

<p>Office of Employee Benefits</p> <p>Administrative Manual</p> 	<p>ELIGIBILITY AND ENROLLMENT FOR CERTAIN NON-EMPLOYEES</p>	<p>211</p>
	<p>INITIAL EFFECTIVE DATE: JUNE. 1, 2013</p>	<p>NEW!</p>
	<p>LATEST REVISION DATE:</p>	
	<p>PURPOSE: To provide guidance in determining eligibility requirements and enrollment options for certain Non-Employees</p>	
	<p>SCOPE: Non-Employee Postdoctoral Fellows and Non-Employee Qualifying Graduate Students of The University of Texas System</p> <p>Note: This Policy does NOT pertain to Graduate Assistants who are working in a benefits-eligible position.</p>	
	<p>STATUTORY AND ADMINISTRATIVE REFERENCES: Texas Insurance Code, Chapter 1601</p>	

1.0 BACKGROUND

In September 2003, the Texas Insurance Code (TIC) Chapter 1601.101 was amended to allow certain Postdoctoral Fellows, who are not otherwise Benefits Eligible, to participate in certain types of coverage offered through the UT Uniform Group Insurance Program (Program).

In September 2011, the reference to Postdoctoral Fellows was removed from 1601.101 and moved to the newly added TIC 1601.1021. Also, a new category of individuals who are not otherwise Benefits Eligible, referred to in this policy as Qualifying Graduate Students, are now eligible to enroll in certain types of Program coverage provided they meet the specific requirements identified in this policy.

Coverage offered through the Program has been designed as an employer plan under federal and state law. Postdoctoral Fellows and Qualifying Graduate Students entitled to enroll in certain coverage offered through the Program under TIC 1601.1021 are not considered to be UT System employees simply by virtue of their eligibility to enroll in such coverage. Additionally because such individuals do not have a benefits-eligible employment appointment, these individuals are eligible to participate only in those Program coverages that are not associated with an annual salary.

Postdoctoral Fellows and Qualifying Graduate Students who meet the definition of a benefits-eligible Employee (e.g., is appointed for at least 50% of a standard full-time appointment and is receiving compensation for services performed for the institution) are eligible for all Program coverages as a benefits eligible Employee, as described in Policy 210.

2.0 ELIGIBILITY FOR UT GROUP INSURANCE

The following individuals do not meet the definition of a Benefits-Eligible Employee as defined in Policy 210 but are eligible under TIC 1601.1021 to participate in certain coverages offered through the Program if they meet the following requirements:

2.1 Non-employee Postdoctoral Fellows

Non-employee Postdoctoral Fellows are individuals who have completed their graduate studies and have been awarded a research fellowship at a UT institution as part of an organized research project. These individuals are not enrolled in a degree seeking program at the institution. Applicable fellowships involve a stipend that is not paid by the institution, but by the fellowship.

2.2 Non-employee Qualifying Graduate Students

Non-employee Qualifying Graduate Students are individuals who have been awarded one or more graduate student fellowships on a competitive basis that, either singly or in combination, are valued at a total amount of at least \$10,000. At least one applicable fellowship must include a stipend.

Graduate Students who are awarded fellowships valued at less than \$10,000 are not eligible under TIC 1601.1021.

3.0 NO PREMIUM SHARING AVAILABLE; OTHER POTENTIAL CONSIDERATIONS

The individuals described in this policy are not Benefits Eligible Employees (as described in Policy 210) and therefore are **not eligible for Premium Sharing**.

To participate in UT Program coverage, Postdoctoral Fellows and Qualifying Graduate Students must affirmatively elect to enroll and shall pay all premiums for any such coverage on a post-tax basis, except that an institution may make contributions for the individual from available funds other than money appropriated to the institution from the general revenue fund.

To the extent the institution contributes to the payment of premiums, it is likely that such contribution would be included in the Qualifying Graduate Student's or Postdoctoral Fellow's gross income for federal income tax purposes. It is recommended that the institution notify the Qualifying Graduate Student or Postdoctoral Fellow in writing that such contribution may be so includable and that the Qualifying Graduate Student or Postdoctoral Fellow should consult a tax adviser. The contribution is not considered wages and is not subject to withholding. Neither is the institution required to file a federal information return on IRS Form 1099.

4.0 BENEFITS

4.1 Eligible Coverage

- a. Postdoctoral Fellows and Qualifying Graduate Students are eligible to enroll in medical, dental, vision and long term care insurance coverage offered through the Program. They are responsible for the full payment of premiums for any coverage

elected, unless an institution assists with funding as described in Section 3.0 of this policy.

- b. If they elect to enroll in the UT SELECT Medical plan, Postdoctoral Fellows and Qualifying Graduate Students automatically qualify for and are enrolled in the Basic Life coverage of \$20,000 and the Basic Accidental Death and Dismemberment (AD&D) coverage of \$20,000.

