750 to $1500 and the Coverage D Lifetime Limit is increased from $500 to $1000.

The following table compares the two plans:

Coverage Type	Base	High Option
Coverage A (Preventive)	100%	100%
Coverage B (Minor Restorative)	80%	80%
Coverage C (Major Restorative)	50%	60%
Deductible/person/calendar year	$25	$25
Deductible/family/calendar year	$75	$75
Deductible applied to Coverage A	Yes	No
Maximum/person/calendar year for service under A, B & C	$750	$1,500
Coverage D (orthodontics)	50%	50%
Orthodontics lifetime maximum per person	$500	$1,000

Enrollment

Enrollment is not automatic. You must enroll within 20 days of your initial eligibility period or wait until the next Open Enrollment period with coverage effective the following July 1. Dependents must be enrolled within 20 days of the initial eligibility. If they are not enrolled at this time, they may only be later enrolled during the annual Open Enrollment. Normally, full-time employees will enroll at the initial benefits orientation.

Termination of Coverage

Coverage will end on the date you terminate employment, i.e. on the last day worked. If you are paid for accumulated vacation at termination, coverage will be extended one calendar day for each vacation day paid, up to a maximum of 30 days. When coverage terminates, you will be offered the option of extending coverage under COBRA.

Dependents' coverage will end when they no longer meet the definition of dependent under the plan. When coverage terminates, former dependents will be offered the option of extending coverage under COBRA.

Pretreatment Authorization

To ensure proper coverage, when a dental fee is expected to be $300 or more, pretreatment authorization should be requested by your dentist before any of the work is begun. (Such pre-authorization is not required in an emergency. Do not hesitate to seek treatment in an emergency.)

Pretreatment authorization protects you. It allows you to learn if the dental procedure is covered by your insurance and how much will be paid by the plan, before committing to treatment. The pretreatment authorization form is the same as the regular claim form. It must be completed and sent to Northeast Delta Dental by your attending dentist. Once it has been reviewed and approved, copies explaining covered services and the dollar value of insurance coverage will be sent to your dentist.

Retirement and Disability

You are eligible for Base dental coverage at retirement on the same basis as active employee. Currently, there is no cost for this coverage unless you work part-time. Optional Plan is also available to retirees. If Base Plan coverage or premium requirements change for active employees, they will also change for retirees.

Death

If you die while an active employee at UVM or while receiving disability benefits, the University will continue to pay for dental insurance on behalf of your surviving spouse and your dependent children for a period of one month for each month of service, up to 24 months. In addition, your spouse will be able to continue coverage under COBRA rights for the rest of a 36-month period from the date of your death or ending date of employment if sooner. If you are a part-time employee covered by the dental insurance plan at the time of death, your surviving spouse and dependent children are entitled to prorated premiums based on your FTE.

Educational/Professional Development Leave

If you are granted a paid leave for educational or professional development, there will be no change for your base dental insurance coverage, however, for employees that have the high option dental coverage must continue to pay your portion of the premium.

Medical Leave

If you take a paid or unpaid full or partial medical leave, and if you were covered by the dental insurance plan before taking leave, UVM will continue to contribute toward your coverage up to a maximum of 26 weeks. The University's contribution will be in the same proportion as it was before your medical leave. In order to continue high option dental coverage, you must continue to pay your portion of the premium.

COBRA

Rights as Applied to Medical and Dental Insurance and Medical Reimbursement Flexible Spending Accounts

UVM is subject to the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). This law allows qualified beneficiaries to continue medical and dental insurance coverage if a qualifying event occurs. Coverage can continue for either 18 or 36 months depending upon the qualifying event. Those who choose to extend coverage may be charged up to 102% of the premium for that coverage. A qualified beneficiary is a spouse, civil union partner or dependent child covered by UVM's medical or dental plan or an employee who loses medical or dental coverage due to termination or a reduction in hours. A qualifying event is any event that, prior to this law, would cause a qualified beneficiary to lose medical or dental coverage. Qualifying events include:

- Death of a covered employee.
- Divorce or legal separation of a covered employee and spouse or dissolution of a civil union.
- Termination or reduction of hours of a covered employee (termination due to an employee's gross misconduct is not considered a "qualifying event").
- retirement of an employee
- Dependent child who ceases to qualify as a dependent under the terms of the plan.

If a "qualifying event" occurs, qualified beneficiaries will be able to continue coverage under UVM's medical, dental or flexible spending plan for up to 36 months, unless the qualifying event is the employee's termination or reduction in hours, in which case coverage can be continued for up to 18 months. A "subsequent qualifying event" may extend COBRA eligibility for up to 36 months from the original "qualifying event."

Coverage can be terminated prior to the 18 or 36 months under certain circumstances which include the date upon which:

- The employer terminates the plan for all employees.
- Covered beneficiary is or becomes a covered employee under any other group medical, dental or flexible spending plan.
- Covered beneficiary remarries and becomes covered by any other group medical, dental or flexible spending plan.

- Coverage ceases due to nonpayment of a premium by a "qualified beneficiary." The covered beneficiary becomes eligible for Medicare.
- However, if the Social Security Administration determines that the Covered Person was disabled at any time during the first 60 days of continuation coverage, then the required continuation coverage period is extended from 18 months to 29 months. In order to be eligible for this extension, the Covered Person must notify Human Resource Services within 60 days from the date the Social Security Administration makes the determination that s/he is disabled. The extended coverage for disabled individuals will end earlier than the 29 months if Social Security determines that s/he is no longer disabled. The Covered Person must notify the Benefits Office within 20 days of the date Social Security determines that s/he is no longer disabled. The disabled individual may be charged 150% of the cost of the coverage for the coverage beyond 18 months.

Exception to 2 and 3 above: if there is a waiting period or preexisting condition exclusion in the new plan, COBRA coverage may be continued. COBRA coverage, however, will be secondary to all other coverage for non-excluded conditions.

Notification Requirement

Within 60 days of a qualifying event, qualified beneficiaries must inform Human Resource Services (656-3150). Human Resource Services will notify the qualified beneficiaries of their rights under the continued coverage provision within 14 days of receiving this information. Within 60 days of receiving this notice or on the date medical or dental care coverage would otherwise terminate, whichever is later, the qualified beneficiaries must notify Human Resource Services of the decision to continue coverage. Payment of the first quarterly premium must be received by Human Resource Services (228 Waterman) within 45 days of the decision to continue coverage.

All premiums are payable in advance. There will be a 30-day grace period for payment of premiums. If a premium payment other than the initial premium is not received before the expiration of the grace period, coverage will automatically terminate retroactively to the due date. Insurance which is so terminated may not be reinstated.

Flexible Spending Account

The Flexible Spending Account program allows you to reduce your earnings by a fixed amount determined by you each year. To be eligible for participation, you must be employed in at least a nine-month position of at least 50% FTE. You may reduce earnings up to $5,000 per year to pay for un-reimbursed medical/dental expenses, and up to $5,000 into an account to pay for dependent care. Your dependent care account may be used for child care, elder care, or the care of a disabled spouse. The money you set aside is placed in a Flexible Spending Account, designed to shelter some of your earnings in order to pay for certain medical and day care expenses tax-free.

The money you deposit in your Flexible Spending Account is not taxed. That could mean a substantial tax saving for you, reducing your costs for dependent care, dental, medical, or vision expenses. In the lowest tax bracket, for example, an estimated 25% of the deposited amount can be saved in taxes when you plan your account carefully. It is important to read the Flexible Spending Account booklet before signing a salary reduction agreement. The booklet is provided to you at Orientation or if requested during Open Enrollment.

There are restrictions to consider when setting up your Flexible Spending Account. Federal requirements state that dependent care expenses must be allocated as such when you start your Flexible Spending Account. You cannot subsequently shift them to medical expenses or vice versa. And if you are considering an account for dependent care expenses, it may eliminate your ability to use the dependent care tax credit when you file your federal income tax return. In some cases, the tax credit could be more valuable than a Flex Account. Review this with your tax advisor before you enroll in a Flexible Spending Account.

You must incur your expenses for services rendered in the tax year in which your Flexible Spending Account is established. If expenses are not incurred, the money in your account cannot be returned to you.

If your employment terminates or your employment status changes and you are no longer contributing to your medical reimbursement Flexible Spending Account, your account will be capped at the amount of your contributions and you will not be able to submit expenses which are incurred after your contributions cease unless you elect to exercise COBRA rights as applied to medical, dental and COBRA flexible spending accounts.

To get detailed information about a Flexible spending account, check out the Employee Information area of the HRS web site or contact Human Resource Services at 656-3150.

Group Life Insurance

Group Life Insurance is currently provided by The Standard Insurance. If you are employed in benefit groups A, B, C, or D, the University offers several options for group term life insurance coverage. If you are employed in benefit group D, you must wait one year before you are eligible for the coverage.

When you enroll in the life insurance program, you name a beneficiary who will receive the payments on your death. This beneficiary is not affected by a last will or any changes in your marital status. Therefore, you should periodically review your beneficiary designation to be sure it is current.

