



ADMINISTRATIVE
POLICIES AND PROCEDURES MANUAL

DATE ISSUE
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REVISION
3

PAGE
D4-110.0

SUBJECT

EMPLOYEE INSURANCE AND BENEFITS

SUB-TOPIC

PREMIUM SHARING

Premium Sharing pays for part of the cost of medical and dental insurance premiums, unless the employee waives medical and dental coverages. In such instances, a portion of the **Employee Only** premium sharing amount may be applied toward optional life insurance and/or accidental death and dismemberment insurance costs.

This program makes it possible for employees to participate more completely in the above insurance plans, and by increased participation, stabilization of insurance rates is achieved at costs lower than would normally be available on an individual basis. Additionally, premium sharing is not a consideration for income tax purposes.

WHO IS ELIGIBLE

All employees appointed half-time or more for four and one-half months or more are entitled to receive the full amount of Premium Sharing.

HOW IT WORKS

The University will make a contribution toward an employee's insurance coverages. The amount of Premium Sharing is set by the General Appropriation Act. An employee who enrolls in group insurance, which costs more than the Premium Sharing amount, will have payroll deductions for the balance of the insurance premiums. If the employee has premiums totaling less than the Premium Sharing, the University will pay the full cost of these premiums. Unused Premium Sharing, however, will not be refunded to the employee.

AUTOMATIC COVERAGE

Certain benefits will be provided to regular employees automatically upon employment. This is referred to as the automatic coverage package. Employees who do not enroll in any of the optional group insurance programs during their initial 60 days of employment will remain in automatic coverage, which is the application of Premium Sharing to a previously determined "benefit package."

An employee covered under the automatic coverage plan who elects coverage of his or her choice substitutes the selected coverage for the automatic coverage and shall not be covered concurrently under the automatic coverage plan and selected coverage plans.



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PREMIUM SHARING, Continued

Each employee should carefully consider all coverage and utilize the full amount of Premium Sharing. The Human Resources Office should be contacted for assistance as to how to best take advantage of Premium Sharing.