4.2 Ineligible Coverage

A stipend does not constitute the payment of a salary by the institution with which Postdoctoral Fellows and Qualifying Graduate Students are affiliated. Therefore, these individuals are not eligible for coverage that is associated with the payment of a salary, including Voluntary Group Term Life, Voluntary AD&D, Short Term Disability, and Long Term Disability, as well as enrollment in the UT FLEX program.

4.3 Benefits Eligible Employees

A Postdoctoral Fellow who is appointed to a Benefits Eligible position is eligible for all Program coverages and benefits available to full-time and part-time Employees as described in Policy 210.

A Qualifying Graduate Student who is appointed to a Benefits Eligible position is eligible for all Program coverages and benefits available to Graduate Student Employees as described in Policy 142.

5.0 ENROLLMENT OPTIONS

5.1 Initial Enrollment Period

- a. Postdoctoral Fellows and Qualifying Graduate Students are not eligible for the automatic Basic Coverage Package; therefore, they must affirmatively elect Program coverage during their initial period of eligibility.
- b. Each institution is required to identify and notify each eligible Postdoctoral Fellow and Qualifying Graduate Student of their eligibility to enroll, and each eligible person must enroll within 31 days of such notification.
- c. There is no waiting period for the beginning of Program coverage. The effective date of coverage will be as follows:
 - (i) Non-employee Postdoctoral Fellows: the date the Fellow actually begins providing research through his/her affiliation with the institution under the fellowship
 - (ii) Non-employee Qualifying Graduate Students: the date of enrollment as a student
- d. These individuals may enroll their eligible Dependents in certain coverage offered through the Program, as described in Policy 230.

5.2 Qualifying Change of Status Events

Postdoctoral Fellows and Qualifying Graduate Students are eligible to add or drop coverage as the result of a Qualifying Change of Status event, as described in Policy 310.

5.3 Annual Enrollment

- a. During the Annual Enrollment period, these individuals have the following options:
 - (i) Add, drop, or change medical, dental, vision and/or long term care coverage; and
 - (ii) Add, drop or change Dependent coverage.
- b. Annual Enrollment elections must be made through the HR/Benefits Office of their specific UT institution. Postdoctoral Fellows and Qualifying Graduate Students are not eligible to utilize the OEB online *My UT Benefits* system.
- c. The effective date of any change in coverage made during Annual Enrollment will be the September 1 following the Annual Enrollment period.

6.0 TERMINATION OF PROGRAM COVERAGE

- a. Coverage under the Program for Postdoctoral Fellows and Qualifying Graduate Students (and their eligible Dependents) ends on the earliest of the following dates:
 - (i) The first day of any coverage period for which the required premium is not paid by the final deadline.
 - (ii) For Non-employee Postdoctoral Fellows, upon loss or termination of the fellowship or termination of their research affiliation with the institution, whichever occurs first.
 - (iii) For Non-employee Qualifying Graduate Students, upon loss or termination of the qualifying fellowships(s) or disenrollment from the degree program, whichever occurs first.
 - (iv) The individual (or their Dependent) dies;
 - (v) For UT SELECT Medical ONLY, a Dependent Child reaches the age of 26 and is not certified as an Incapacitated Over Age Dependent.
 - (vi) For all other Program coverages, a Dependent gets married or reaches the age of 25 and is not certified as an Incapacitated Over Age Dependent.
 - (vii) A legal relationship that forms the basis for a Dependent Child's eligibility, such as a medical support order or other valid court order is terminated.
 - (viii) Managing conservatorship of a Dependent Child is terminated.
- b. Coverage terminated for non-payment of premiums ends on the last day of the month for which premium was paid. In all other events, the effective date of the termination of coverage is the last day of the month in which the terminating event occurred.
- c. Following termination of Program coverage, these individuals are not eligible to continue coverage as a participant under the Consolidated Omnibus Reconciliation Act (COBRA).

7.0 PAYMENT IN ARREARS

- a. In the event that a Postdoctoral Fellow or Qualifying Graduate Student fails to remit payment of premiums for Program coverage by the end of the coverage period, the institution responsible for billing for the coverage shall provide the individual with written

- notification of any past due premium(s), a specific due date to ensure continued coverage, and the address where the payment should be sent.
- b. If the premium remains unpaid for 45 days, the institution Benefits Office shall cancel the coverage of the Postdoctoral Fellow or Qualifying Graduate Student with an effective date of the first of the month following the last month for which premium was paid. The Benefits Office should mail a written notice informing the individual of the action taken.

8.0 MISREPRESENTATION

Misrepresentation regarding benefit eligibility requirements constitutes a violation of OEB's official policy. A verified misrepresentation by a non-Employee Postdoctoral Fellow or a non-Employee Qualifying Graduate Student shall be reported by OEB to the appropriate institution for investigation and possible sanctions. Possible sanctions for such a violation range from a reprimand to dismissal. In addition, reimbursement may be required for any benefits paid on behalf of an ineligible individual. Deliberate misrepresentation of Dependent eligibility by a non-Employee Postdoctoral Fellow or a non-Employee Qualifying Graduate Student may constitute criminal fraud and may result in a referral to a law enforcement office. Any ineligible Dependent may be terminated from plan participation upon discovery of ineligibility.