There are several coverage options as follows:

- $6,000
- $50,000
- 2 times annual base salary
- 3 to 7 times annual base salary

1. $6,000

If you want only minimum coverage, you may choose $6,000 term life insurance paid by the University.

2. $50,000

If you would like the maximum tax-free insurance available under the law, you may choose this option. UVM will pay for the first $17,000 of coverage and you will pay for the remaining $33,000 of this coverage. Premiums for this coverage are the same regardless of age. If you remain employed by UVM, this coverage is reduced by 33% at age 65, 55% at age 70, and 70% at age

75, with a minimum benefit of $6,000. If you have a salary under $25,000, you may choose this option, but use caution. Your health may change between the time you choose your life insurance coverage and the time your salary is more than $25,000. If this should happen, you may not qualify for increased coverage options since good health must be proved to the insurer's satisfaction or increased coverage will be denied.

3. Two Times Annual Base Salary

If you elect coverage at 2 times annual base salary, UVM will pay for the first $6,000 and 25% of the remainder, up to a total of $50,000. In addition to contributing to a portion of the first $50,000 of coverage, you will pay the full cost of all coverage over $50,000. Premiums for this coverage are the same regardless of age. *Note: The cost of the first $50,000 of coverage is the same under this option as under the previous option.*

4. Three to Seven Times Annual Base Salary

If you elect coverage at 3,4,5,6, or 7 times annual base salary, the University will contribute the same as if you had elected 2 times salary of coverage. You will pay the amount you would have paid for 2 times salary plus the full cost of all additional coverage based on an age rated premium.

All coverage for active employees includes accidental death and dismemberment (AD&D) benefits as well as disability waiver of premium coverage. This coverage corresponds to the amount of coverage elected and is not optional.

Under the AD&D provision, the coverage is doubled in the event of an accidental death. It is tripled in the event of an accidental death while a fare paying passenger in a public conveyance. In addition, should you lose 2 or more limbs or eyes as the result of an accidental injury, the plan will pay you the full insured amount. It pays half the insured amount in the event of the loss of one limb or eye as the result of an accidental injury.

Under the waiver of premium provision, the insurance carrier will waive premium payments for you after you have been totally disabled for at least 6 months and you provide proof satisfactory to The Standard Insurance that you satisfy the definition of disability in the policy.

Contact the Benefits Office at 656-3322 for current premium rates. These rates are subject to change. In addition, coverage will be reduced on the next January 1 following ages 65, 70, and 75 as follows:

Age	% of under age 65 coverage
65-69	67%
70-74	45%
over 75	30%

You must enroll in the Group Life Insurance plan within 20 days of your initial eligibility date. Otherwise, you must submit proof of insurability to the insurance carrier before increased coverage can begin. In addition, if you are a new employee, you will be required to provide proof of insurability if you elect coverage in excess of two (2) times salary. You will also be asked to provide proof of insurability on your spouse if you elect spousal coverage which will exceed $50,000.

These life insurance options are based on annual straight-time earnings. Your coverage becomes effective on the date of employment or the date on which your enrollment application is complete, whichever is later. Optional coverage of up to two times salary must be elected within 20 days of employment, otherwise it is subject to proof of insurability. Coverage in excess of two times salary requires proof of insurability. Your coverage ends on the last day you work at the University.

If you have chosen a level of insurance that is less than the maximum coverage allowed, you may apply to increase the amount of your coverage at a later date. The insurance company will require you to furnish proof of insurability at your own expense if you change coverage at any time after 20 days of employment.

Insurance coverages for choices 2, 3 and 4 are adjusted annually to reflect salary increases or decreases and age changes on January 1.

When your full-time equivalency is reduced by your employer for a period of not more than four months, your life insurance coverage is not affected. If you request a temporary reduction (up to four months) of your FTE to as little as 75% of your full-time position, you will remain eligible for life insurance coverage. However, the amount of your coverage will be reduced based on your lower salary if such lower salary is in effect on January 1.

Imputed Income

If you purchase optional life insurance through the University's group term life policy, you may be required to pay taxes on "imputed income" due to the favorable rates offered by the insurance carrier. Under federal law, the maximum amount of tax-free insurance provided by an employer is $50,000. The premium cost for the first $50,000 will automatically be converted to pretax dollars under a Section 125 premium conversion account.

To comply with federal requirements, the University must calculate imputed income on group-term life insurance on a monthly basis and automatically withhold the required taxes for affected employees. Taxes are withheld once each month.

If either of the following two conditions apply to you, the University will calculate and report "imputed income" and withhold taxes:

Employees aged 45 or older who purchase group life insurance for themselves to the extent exceeding $50,000 of University insurance. Imputed income will not apply, however, to any portion of optional insurance above two times salary (i.e., 3 - 7 times salary).

Employees who purchase group term life insurance for their spouses or dependent children.

In most cases, we anticipate that imputed income and tax withholding will be relatively small, except in cases where older and/or highly compensated individuals have elected high coverage. While this imputed income may increase your tax withholding, there is still value in this benefit offered through the insurance carrier. We encourage you to compare the cost of obtaining such insurance in the marketplace.

Dependent Life Insurance

Spouse Coverage

If you have elected more than $6,000 in coverage, you may also elect to insure your spouse. There are 2 spousal insurance options as follows:

- $20,000
- 1/2 of the amount of coverage on yourself

You must pay the full cost of this coverage based on the age-rated schedule. Premium rates may be obtained from the Employee Information Center at 656-3150. This coverage does not include AD&D and disability waiver of premium coverage although disability waiver of premium benefits under your coverage includes waiver of dependent life insurance premiums if you become disabled.

Note: If you are eligible for coverage as an employee or retiree and your spouse is eligible for group life insurance, you cannot also be covered as a spouse.

Dependent Children Coverage

If you have dependent children you may also insure them in the amount of $10,000 each if you have elected the optional coverage for yourself. Coverage must be elected within 20 days of initial eligibility. Otherwise, proof of insurability is required. If this coverage is elected, all eligible children will be covered. Coverage for newborn children begins at age 14 days.

The cost of this coverage is $.26 per child per month as of 1/1/00 and is subject to change.

Life Insurance Coverage on Retirement or Disability

Upon retirement at UVM or in the case of an award of disability benefit, your life insurance coverage will be affected by the following conditions:

If you retire without disability benefits between ages 55 and 64 and qualify for post-retirement benefits plan, in benefit group A, B, C, or D, you will receive life insurance coverage based on the option selected prior to retirement. If you elected 2-7 times salary, you will receive the lesser of two times salary or $50,000. If you elected $6,000 or $50,000, you will receive that amount. All dependent coverage will end at retirement. At age 65, life insurance coverage will be reduced by 50% up to a maximum of $25,000 and a minimum of $6,000. When you reach age 70, all life insurance will end.

- If you retire between ages 65-69 and qualify for benefits, you will receive 1/2 of benefits as described previously subject to a maximum of $25,000 and minimum of $6,000.
- If you retire after age 70, all employee and dependent life insurance ends.
- If you retire because of an award of benefits for a total and permanent disability, the insurance carrier will continue to pay the entire life insurance premium as long as you remain disabled and as long as the disability lasts at least six months and is certified by the insurance carrier. You will be required to provide subsequent proof of disability every twelve months for the duration of your disability. Coverage continues for life, but

reduces by the same percentage as for active employees. Premiums for dependent coverage are also continued under the waiver of premium provision.

- If you retire or if coverage is continued due to an award of disability benefits, the accidental death and dismemberment provision will terminate.

All dependent coverage will end at retirement. When you reach age 70, all life insurance ends.

Conversion to Individual Insurance Coverage

When your life insurance or your dependents' coverage is reduced or terminated, you may be able to convert the amount of group coverage being dropped to an individual policy. The cost is considerably higher, but you do not have to provide evidence of insurability if the conversion is made within 20 days of reduction or termination. Conversion forms are available from Human Resource Services (228 Waterman).

Transitional Benefits for your Beneficiary

If you die while actively employed at UVM, the University will pay your estate for accrued and unused vacation up to two times the annual accrual rate or 44 days, whichever is less. In addition, a payment equal to 10 workdays' pay will be made to your estate along with your regular compensation.

Disability Benefits

There are two separate programs which protect you from loss of income as a result of a disability that prevents you from continuing to perform the duties of the position you hold. Short-term coverage is a University self-funded disability program providing benefits for the first six months of perceived total and permanent disability.

Long-term coverage is a group disability policy, insured by Standard Insurance, providing benefits beginning six months after the date of total or partial disability.

Neither plan covers disabilities lasting less than six months. Coverage from both plans is only for active employees and ceases when employment is terminated.

Short-term Coverage

Generally, total and permanent disability from performing job duties is not a sudden event. A chronic condition may exist which exhausts your sick leave well before you would retire because of an award of disability benefits. Since both Social Security and long-term disability require up to six-month waiting periods before benefits begin, an employee seeking those benefits could go for several months without pay. To alleviate or avoid the problem, UVM provides short-term total permanent disability insurance coverage which complements other paid time-off benefits. However, there may be a period of time without pay if a disability determination occurs after paid medical leave runs out.

