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| <p>Office of<br/>Employee<br/>Benefits</p> <p>Administrative<br/>Manual</p>  | <p><b>PREMIUM SHARING FOR<br/>PART-TIME EMPLOYEES AND<br/>GRADUATE STUDENT<br/>EMPLOYEES</b></p>  | <p><b>142</b></p> |
|   | <p><b>INITIAL EFFECTIVE DATE: SEPTEMBER 1, 2003</b></p>   |                   |
|   | <p><b>LATEST REVISION DATE: SEPTEMBER 1, 2015</b></p>   |                   |
|   | <p><b>PURPOSE:</b> To provide guidance for University of Texas institutions in applying the state law relating to eligibility of Part-Time Employees and Graduate Student Employees for Premium Sharing</p> |                   |
|   | <p><b>SCOPE:</b> Eligible Part-Time Employees and Graduate Student Employees of The University of Texas System enrolled in the UT Uniform Group Insurance Program</p>                                       |                   |
| <p><b>STATUTORY AND ADMINISTRATIVE REFERENCES:</b><br/>Texas Insurance Code, Chapter 1601</p>   |   |                   |

## 1.0 BACKGROUND

Section 1601.207 requires The University of Texas System (System) to contribute certain amounts toward the cost of coverage (or premium) elected by a Benefits Eligible Employee or Retired Employee. This share of the premium is known as the State Premium Share or the “employers share” of the premium. For Part-Time Employees, including benefits eligible Graduate Student Employees, who are required to work at least 20 but less than 40 hours a week or to work at least 50% but less than 100% of a Full-Time Employee, the state Premium Share is generally limited to 50% of the total premium cost for the Basic Coverage Package for the Employee and 25% for eligible Dependents.

System is authorized to supplement the permitted state Premium Share for benefits eligible Graduate Student Employees and certain nurses, as long as the supplement is allocated from institutional funds that were not appropriated for state Premium Share purposes in the General Appropriations Act. No other supplementation is permitted. The purpose of this Policy is to provide guidance to the institutions in applying these state law provisions, as well as certain requirements of the federal Patient Protection and Affordable Care Act (PPACA).

***Important:*** Non-employee Post Doctoral Fellows and Non-employee Qualifying Graduate Students are not entitled to a State Premium Share. See Policy 211 of this manual for information about these individuals.

## **2.0 PART-TIME EMPLOYEES**

### **2.1 State Premium Share**

An Employee expected to work at least 20 hours but less than 40 hours per week or appointed to work more than 50% but less than a standard full-time appointment, is eligible to participate in the Program as a Part-time Employee. However, the institution may only make contributions for the state Premium Share from monies appropriated from the General Revenue Fund as follows:

- 2.1.1** Not more than 50% of the premium cost of the Basic Coverage Package; and
- 2.1.2** Not more than 25% of the premium cost of health coverage for covered Dependents.

### **2.2 Exception for Certain Nurse Employees**

Education Code 51.969 permits the president of a System health institution to determine that certain nurses employed by the unit for patient or clinical activities who work less than 40 hours a week are full-time employees for purposes of the Program. A medical and dental unit that has made such a determination may supplement the premium cost for basic health care coverage for such nurses and their dependents as long as the additional monies are allocated from the institution's funds and not from funds appropriated for state Premium Share purposes.

### **2.3 Exception for Tenured Faculty With Phased Retirement**

See Policy 210, Section 3.4 for information on handling phased retirement agreements for Tenured Faculty.

### **2.4 Designation for PPACA Compliance**

To ensure compliance with the federal Patient Protection and Affordable Care Act (PPACA), for the limited purpose of state Premium Sharing, a UT institution may designate an employee who is expected to work at least 30 hours per week as working 40 hours a week.

### **2.5 Additional Funding by Institution Prohibited**

Except as expressly authorized by this Section, funding in excess of the percentages described in this Policy is not permitted regardless of the source of the funds.

## **3.0 BENEFITS ELIGIBLE GRADUATE STUDENT EMPLOYEES**

### **3.1 Premium Sharing**

Graduate students who are employed at least 20 hours per week and are not permitted to participate as members in TRS because they are employed in positions that require, as a condition of employment, the person to be enrolled as a student in graduate-level courses at the institution are limited to 1/2 of the employer amount payable for a Full-time Employee as follows:

- 3.1.1** Not more than 50% of the premium cost of the Basic Coverage Package; and

- 3.1.2 Not more than 25% of the premium cost of health coverage for covered Dependents.

### **3.2 Additional Funding by Institution**

This restriction does not prohibit a U.T. institution from contributing additional amounts to supplement the premium cost of Employee Group Insurance Program (Program) coverage for basic care coverage for Graduate Student Employees and their Dependents, as long as the additional monies are allocated from the institution's funds and not from funds appropriated for state Premium Share purposes. An institution that chooses to supplement the premium cost must adopt a policy whereby all of its benefits-eligible Graduate Student Employees receive the supplement.

## **4.0 WAIVING COVERAGE**

An eligible Part-Time Employee or Graduate Student Employee who is covered under another comparable group health plan and chooses to waive the Basic Coverage Package is eligible to receive no more than 50% of the state Premium Share funds for a Part-Time Employee or Graduate Student Employee (i.e., 25% of the Premium Sharing amount designated for a Full-time Employee) to apply to out-of-pocket premiums for optional coverage. If a Part-Time Employee or Graduate Student Employee waives coverage, they cannot receive Premium sharing until after the waiting period.

**Note: Effective 9/1/2015, enrollment in a UT institution's Student Health Insurance plan qualifies as enrollment in comparable group insurance coverage making the Graduate Student Employee eligible to waive the Basic Package and apply available Premium Sharing to out-of-pocket premiums for optional coverage .**

See Policy 140 for more information about waiving coverage.

## **5.0 LEAVE WITHOUT PAY**

See Policy 140 of this Administrative Manual for information about an Employee in a Leave Without Pay status.

## **6.0 ADDITIONAL REQUIREMENTS FOR INSTITUTIONS THAT SUPPLEMENT THE STATE PREMIUM SHARE**

Each institution is permitted to make its own decision as to whether to contribute supplemental funds for basic care Program coverage for Graduate Student Employees and in the case of a health institution, eligible part-time nurses. However, each institution must:

- 6.1 determine that sufficient local institutional monies are available to fund this additional expense;
- 6.2 in the case of Graduate Student Employees, apply the policy consistently as to each eligible Graduate Student Employees; and
- 6.3 in the case of nurses, each health institution that elects to utilize the exception in Education Code Section 51.969 must treat all of its clinical and patient care nurses who work at least 36 hours a week as full-time employees for purposes of leave, for longevity pay, and for premium payment for basic group insurance coverage. A health institution that wishes to set a policy that treats nurses who work less than 36

hours per week as full-time or otherwise deviate from this policy must obtain prior approval from the Office of Health Affairs.

***Important.*** Part-time Employees, other than Graduate Student Employees and nurses specifically designated by a health institution as full-time employees pursuant to Education Code Section 51.969, are not eligible for additional premium contributions from the institution.