If you are employed in benefit groups A, B, or C, your coverage begins automatically at no cost after four months of service. The plan provides an income for up to 26 weeks if you retire due to an award of long-term disability benefits. If you are not employed in these groups, you are not eligible for this plan.

To be considered totally and permanently disabled, you must qualify for disability benefits under either the Social Security Administration or the Long Term Disability Plan and you must be unable to perform any gainful employment at the time Social Security or Group Long Term Disability payments become effective.

This total and permanent disability insurance does not apply to partial or temporary disabilities. Absences caused by such disabilities may be covered by policies concerning accrued medical leave, family medical leave, vacation, and personal days.

Your 26 weeks of short-term disability benefits will be reduced by the amount of accrued vacation, personal days, compensatory time and medical leave you have which are paid to you at 100% of your gross straight-time salary. Also, the weekly benefit amount would be reduced by any amount you receive from Workers' Compensation.

The benefit period begins on the first day of absence caused by an illness or an injury that is eventually believed to totally and permanently disable you from performing your job. It extends for a maximum of 26 weeks. The amount of your benefit is based on the length of your service at the University as follows:

- If you have at least four months but less than two years of service, you will receive 50% of your gross straight-time income.
- If you have two years but less than three years of service, you will receive 70% of your gross straight-time income.
- If you have three or more years of service, you will receive 90% of your gross straight-time income.

Before any disability benefits are made available, you must complete an application for benefits and your personal physician must certify that a total and permanent disability exists. At its option, the University may require a review and concurrence by its physician or by an independent physician agreed upon by both you and UVM.

If there is a delay in the diagnosis of a total and permanent disability, you will receive payment retroactively at the time of determination. Payments will become effective on the day when all your compensatory time, personal days, accrued vacation and medical leave expires.

If you are approved for total and permanent disability benefits, your retirement will start at the end of the 26-week period which began on the disability date.

During the 26-week period, those who were participating in the University insurance and retirement programs will be allowed to continue in those programs, and the University will pay its share of the premiums. The employee will continue to pay his/her share of the premiums.

A decision by the University to provide an employee with disability benefits should not be construed as a determination that the employee has a disability as defined by law, including, but not limited to, The Americans with Disabilities Act.

Long-term Coverage

Long-term disability insurance coverage is available to you and you must pay a part of the insurance premium to receive it. This coverage provides you with a monthly income six months after you become totally disabled or cannot perform essential duties of your normal University position due to illness, bodily injury, or other disabling circumstance. You may also qualify for partial disability payments when you are physically capable of working part-time. After 30 months of disability, you will continue to qualify for benefits only if you are unable to perform any occupation for which you are reasonably suited by education, training, or experience due to sickness, bodily injury or other disabling circumstance.

Our group disability coverage is provided by an insurance policy with Standard Insurance. To participate, you must complete one year of regular UVM employment and be an employee in benefit groups A, B, or C. You may qualify for immediate participation in the UVM Group Disability plan if:

- You are a new staff member and were insured within the 3 months prior to your UVM employment under a group long-term disability policy that provided income benefits for at least five years; or
- You are a former UVM employee returning within 1 year.

When you attend the new employee benefits orientation during on the first day of your employment at UVM, you will actually sign up for the plan. Before your first anniversary, you will receive notice from Human Resource Services that you will begin group long-term disability plan commencing on your first anniversary of employment, unless you specifically request no coverage. If you do not enroll within 20 days of becoming eligible, you must provide proof of insurability in order to enroll. However, if a special life event occurs, such as the birth of a child or a marriage, you may enroll or increase coverage without proof of insurability within 20 days of such event. There will be a 1-year preexisting condition exclusion if enrollment takes place under this option. This means that during the first year of coverage, no benefits will be payable for disabilities which occur as a result of conditions which exist prior to the effective date of coverage.

You may choose between two levels of benefits:

1. Basic Coverage: You may choose basic coverage for 60% of salary with a $10,000 monthly maximum. This is financed by a 30% employee contribution and a 70% university contribution to the total cost of coverage.
2. Optional Coverage: You may choose coverage for 70% of your salary with a monthly maximum of $11,667. You will be required to pay the difference between this option and the cost of basic coverage in addition to the premium as described previously.

Under the plan, monthly disability payments will be reduced by the amounts of your Workers' Compensation and family Social Security disability payments. The total amount of compensation from all sources will be 60-70% of your monthly salary, depending on the option you select. Your total monthly benefit will not exceed $10,000 or $11,667 depending on whether or not optional coverage is in effect. The insurance carrier monthly benefit will never be less than $100 or 10% of the benefit amount, whichever is greater, even if this amount may bring the total disability income to more than the guaranteed benefit.

Payments begin on the first of the month after you have been totally disabled for six months. After 42 months of continuous disability, monthly benefits will be increased 3% annually or by the Consumer Price Index (CPI) if lower.

If you become totally disabled before age 60, your disability payments will continue until your disability ceases or until you reach age 65, whichever is first. If your disability occurs after age 60 but before age 65, you will receive benefits until the disability ends, or for four and one-half (4 1/2) years from the date of disability. If your disability occurs after age 65 but before age 68

1/2, you will receive benefits until the disability ends or age 70, whichever is first. If your disability takes place after age 68-1/2, benefits will be paid for one (1) year.

Disability and Your Retirement Plan

You must be enrolled in the UVM Retirement Plan and eligible for UVM contributions before you become disabled to be eligible for retirement protection payments. If you have retirement protection, regardless of which option you choose [60% or 70%], the insurance carrier will automatically continue to pay into your retirement plan. The amount will be equal to 12% for staff and 13% for administrative officers of the rate of your monthly straight-time pay as of the date of your disability.

Beginning 42 months after the date of your disability, your retirement contributions will be increased by 3% annually or the CPI if less. Your retirement benefits may begin at your option once your disability benefits cease.

Special Note: If you are enrolled in the Prudential or Fidelity retirement plans on the date of your disability, you will be eligible to receive continuing retirement contributions. However, you will need to enroll in a TIAA/CREF annuity account.

Disability and Your Social Security Benefits

If you become disabled, you must apply for Social Security disability (SSDI) benefits and Medicare Parts A and B immediately. Medicare becomes effective after you have been receiving Social Security disability payments for 24 months.

If you are over 65 and become totally disabled, you must apply for Social Security retirement benefits and Medicare Parts A and B. The amount of your long-term disability payments will be reduced by Social Security whether applied for or not.

You are not required to apply for early retirement benefits (i.e., prior to age 65) from Social Security, and in fact, we would recommend that you do not. If you do apply for them, your disability benefits will be reduced in direct proportion to your Social Security benefits.

Insurance Benefits during Disability

When you are totally disabled and receive benefits from either the group long-term disability policy or Social Security disability, medical and dental insurance is paid by the University at the same rate as for active employees in benefit groups A, B, or C during the time disability benefits are received. UVM reserves the right to require additional proof of a qualifying disability.

Group life insurance premiums may qualify for the waiver of payment for insured employees who become totally and permanently disabled while working at UVM.

If you are in benefit groups D, E, or F and covered by UVM's insurance plans, your premiums will be paid by UVM on the same prorated basis as before the award of disability benefits. In order to qualify for benefits continuation, however, you must qualify for Social Security disability benefits. Coverage will continue under the same conditions as for part-time staff.

If you die while receiving disability benefits, your spouse and dependent children are covered by medical and dental insurance plans for one additional month beyond death for every month of service prior to receipt of disability benefits, up to 24 months. UVM will continue its contribution of the coverage in the same proportion as before death. Your surviving spouse must continue to pay his or her share of the premiums in order to continue coverage.

If you were eligible to retire with benefits on the day of disability, the dependents will be treated as if you had actually retired.

If you did not qualify for retirement, your eligible dependents may qualify for an extension of their medical and dental insurance by exercising their COBRA rights if death occurs within one year of your disability retirement.

Your Medical Insurance Coverage during Disability

Medical insurance continues until you and your dependents become eligible for Medicare. Coverage options will be the same options offered to active employees.

If you become eligible for Medicare while disabled, you must enroll in and pay for parts A and B, and UVM will provide the Medicare Carve-Out Plan as described for retirees. If one of your dependents becomes eligible for Medicare, he or she must enroll in parts A and B. The University will not reimburse you for the cost of Medicare Part B.

You will be required to pay a portion of the premium based on your post-retirement adjusted base salary. The post-retirement adjusted base salary is 75% of the average of the final three years base salary. Just as active employees do, you will pay from 4% to 24% of the premium depending on the post-retirement base salary.

This premium requirement continues after qualification for Medicare.

Group Life Insurance during Disability

If you receive benefits for a permanent and total disability, your life insurance may be continued at the face value in effect on the date of receipt of disability benefits if the insurer approves a waiver of premiums. Coverage will continue for life, or until your disability benefits cease. At age 65, however, the face value of your coverage is reduced by 33%, by 55% at age 70 and by 70% at age 75. Life insurance coverage will not be less than $6,000.

If you had dependent coverage at the time of receipt of disability benefits, premiums will be waived for their coverage if your premiums are waived.

Accidental death and dismemberment insurance coverage ends when you retire due to disability, no matter what your age.

The UVM Retirement Savings Plan

The University of Vermont helps you plan for a secure retirement by offering a program to save and invest through the 403(b) retirement savings plan. You may begin your retirement savings plan immediately upon employment by contributing the minimum amount required by the plan and by choosing the kind of investment you would like to make. You must be employed at 75% FTE or greater for three years before UVM begins to contribute 10% of your base salary to your retirement savings plan and you must contribute at least 2% of your base UVM salary to the plan at that time. Human Resources will send a reminder to you after three years of employment. University contributions will begin after three years as long as you enroll and contribute at least your minimum contribution of your base UVM salary to the plan. Your taxes will be deferred on your contributions. As soon as you begin making your contributions to the retirement plan, they are immediately vested. You own them and you have a non-forfeitable right to their current value, even if you decide to leave UVM before retirement.

When you retire, these contributions and any earnings may be withdrawn in cash (except TIAA's traditional annuity) or they may be used to purchase a guaranteed or variable annuity, no matter which investment option you choose.

After you retire or your employment terminates, if you opt to withdraw cash rather than an annuity prior to reaching age 59-1/2, it will be subject to IRS penalties.

Even if you are not yet eligible for University contributions, you may enroll at any time before you become eligible for UVM's contribution. The University's contribution will begin automatically in those instances at the time you become eligible.

If you fail to enroll when you first become eligible for University contributions, you may enroll at any time thereafter, but the University contribution will not be retroactive.

Beginning January 1, 2002, contribution limits to the retirement plan were simplified. Participants may contribute to the plan a dollar amount up to 100% of their compensation minus their benefit costs (e.g., FICA and Medicare taxes, health and dental deductions, etc.) to a limit of $16,500 in calendar year 2009. Reduction forms should be submitted annually (ideally in January) in order to obtain the maximum contribution.

Participants who wish to contribute more than the elected deferral amount (see above) have two programs they can use:

- Special §403 years of service catch-up and
- Age 50+ catch-up.

Reduction forms for the catch-up options should also be submitted annually (ideally in January) in order to obtain the maximum contribution.

The Special §403 years of service catch-up option is only available to of those employees with 15 or more years-of-service with UVM. You must have fifteen years of full-time equivalent service with UVM and your elective deferrals cannot average more than $5,000 per year of credited service. Under this Special §403 years of service catch-up you would be eligible for the least of the following: $3,000 annual or $15,000 lifetime catch-up amount. The Special §403 years of service catch-up calculation (the old MEA) must accompany each reductions form.

To be eligible for the Age 50+ catch-up contributions in a calendar year, you must be at least age 50 by December 31 of that year, must have elected to defer the maximum regular reductions as adjusted for cost-of-living, and must not be eligible for Special Section 403(b) years of service catch-up. Age 50+ catch-up is limited to $5,500 for 2009.

You can use both the Special §403 years of service catch-up and the Age 50+ catch-up option during the same year, but you must use the ordering rule; you must apply all catch-up to Special §403 years of service rule first, then apply any excess contributions to Age 50+ catch-up.

The overall employer-employee contribution (including any catch-up options) combined limit per year is $49,000 for 2009, not to exceed 100% of compensation, minus benefit costs.

If you come to the University from another nonprofit organization and you enroll in the University's retirement plan upon employment, contributions to a 403(b) plan through that other employer's plan during that initial calendar year will be combined with UVM's when determining your maximum contributions for that year. The sum of such contributions cannot exceed $16,500 in 2009 if you are 49 years of age or less or $22,000 in 2009 if you are 50 years of age or more, subject to change annually in accordance with IRS regulations.

Investment Alternatives

The University offers a wide variety of investment alternatives which provide flexibility for risk, growth, or security. This is a summary of the main investment groups available.

TIAA/CREF (Teachers Insurance and Annuity Association and College Retirement Equities Funds)

Contributions made to TIAA's Traditional Annuity purchase a definite amount of future retirement income. In the Traditional Annuity, the principal is guaranteed and TIAA will pay interest on that principal. The interest rate is variable and is declared several times a year. TIAA invests almost exclusively in fixed dollar obligations made up of a broadly diversified group of bonds and mortgages. On retirement, if you annuitize your account, TIAA issues a check on a regular schedule for as long as you live. The dollar amount is stable, and you will receive a dividend as it is declared from time to time.

CREF and TIAA Real Estate Portfolio offer several different variable annuities as investment alternatives. CREF and TIAA Real Estate Portfolio differ from TIAA Traditional Annuity in that they do not offer a guaranteed annuity, but are designed instead to provide equity, bond and real estate investments as alternatives. CREF contributions buy accumulation units that are shares of ownership in broadly diversified investment portfolios including Stock, Bond, Social Choice, Global Equities, Equity Index, Money Market, and TIAA Real Estate Portfolio each with its own investment objectives. The dividends and other earnings are reinvested to buy additional accumulation units. On retirement, you receive an amount equal to the current value of a certain number of annuity units. You may transfer previous contributions to CREF from your TIAA Traditional Annuity but you must only do so over a period of 10 years.

Group Supplemental Retirement Annuities (GSRA)
Contributions may be directed to either a Retirement Annuity (RA) or a Group Supplemental Retirement Annuity (GSRA).

The GSRA has the same investment alternatives as the RA, with three exceptions:

- The Traditional Annuity under the GSRA is fully transferable within the Retirement Savings Plan, whereas, under the RA it can only be transferred over a 10-year period.
- The GSRA has a loan provision that will allow you to borrow up to 45% of the value of the account.
- The Traditional Annuity investment alternative pays 1% less in interest.

Fidelity Group

Fidelity Investments is currently among the largest managers of mutual funds in the country. Investors may choose from a wide variety of mutual funds, each with different strategies and corresponding results. Shares may be purchased in one or a combination of funds that invest in a diversified pool of securities. These range from very conservative U.S. government money market funds to highly speculative ones. In addition to its own funds, Fidelity offers a family of socially conscious mutual funds offered through the Calvert Group.

The Calvert Group

The Calvert Group (contributions administered through Fidelity) is a mutual fund manager offering funds ranging from money market accounts and government-backed securities to common stocks and corporate bonds as well as several socially and environmentally responsible investment opportunities which screen investments for social impact as well as for financial soundness. Social criteria include equal opportunity, environmental responsibility, occupational health and safety, and fair labor practices. The fund also avoids investments in weapons system manufacturers and nuclear power.

Prudential Financial Services

Prudential's MEDLEY Program is a combination of a fixed annuity, several equity funds, and a money market account. The fixed annuity guarantees principal and provides a lifetime income after retirement. Its equity funds are somewhat riskier, and the money market account does not guarantee any particular rate of return. Any percentage of an employee's total annual contribution may be invested in one or more of the MEDLEY programs.

As with the GSRA offered by TIAA-CREF, Prudential offers a loan provision. However, only your contributions and the earnings on those contributions are eligible to be borrowed against.

Enrollment

Enrollment in the UVM Retirement Savings Plan is voluntary and can be done at any time. On the first Wednesday of each month, a special retirement plan orientation is held. During this orientation, the enrollment options are explained and you will be provided assistance in enrolling in the plan. The orientation is normally held in the Waterman Building from 9:00 to 11:00 a.m. Please call to get the location of this month's meeting.

It is your responsibility to contact Human Resource Services to actually enroll in the plan. To enroll, you decide the amount you wish to defer for tax purposes and choose how the contributions will be invested. A beneficiary must be chosen to receive the value of your account if you die. If you decide to enroll in the plan after your third-year anniversary has passed (or your employment date if you qualify for waiver of the waiting period), UVM will contribute 10% of your straight-time salary to the plan beginning with the next payroll following receipt of your enrollment forms. UVM's contributions are not retroactive.

From time to time, Human Resource Services organizes a seminar entitled "Planning for a Secure Retirement." Those 50 and older are invited to attend. This program is designed for people who are within 10 years of retirement in an effort to encourage them to plan for retirement in advance. The seminar generally takes place in the fall.

Eligibility

You are eligible to join the plan by contributing at least 2% of your gross base or straight-time pay per month.

To receive University contributions to the plan, you must have at least three years of continuous, regular employment in benefit groups A, B, C, or D. Human Resource Services will mail a reminder to you on completion of three years of qualifying service.

Restrictions to the Retirement Plan

There are certain restrictions to the UVM Retirement Plan. Once the University has begun to make contributions toward your fund, you may not reduce your own contributions below the 2% for staff and 3% for faculty level unless such contributions exceed your annual maximum. You cannot drop out of the program after University contributions have begun. Further, UVM contributions toward your retirement plan cannot be withdrawn while you are an employee here, nor can you borrow against them. Withdrawal of your own personal contributions is subject to IRS restrictions and penalties. In the case of severe financial hardship, your contribution (not UVM's) may be withdrawn prior to reaching age 59-1/2. You will be required to pay the IRS a 10% tax penalty and 20% of your funds will be withheld for estimated income tax purposes.

Loans

Currently you can borrow from your contributions (not UVM's) if your retirement plan is invested with Prudential or TIAA's GSRA. For details and current rates, contact each company. TIAA can be reached at 1-800-842-2776 and Prudential can be reached at 1-800-458-6333.

Tax-Deferral

You may defer taxes on your contributions to the Retirement Savings Plan by signing a "Salary Reduction/Investment Agreement" in which you agree to have your pay reduced by the amount you contribute to the plan. This option is valuable because salary after the reduction determines the amount of federal and state income taxes you pay. Other benefits like life insurance, disability insurance and Social Security are calculated on full base pay and are not reduced, no matter how much is contributed to the retirement plan. You may increase or decrease your retirement plan contribution as often as you wish as long as it goes no lower than 2% for staff and 3% for faculty and does not exceed your annual contribution limits.

Upon Retirement

When you retire, you may select from a wide range of distribution options with payment plans that suit your personal needs. A joint life annuity, for example, guarantees income for you and your spouse for as long as you or your spouse live. A single life annuity guarantees a lifetime income for you alone. Or you can elect a periodic distribution plan in which you ask the company with your retirement plan account to distribute a certain amount periodically. These options are not chosen until you retire.

Termination

Your contributions and UVM's contributions are immediately owned by you, even if you leave UVM. Upon termination of employment, you may choose to cash in your account or roll over the proceeds, tax-free, to an IRA. If you allow the account to remain inactive you will not be able to add new funds to it unless it is a TIAA-CREF IRA and you become employed by another educational employer who participates with TIAA-CREF but you will still participate in any investment gains or losses and continue to transfer among funds as long as you remain a participant. UVM's contributions stop on your termination date. Under current rules, if cash withdrawal is done before age 59-1/2, in addition to income taxes, the IRS assesses a 10% tax penalty.

Military Service

Former employees who return to UVM after leaving to fulfill their military service requirement as defined by the Veterans' Re-employment Rights Act, and who maintained their vested interest in their UVM Retirement Savings Plan during their absence may, after one year of re-employment, regain the amount of retirement money the University would have contributed on their behalf during their obligated military service. After one year of re-employment, you must contribute the minimum required percentage of gross straight-time pay at the time of separation, for the period of obligated service as defined by the Veteran's Re-employment Rights Act. You will then receive UVM's contribution for the period of your absence, based on your pay at the time of separation. Eligibility requires that your absence and re-employment meet UVM's military leave policy and the provisions of the Veterans' Re-employment Rights Act.

Workers' Compensation

UVM insures you for accidental bodily injuries, occupational illnesses, and work time lost as a result of these occurrences while you are performing assigned job duties. Workers' Compensation is governed by state law which supersedes any University policies.

Accident Reports

Any injury, no matter how insignificant, must be reported to your immediate supervisor. You and your supervisor will complete a "First Report of Injury" form which is available from Risk Management, 109 South Prospect, 656-3242. This form must be returned to Risk Management within 24 hours of the incident. Call Risk Management if you have any problem completing the form. All reports must be submitted by Risk Management to the State within 72 hours of the injury.

Medical Expenses

If you must pay for medical expenses due to a job-related injury or illness, submit your bills and receipts to Risk Management. Medical expenses for job-related accidents should not be submitted to the medical insurance plan.

Temporary Disability Payments

If you lose work as a result of an injury or illness due to a job-related accident, you will receive payments according to a schedule set by state regulations.

Workers' Compensation payments will be paid at a rate equal to two-thirds of your average weekly earnings for the 12 weeks before the date of your disability, subject to the minimum and maximum allowable by law. You will receive an additional amount, also defined by law, for each dependent under age 21. You can request information regarding the amount of disability payments from Risk Management.

Payments will be made for time lost in excess of three days. If you are disabled for four to ten consecutive days, you will receive payment calculated from the third day of disability. If your disability extends beyond ten days, you will receive payment calculated from the first day of disability.

When Workers' Compensation pays for time lost and a waiting period applies, you will not be charged medical leave for the waiting period. The University pays wages for time lost during the waiting period.

Medical Leave

You may choose to be paid from either your accrued medical leave or you may receive Workers' Compensation disability payments during absences caused by a work-related accident or illness. Only one option may be chosen. If you receive Workers' Compensation payments directly, you will not accrue additional vacation or medical leave from the University, nor will you receive UVM contributions to the retirement plan if enrolled.

If you decide to be paid from medical leave, you will receive full pay for the period of available medical leave. Workers' Compensation insurance payments to you under this option must be endorsed to UVM and deposited to the appropriate departmental account. After deposit of the insurance check, you receive a credit of the time equivalent of the insurance payment to your medical leave (the total insurance dollars divided by hourly rate equals equivalent hours of medical leave). If you are receiving short-term disability payments from UVM, the amount of short-term disability will be reduced by the amount of Workers' Compensation received.

Follow-up Appointments

Once you have returned to work after an injury or illness that was covered by Workers' Compensation, any follow-up visits to a doctor required by that injury are not charged to your accumulated medical leave. As with other Workers' Compensation claims, any bills must be submitted to Risk Management where they are forwarded to the Workers' Compensation insurer for payment. If your claim is refused by Workers' Compensation, your medical leave will be charged for the absence retroactively.

Unless there is an emergency, notify your supervisor of a medical appointment as far in advance as you can. Make your appointment toward the beginning or end of the day since your absence may not exceed a half day. Return to work directly after your appointment and provide your supervisor with written evidence of the time and place of your appointment.

Unemployment Compensation

UVM is a covered employer under the Vermont Unemployment Compensation Law. To draw unemployment compensation benefits, you must meet state eligibility requirements and serve any disqualification periods.

Unemployment Compensation is governed by federal and state law which supersedes any University policies. Request information and applications for benefits from:

Vermont Department of Employment and Training
59-63 Pearl Street
Burlington, VT 05401
802-658-1120

Eligibility

The following rules are in accordance with federal and Vermont law. They are subject to revisions in federal and state law and are not all-inclusive.

Required Conditions

You must have worked in any covered employment and have earned at least $1,000 in any calendar quarter of the base period, and have earned at least 40% of the high quarter amount in the remainder of the base period. For additional information, contact the Vermont Department of Employment and Training.

Other Conditions

As an unemployed person, you must:

- Have registered for work at your local state employment office.
- Have made a lawful claim for benefits and continue to report for those benefits as required.
- Be able and available to work.

Exception: According to current Vermont law, staff members on academic-year appointments who have reasonable assurance of re-appointment for the ensuing academic year are ineligible for unemployment benefits between academic years.

Qualifications and Disqualifications

Any employee who loses a job through circumstances beyond his or her control, such as layoff, reduction in force, grant termination, non-reappointment, non-adaptability, etc., and who is otherwise eligible, may be entitled to unemployment benefits.

Termination for cause or misconduct connected with work may disqualify a claimant for benefits for a period of 6 to 12 weeks, as determined by the state, depending on the issue.

Voluntary resignation or termination for gross misconduct connected with work disqualifies a claimant for benefits until he or she has purged the disqualification by earning a total of six times the weekly benefit amount with a bona fide employer and is then laid off by that employer.

Any employee who leaves work because of a health condition, as certified by a physician, will be disqualified for benefits for a period of one to six weeks.

Benefits

Any qualifying person may draw a weekly benefit amount computed by dividing the total wages paid in the two highest base period quarters by 45, subject to a maximum weekly amount as established by State law. The benefits may be drawn for a maximum amount of 26 weeks except during times of high unemployment when the maximum number of weeks may be extended.

Funding of Unemployment Compensation

Unlike most employers who pay payroll taxes into the Unemployment Trust Fund, UVM pays unemployment compensation by direct reimbursement, dollar for dollar. This means benefits paid to former employees are billed directly to UVM by the State of Vermont. Since these costs affect fringe benefit rates, benefits are paid only in genuine cases of unemployment and are not considered as severance or termination payments.

Social Security

Federal law governs Social Security and supersedes any UVM policies. For details of any changes in the law, information, answers to questions, and applications for benefits, contact your local Social Security office. The Burlington office is located at:

56 Pearl Street
Burlington, VT 05401
1-800-772-1213 (toll free)

All UVM employees, except federal employees, are covered by Old Age, Survivors, and Disability Insurance (OASDI), known as Social Security. The funding for Social Security benefits comes from your withholding taxes known as FICA (for Federal Insurance Contribution Act) which is paid in equal percentages by you and your employer. There are actually two Social Security taxes deducted from your paycheck, OASDI at 6.2% and Medicare at 1.45%. Check with the Human Resource Services (228 Waterman) for additional information.

The following is a description of some of the benefits provided by Social Security:

Retirement Benefits

If you were born before 1938, you will be eligible for your full Social Security benefit at the age of 65. However, beginning in the year 2000, the age at which full benefits are payable has increased in gradual steps from 65 to 67. This affects people born in 1938 and later. For example, if you were born in 1940, your full retirement age is 65 and 6 months. If you were born in 1950, your full retirement age is 66. Anybody born in 1960 or later will be eligible for full retirement benefits at 67.

No matter what your "full" retirement age is, you may start receiving benefits as early as 62. However, if you start your benefits early, they are reduced five-ninths of one percent for each month before your "full" retirement age. For example, if your full retirement age is 65 and you sign up for Social Security when you're 64, you will receive 93 1/3% of your full benefit. At 62, you would get 80%. (Note: The reduction will be greater in future years as the full retirement age increases.)

Note: There are disadvantages and advantages to taking your benefit before your full retirement age. The disadvantage is that your benefit is permanently reduced. The advantage is that you collect benefits for a longer period of time. Each person's situation is different, so make sure you check with Social Security before you decide to retire.

Survivor Benefits

Monthly income payments may be provided to survivors of deceased UVM employees. Application should be made promptly to Social Security since it can take several months before payments begin. A lump sum payment of $255 toward funeral expenses is provided to the eligible surviving spouse.

Disability Benefits

If you become totally and permanently disabled, or if your disability is so severe as to prevent you from substantial work and is likely to continue for at least 12 months, or if it may result in death, you may begin receiving Social Security benefits six months after the disability occurs. You must have worked under Social Security long enough and recently enough to be eligible. Application for disability benefits may be made to the Social Security Administration. Payments may also be available to your dependents on the same basis as the retiree.

Medicare

Medicare is a two-part health program for retired people over age 65 and people under 65 who have been receiving Social Security disability benefits for two years or people who have end-stage renal disease.

Part A:	Hospital Insurance at no charge.
Part B:	Medical Insurance. For current premium rates as defined by Social Security legislation, call Social Security at 1-800-772-1213 or Human Resource Services at 656-3150.

The following people must enroll in Parts A and B as soon as they become eligible:

- All retired employees, including disabled retirees
- Spouses and dependents of any retired or disabled retired employees

Note: Since Medicare Part A has no cost to the beneficiary (covered person), any active employee or a dependent of an active employee who qualifies for Medicare should enroll in Part A immediately upon attaining eligibility, currently age 65. As an active employee or as a dependent of an active employee with full-time health coverage you may waive Medicare Part B coverage without penalty. The University requires that all non-working employees and their dependents sign-up for Medicare Part B so that it is effective the first day of the first month of your retirement.

To Enroll in Medicare

Once you are eligible, you must enroll in Medicare through a local Social Security office. The enrollment period lasts from three months before the month of your 65th birthday to three months after the month of your 65th birthday. You'll have to wait until the next general enrollment period, January to March, if you miss your regular enrollment. In addition, you'll be assessed a 10% penalty for each year after your original eligibility date. Coverage becomes effective on July 1 following general enrollment. Any active employee or a dependent of an active employee who qualifies for Medicare should enroll in Part A immediately upon attaining eligibility. The enrollment period is extended and penalties are waived for people who are Medicare-eligible but are covered under a large group medical plan as an active employee, or a dependent of an active employee until the employee retires.

Federal law governs Social Security and supersedes any UVM policies and is subject to change. For details of changes, information, answers to questions, and applications for benefits, contact your local Social Security Office. The Burlington Office is located at 56 Pearl Street, Burlington, Vermont 05401, telephone toll free at 1-800-772-1213.

General University Insurance Protection

You are covered by blanket bond protection, general liability insurance and errors and omissions insurance while working. The University shall provide its officers and employees a legal defense, and pay costs, judgments or settlement expenses incurred in connection with the defense or resolution of external civil actions filed against such persons in connection with their performance of University duties, provided that all eligibility criteria established by the University are otherwise met. Please contact Risk Management for a copy of the Officer and Employee Indemnification Policy.

If you are involved in an accident while operating a personally owned vehicle or a vehicle leased in your name, liability protection will be governed by your automobile insurance coverage, not by UVM's. If you are involved in an accident while operating a vehicle owned or leased in the name of the University, you must report the accident to your supervisor immediately who must then report it to Risk Management (656-3242) and Police Services (656-3473). You should not operate UVM owned or leased vehicles for personal use. If you are in an accident while using a UVM vehicle for personal use, you will be responsible for damages and/or liabilities. You must maintain a personal automobile policy with extended non-owned and physical damage coverage to protect you against claims arising out of personal use.

Your personal property, whether used to perform your assigned duties or not, is not covered by UVM insurance. It is your sole responsibility.

Notify the Office of General Counsel (656-8585) and Risk Management (656-3242) immediately if you are served with a complaint relating to performance of your University duties.

Travel and Accident Insurance While on UVM Business

In addition to group life insurance, UVM also provides travel and accident insurance to you if you are traveling on University business. Business is defined as "while on assignment by or at the direction of UVM for furthering its business interest, but shall not include any period of vacation or leave of absence." Coverage provides $150,000 per accident resulting in death and $75,000 per accident resulting in loss of hand, foot, or eye.

Coverage extends to employees while riding as a passenger in, or boarding or alighting from, any land or water conveyance, or riding as a passenger in, or boarding or alighting from, any civil aircraft while on University business. The beneficiary of this policy is pre-designated. For further information and details contact Risk Management (656-3242).

Tuition Remission

Eligibility

Any employee in benefits group A, B, C, D, E, or F may be granted tuition remission for courses taken for credit or audit at The University of Vermont. Employees in benefits groups A, B, and C may take up to 15 credits of course work or thesis research per year beginning September 1 and ending August 31, tuition free.

Employees in benefits groups D, E, and F may take up to 6 credits in one year (beginning September 1 and ending August 31), tuition free.

While the University places no restrictions on the courses taken, the IRS has ruled that under some conditions, tuition remission for courses taken toward a graduate degree may be taxable. Contact the Benefits Office for more information.

If a course is not available during the evening session, supervisors may authorize an employee to attend classes during the workday. However, time spent away from the job to attend classes must be made up by the employee or taken as vacation, personal days (if applicable), or unpaid leave, if approved by the supervisor.

The University will pay the comprehensive fee and summer session registration fees associated with courses which receive tuition remission benefits.

To be covered by tuition remission for a given semester, the employee must begin employment before the close of the semester add/drop period. Tuition remission is available only to paid employees during active employment and to employees who retire after qualifying for post-retirement benefits as described previously. Course work begun under tuition remission during active employment may be completed after an employee becomes inactive (e.g., on unpaid leave or terminated) provided that the separation of active employment occurs after the end of the semester add/drop period.

Tuition remission benefits are automatically credited for eligible employees when they register for courses through Continuing Education or the Registrar's Office during the registration process.

Tuition Reimbursement for Employees Living and Working Over 40 Miles from the University of Vermont Main Campus

UVM faculty and staff members who live and work 40 or more miles from the University of Vermont main campus in Burlington may apply for tuition reimbursement for courses taken at any of the colleges for which tuition remission is now available to dependent children. These are Johnson State College, Lyndon State, Castleton State, Community College of Vermont, and Vermont Technical College. Employees will qualify for tuition remission at these colleges using the same criteria for which employees qualify for on-campus tuition remission.

Tuition remission for UVM faculty and staff at these colleges is paid for by UVM as a direct expense and is not covered in the reciprocal agreement for tuition exchange between UVM and the State Colleges.

- To qualify for tuition remission, the employee must complete the course, although there is no requirement for completion with a passing grade.

- Employees may apply for reimbursement in either of the following ways:

Method 1: Payment in Advance

After qualifying for tuition reimbursement by submitting an application to the Human Resource Services, the employee may then pay for the course in advance. Upon completion of the course, the employee submits proof of completion and evidence of tuition payment to the Payroll Records Office. Reimbursement will follow by inclusion in a subsequent paycheck. Having paid his or her tuition in advance, the employee will immediately qualify for tuition remission in the following semester within the guidelines of the UVM tuition remission policy.

Method 2: Direct Billing

An employee may find it difficult to pay for tuition in advance of taking a course. In this case, when applying for tuition remission, he or she may request that UVM authorize the College to bill UVM directly in advance of the course. If the College cannot bill UVM directly, UVM will arrange to pay for the course in advance.

Once the course is completed, the employee will be required to provide proof of completion before applying for tuition remission for another course. If the employee has not shown evidence of having completed the course, payment for a subsequent course must be paid for in advance by the employee as in Method 1.

If the employee drops or withdraws from the course, any tuition paid by UVM or any credit due from payment of the employee's tuition will be refunded by the College where the course is taken to UVM directly. If direct refund to UVM is not possible, UVM will require reimbursement from the employee. UVM reserves the right to deduct the refunded amount from the employee's paycheck.

Residency

The University will pay for in-state tuition or out-of-state tuition dependent upon whether the employee or his/her dependents meet the criteria for state residency. It is the responsibility of the employee to correctly complete the necessary paperwork to confirm residency status upon enrollment.

Spouses of Employees

The spouse of an employee in group A, B, or C may audit courses at UVM without tuition charge on the same basis that the employee may take courses for credit, i.e., 15 audit hours per year from September through August (a total of 6 audit hours during the year for the spouse of an employee in group D, E, or F). In addition, comprehensive and summer session fees are covered even if your spouse takes courses for credit.

Surviving Spouses

If you die when you are an employee while in benefit groups A, B, or C, your surviving spouse will be granted tuition remission at UVM for all courses taken for credit. There is no restriction on the number of courses taken or the degree pursued; however, tuition remission for courses applied toward a graduate degree may be considered taxable income by the IRS. If you have questions regarding the taxable status of your tuition remission benefits, check with the Human Resource Services. Remarriage renders a person ineligible for this benefit.

Dependent Children of Employees

Any dependent child of an employee who has been in benefits group A, B, or C for one year prior to the end of the semester add/drop period may receive tuition remission for all courses taken at UVM or any Vermont state college. To qualify, the dependent must be a full-time undergraduate student. Such tuition remission will be effective for the semester following completion of one year of service. In addition, several study abroad opportunities may be offered to UVM students.

To qualify for tuition remission, dependent children must:

- Have accepted admittance to an undergraduate degree or certificate program;
- Be enrolled for at least 12 credit hours each semester, except the final semester if less than 12 credits are needed to graduate; or in circumstances where the student's academic advisor or UVM Student Health Service or UVM Counseling and Testing recommends less than a full-time academic load;
- When applicable, be certified as a dependent by the parent's tax return or when not applicable, by written certification of dependency and claimed as a dependent for tax purposes in the following tax year, signed by the employee/parent and; if your dependent child is not listed on your tax return, you should attach legal evidence that the parent who is a UVM employee is responsible for paying for the child's education. Please contact the Human Resource Services if your dependent child is married. OR, if your dependent child is not listed as a dependent on your tax return, you should attach proof of your responsibility for payment of tuition, unless previously provided.
- Complete The University of Vermont or a Vermont State Colleges degree program within seven consecutive academic years and not exceed 150 attempted or paid credit hours, or complete a degree program begun at UVM and finished at a state college or vice versa within seven consecutive academic years.

In no case will tuition remission be granted:

- Before the first semester of matriculated enrollment, unless the child is taking a full-time course load under the Guaranteed Admission Program (GAP). In this case, an exception may be granted by the President or his/her designee;
- If the dependent child already has a bachelor's degree;
- For the pursuit of an advanced degree; or
- If the dependent child has not begun his or her undergraduate degree program before age 21 (unless he or she had to defer a college education because of a full- time service in the armed forces, in which case the age limit will be extended by the number of years of active service not to exceed four years plus one additional year at the convenience of the government).

Tuition remission will be withdrawn at the beginning of the semester in which:

- The student's course load drops below 12 credit hours, unless an academic advisor or UVM Center for Health and Wellbeing or UVM Counseling Center advises that the student's credit load be reduced for a semester (Note: medical, dental, and life insurance eligibility will be affected by a course load under 12 credits per semester) or;
- The employee terminates before the semester add/drop period ends.

Tuition remission will be withdrawn at the end of the semester in which:

- The dependent child reaches age 28, unless education was deferred for service in the military, or
- The child is no longer a dependent, or
- The employee terminates after the semester add/drop period.

Tuition remission for summer session courses at UVM may be granted if the dependent child submits a memo from his or her faculty advisor to the Associate Vice President of Human Resources indicating that the credits taken will be applied to satisfy requirements of the degree which the student is pursuing. Note: Dependent children who are undergraduate students at other institutions will qualify for this benefit if they meet all of the qualifications as previously described.

A tuition credit of $200 per semester is available for dependent children of employees in benefit groups D, E, and F. In order to qualify, dependent children must meet the provisions outlined above.

Tuition remission as outlined above is granted to dependent children of: employees who retire after becoming eligible for retirement or disability benefits as previously described herein; active employees who die after having completed four years of continuous University employment; and employees on leave status from the University for not more than one year.

Military Studies personnel and Civil Service employees of the UVM Military Studies Department who are residents of the State of Vermont as defined by the University are eligible for employee tuition benefits for their dependent children during the period of their contractual relationship. Eligibility for benefits will occur in the academic semester following one year of service.

If an employee with three or more years of at least half-time continuous regular service is re-employed by the University in another half-time or more continuous regular position within two years of the original separation (except in cases of termination for cause), the one-year waiting period for eligibility of tuition remission for dependent children will be waived. Also, if involuntarily terminated other than for cause, and returning within two years, the previous length of service will be applied toward the one-year waiting period.

Information and forms to be completed for tuition remission requests may be obtained from the Forms area of the HRS web site prior to enrollment of the dependent student. A tuition remission form must be completed for each dependent child each year. In addition, the student must register for classes through the normal registration process.

Tuition Remission during Disability

If you receive disability benefits or die after four years of regular continuous employment at UVM, you and your dependents will remain eligible for the same tuition remission benefits as before your disability, except that if you die, your surviving spouse may take unlimited courses at UVM for credit. There is no minimum length of service for this benefit. Remarriage renders your surviving spouse ineligible for this benefit.

*Note: UVM reserves the right to amend or modify these benefits anytime there are unilateral changes made by the carriers.

Post-Retirement Benefits

*Note: UVM retains the right to amend, alter, or terminate post-retirement benefits at any time for prospective and existing retirees.

Post-Retirement Benefits for Those Hired Before July 1, 1992

Full-time Staff Members

You must be at least 55 with 10 years continuous employment to be eligible for full post-retirement benefits. You will qualify for continuation of medical, dental and life insurance benefits if you were eligible for them at the time of your retirement.

Medical Insurance

You are eligible for the same medical plans that are provided to active employees until you and your dependents qualify for Medicare. Once you or your dependents are eligible for Medicare, you qualify for Blue Cross Blue Shield's J-Carve Out Plan. Under the J-Carve Out Plan, you and your covered dependents must enroll in Medicare Part B and pay the premiums. You will not be reimbursed for the cost of Medicare Part B. Medicare pays its benefits first, and unpaid balances are covered up to the J-Carve Out Plan limits. For a full description, contact Human Resource Services at 656-3150.

The retiree must pay for premiums for himself/herself and for his or her dependents consistent with those paid by active employees based on an adjusted retirement base salary defined as 75% of the average final three years' base salary. If coverage or premium requirements change for active employees, they will also change for retirees.

Dental Insurance

Coverage and the premium paid is the same as for active employees. If active employees' premium requirements change, retirees' premiums will also change. You must be insured at the time of retirement or wait until Open Enrollment to qualify. The High Option Plan is available to retirees.

Life Insurance

Post-retirement life insurance benefits will decrease as you grow older.

If you are retiring between the ages of 55 and 64, you will receive the same coverage as active employees. If you choose $6,000 or $50,000 in coverage, you will receive the full amount. If you choose 2-7 times coverage, you will get the lower of either 2 times coverage or $50,000. Your insurance reduces to half at age 65, and ends at 70. Coverage will never be less than $6,000 prior to reaching age 70. You must be insured at the time of retirement to be eligible for this benefit.

If you are retiring between the ages of 65 and 70, you will receive the same coverage as active employees. If you choose $6,000, you will receive the full amount. If you choose $50,000, you will get $25,000. If you choose 2-7 times salary, you will get half of 2 times salary or $25,000, whichever is lower. Coverage ends at age 70.

If you retire after age 70, coverage ends at retirement. Dependent coverage ends on retirement.

Tuition Remission

Retirees and their dependents will retain the same tuition remission benefits as active employees.

Part-time Employees

You must be continuously employed at 50% but less than 75% FTE for ten years and be age 55 to qualify for post-retirement benefits. You are eligible for medical, dental, and life insurance benefits if enrolled at the time of retirement.

The medical and dental benefit is the same as for full-time employees except that the premium will be based on the inverse of your average FTE over the ten years with the highest FTE. For example, if you retire after 15 years of service, and you worked 7 years at 100% and 8 years at 50%, the average would be:

7 years x 100% =	700
3 years x 50% =	150
Total	850
850 divided by 10 =	85%

UVM will pay 85% of its normal contribution for retired full-time employees and you will pay the remaining 15%.

If you are enrolled in a life insurance plan at the time of your retirement, benefits are the same as for full-time retirees as described above.

Tuition remission benefits are the same as those for active part-time employees.

Post-Retirement Benefits for Those Hired After June 30, 1992 but Before July 1, 1997

Full-time Staff Members

You must be at least 55 with 10 years continuous full-time employment to be eligible for post-retirement benefits. You will not, however, be eligible for full University contributions to your medical coverage unless the total of your years of service and your age at the time of retirement is 75 or greater. You will qualify for continuation of medical, dental and life insurance benefits if you were eligible for them at the time of your retirement. If you were not enrolled at retirement, you may enroll at any Open Enrollment. Tuition remission continues as provided to active employees.

Medical Insurance

You are eligible for the same medical plans that are provided to active employees until you and your dependents qualify for Medicare. Once you or your dependents are eligible for Medicare, you qualify for Blue Cross Blue Shield's J-Carve Out Plan. Under the J-Carve Out Plan, you and your covered dependents must enroll in Medicare Part B and pay the premiums. You will not be reimbursed for the cost of Medicare Part B. Medicare pays its benefits first, and unpaid balances are covered up to the J-Carve Out Plan limits. For a full description, contact the Human Resource Services at 656-3150.

The University provides coverage to retirees and their dependents consistent with those paid by active employees based on an adjusted retirement base salary defined as 75% of the average final three years' base salary times your appropriate percentage from the Percentage of Premium Cost Table. **If coverage or premium requirements change for active employees, they will also change for retirees.**

The Rule of 75

Although you may choose to retire as early as age 55 with at least 10 years of continuous service, you will not be entitled to the University's maximum contribution toward your and your dependent's health care premiums, unless the sum of your age at retirement plus your total years of service is 75 or more.

If at the time of retirement the sum of your age and years of your service is less than 75, you will have to pay a constant percentage of the University's health care premium for coverage as shown in the following schedule:

Medical Benefits Premium Cost After Retirement		
Age at Retirement Plus Years of Continuous Full-time Service	Actual Health Care Premium Cost	
	Retiree's Share	UVM Share
65	50%	50%
66	45%	55%
67	40%	60%
68	35%	65%
69	30%	70%
70	25%	75%
71	20%	80%
72	15%	85%
73	10%	90%
74	5%	95%
75	0%	100%

For example, if your post-retirement adjusted base salary is $35,000, and you retire at age 55 with 15 years of full-time service, in addition to the normal 10% of premium contribution paid by active employees with a base salary of $30,001 through $40,000, you will be required to pay an additional 25% of the premium for a total required contribution of 35%.

It is important to remember that regardless of your age at retirement, you will continue to pay your portion of the premium, just as you are currently paying as an active employee, based on a post-retirement base salary defined as 75% of the average final three years' base salary. Your premium requirement will continue after you and your spouse qualify for Medicare.

Based upon the current policy, which is subject to change in the future, here are several examples of how this policy works:

Examples:

1. Sarah began working at the University when she was 30. She has served here for 20 consecutive years. She is not eligible for post-retirement benefits because she has not yet reached age 55 yet. You must be at least 55 years old and have at least 10 years of continuous service to retire.
2. Caroline started working at UVM at age 22 and has decided to retire at age 55. She is single and has no dependents. Her salaries for the 3 years preceding retirement are $50,000, $51,500, and $53,000. Her post-retirement adjusted base salary equals $36,625. Her years of service, 33, combined with her age, 55, total 88, so she will only have to pay the portion of the medical insurance premium paid by active employees with a salary between $30,001 and $40,000. Therefore, she will only have to pay 10% of the premium after retirement, rather than the 14% she pays as an active employee earning between $50,001 and $60,000.
3. Ronald began working at the University at age 48 and would like to retire at age 60. His average annual salary for the last three years is $36,000. He is married to Sonja. His years of service, 12, combined with his age, 60, add up to 72. The table shows that he is entitled to 85% University paid coverage. He must pay the additional 15% of the cost of coverage. In addition, he will have to pay the premium for Sonja and himself. Assuming the cost of coverage for an employee and spouse is $400 per month, he will pay $60 ($400 x 15%) plus $36 which is the premium for Sonja and himself, for a total of $96 per month. When retirement age plus years of service add up to at least 65 but less than 75, check the chart to determine your additional share of the health care premium cost, then add your and your dependents' premium.
4. Martin is married to Ellen and both are 55 years old. His post-retirement adjusted base salary is $48,000. He would like to retire soon with 15 years of service. Since the sum of his age at retirement, 55, and the years of service, 15, total 70, he is entitled to 75% University paid coverage. He will have to pay an additional 25% of the cost of coverage for himself and his spouse. If the cost of coverage is $400 per month, he will pay $100 per month, plus $48 which is the premium for Ellen and himself, for a total of $148 per month. Regardless of your age at retirement, you are required to continue to pay the premium for yourself and your dependents' coverage, as you are currently paying them.

Part-time Employees

An employee must be continuously employed in groups A, B, C, D, E, or F for ten years and be age 55 to qualify for post-retirement benefits. The employee is eligible for medical, dental, and life insurance benefits if enrolled at the time of retirement.

The medical and dental plans that are offered are the same as for full-time employees except that the premium will be based on the inverse of the employee's average Full Time Equivalency (FTE) over the ten years with the highest FTE plus the Rule of 75 premium as described above.

For example, if an employee retires at age 55, after 15 years of service, and worked 7 years at 75% and 8 years at 50%, the average would be:

7 years x 75%	525
3 years x 50%	150
Total	675
675 divided by 10	67.5%

Thus, the employee would normally have to pay 32.5% of the premium, the inverse of 67.5%. However, in addition to the premiums described above, he or she must pay a proportion of the cost based on the Rule of 75. In this example, the sum of the age at retirement, 55, and the length of service at retirement, 15, equals 70. According to the Rule of 75, if age and length of service adds up to 70, the employee must pay an additional 25% of the premium. Thus, the employee would pay 32.5% of the premium due to part-time employment status and would pay an additional 25% of the premium under the Rule of 75, for a total of 57.5% of the premium.

Tuition remission continues, if the employee is benefits eligible at retirement, as provided for active part-time employees in the benefits group he or she was in at the time of retirement.

Post-Retirement Benefits for Those Hired After June 30, 1997, but Before July 1, 2011

Full-time Staff Members

You must be at least 60 with 15 years of continuous full-time employment to be eligible for full post-retirement benefits. You will qualify for continuation of medical, dental, and life insurance benefits if you were eligible for them at the time of your retirement. Tuition remission continues as provided to active employees.

Coverage for medical, dental, and life insurance is the same as for full-time staff members hired before July 1, 1992. Click here for details.

Part-time Staff Members

You must be at least 60 with 15 years of continuous part-time employment of at least 50% FTE to be eligible for part-time post-retirement benefits. You will qualify for continuation of medical, dental and life insurance benefits if you were enrolled in them at the time of your retirement. Tuition remission continues as provided for active part-time employees. Premium payments will be as described for staff members who were hired before 7/1/92.

Eligibility for Health Insurance Benefits after Retirement Due to Disability

If you have been awarded full disability benefits from either Social Security or UVM's TIAA long-term disability insurance plan or both, then you and your eligible dependents will receive post-retirement medical and dental insurance benefits. At that time you will be considered retired from the University.

The Medical and Dental Insurance plans available are the same plans offered to active employees with the following exception:

- If you, or your dependents, are Medicare eligible, coverage will be a plan that supplements Medicare and provides prescription drug coverage similar to that offered to active employees. Currently, the coverage is Blue Cross and Blue Shield of Vermont's JY Carve-Out Plan. For information about the benefits under this plan contact Human Resource Services at (802) 656-3150.

Once you or your covered dependent becomes eligible for Medicare you must enroll in Part A, Hospital Insurance and Part B, Medical Insurance. Medicare Part B requires a premium payment from the beneficiary to Medicare. It is automatically deducted from the Social Security checks of enrolled members. As of January 1, 2003, the cost of Medicare Part B is $58.70 per month. You will not be reimbursed for the cost of Medicare Part B.

You will become eligible for Medicare at the earliest of the following:

- Attainment of age 65.
- After receiving Social Security Disability payments for 24 months.
- When you are diagnosed with end stage renal disease.

Only eligible dependents who are covered on the date of disability retirement will be covered. Changes can only be made during the annual Open Enrollment with changes the following July 1st.

These benefits will continue for as long as you remain disabled. Premiums for Medical Insurance and Dental Insurance will be the same as for active employees, except that, where they are income based, they will be based on the post-retirement adjusted base salary. Post-retirement adjusted base salary is defined as 75% of the average of the final three years' base salary just prior to retirement. If the employee retires due to disability with less than three years of service, it will be 75% of the average base salary for the length of employment at the University.

If coverage or premium payment requirements change for active employees, they will also change for the employee after he or she retires due to disability.

Health Insurance for Surviving Dependents of Active, Retired, or Disabled Employees

If you die while an active employee or while you are receiving disability benefits, the University will continue to provide the health insurance which was in effect at the time of death on behalf of the surviving spouse and eligible dependent children. Such coverage will be on the same basis as was provided to you for a period of one month for each month of service up to 24 months. That is, if you worked at 100% FTE, your surviving spouse would be required to pay the same portion of the premium you were paying prior to your death, based on the base salary. If you worked at 50% FTE, your surviving spouse would pay 50% of the premium. In addition, your surviving dependents would be able to continue coverage under COBRA for the rest of a 36-month period beginning on the date of death, disability or retirement, whichever occurs first.

If you were to die while a retired employee, or while actively employed or having been awarded disability benefits and who qualifies for post-retirement benefits, i.e., if hired prior to 7/1/97, you are at least 55 with 10 years of service at your death, or, if hired after 6/30/97 you are at least 60 with 15 years of service, the University will continue to pay for medical and dental insurance on the same basis as before your death for 24 months. After 24 months, your survivors may remain insured under the medical plan only by paying 50% of the cost if you were in groups AC or 50% of the UVM portion plus the prorated premium if you were in groups D-F.

Right to Amend or Modify Benefits

Nothing contained herein should be construed to be a contract. The University reserves the right to amend or modify the policies and benefits described in this document any time there are unilateral changes made by the carriers. This applies to benefits offered to employees and retirees, as well as their dependents.

The University will comply with all legal requirements imposed upon it by the state of Vermont and the federal government. In the event that any policy herein conflicts with federal or state of Vermont statutory or regulatory requirements, the statutes or regulations will govern, whether stated or not.