Frequently Asked Questions

USA Health & Dental Plan

1. **When will my medical/dental coverage be effective if I am a new employee?**

   If your employment begins on the first day of the calendar month, your coverage will begin on the first day of that month. If your employment begins on a day other than the first day of the calendar month, your coverage will begin on the first day of the following month. You must complete an application and file it with the Human Resources Department within 30 days of your first day of employment. You will have an opportunity to complete an enrollment form during Orientation. You may participate in the Section 125 Premium Conversion Plan, which allows eligible employees to pay the employee contribution with pre-tax dollars. New employees and their eligible dependents are required to serve a 270-day Pre-Existing Conditions Exclusion waiting period. Certificates of prior coverage from your previous insurance plan will not be accepted to reduce the Pre-Existing Conditions Exclusion waiting period.

2. **Who are eligible Dependents for the USA Health & Dental Plan?**

   Eligible dependents include:
   - Your legal spouse of the opposite sex.
   - Your unmarried child under the age of 19.
   - Your unmarried child between the ages of 19 and 25 who is a full-time student and who is not employed on a regular full-time basis.
   - Your unmarried disabled child of any age, provided the disability commenced prior to the age of 19.

3. **If I am not a new employee, when can I elect Health & Dental coverage?**

   You may enroll in the Plan, enroll your eligible dependents or terminate coverage for yourself or a dependent when certain events cause a Change-In-Status. To make an enrollment change due to a Change-in-Status event, you must make application to the Human Resources Department within 30 days of the event. The effective date of the election would be the date of the qualifying event. If you fail to notify Human Resources within 30 days of the qualifying event, you must wait until the Open Enrollment Period.

   Examples of Qualifying events include:
   - Marriage / Divorce
   - Birth of Child
   - Adoption or placement for adoption
   - Death
   - Change in your spouse’s employment status
   - Change in student status of unmarried dependent ages 19-25

4. **When is the Open Enrollment Period?**

   There is a one-month Open Enrollment Period, usually the month of November, during which an Employee may enroll in the USA Health & Dental Plan and/or add eligible dependents. During this period, you may file an application with the Human Resources Department and coverage will begin on the first day of the following calendar year. During this time, employees can also re-enroll in SouthFlex Flexible Spending Accounts if they wish to participate the next calendar year.

5. **What is the Pre-Existing Condition Exclusion period?**

   New employees and eligible dependents, and any employees or eligible dependents enrolling during the Open Enrollment Period, must be covered under the USA Health & Dental Plan for 270 days before any benefits are available for pre-existing conditions. Pre-existing conditions include pregnancy or any disease, disorder or ailment, congenital or otherwise, which existed on or before the effective date of coverage, whether or not it was manifested or known in any way, or any condition diagnosed or treated in the 12 months before the effective date of coverage. The determination as to whether or not a medical condition is pre-existing shall be made by Blue Cross Blue Shield of Alabama.

6. **How do I sign up for my benefits?**

   All new employees must attend New Employee Orientation. During orientation, you will be given the opportunity to complete enrollment forms. Your department will notify you as to the date/time of your scheduled orientation.

<u>Life Insurance</u>

1. **What life insurance is available to employees?**
   The University provides basic group term life insurance coverage which is a factor of your base salary up to a maximum of $100,000. Also included are matching amounts for AD&D and a $5,000 benefit for your spouse and eligible children. The total cost of the basic coverage is paid in full by the University. Additional coverage equal to one, two or three times the basic amount is available at group rates. Employees applying for additional coverage must be medically underwritten. Additional coverage for the spouse and dependent child is also available. Teachers' Retirement System provides $15,000 of free term life insurance to full-time active members.

2. **How do I change my beneficiary?**
   Beneficiary change forms are available in the Human Resources Department for the group term life insurance and for the Teachers' Retirement System. You may change your beneficiary at any time. It is your responsibility to ensure your

beneficiary designation is up-to-date. Beneficiary changes for the 403(b) and 457 carriers must be made directly with the specific company.

3. **What life insurance is available as a University Retiree?**

   As a retired employee, you will have the option to continue the group term life insurance and any additional coverage in effect at the time of your retirement for a maximum period of one (1) year by paying the group rate. AD&D coverage may not be continued. As applicable, at the end of the one year period, there is an option to continue coverage through portability or conversion.

<u>Teachers' Retirement System of Alabama</u>

1. **What is Teachers' Retirement System (TRS)?**

   The TRS is a defined benefit plan that provides you with a specific benefit payable at retirement. Your retirement benefit is calculated using a retirement formula and is payable monthly for the lifetime of the member, and possibly continuing for the lifetime of your beneficiary. Employees become vested in the Teachers' Retirement System of Alabama with 10 years of service credit and may begin drawing benefits at age 60. Employees with 25 years of service credit may receive benefits at any age. Participation is required under state law. Each employee contributes 5% of their annual salary. The University contributes an amount as determined by independent actuaries. Employee contributions are sheltered from federal income tax until retirement benefits are received or the separated member withdraws contributions from the system.

2. **What does it mean to be a vested member?**

   Vesting means you have earned enough service credit to be eligible for a lifetime retirement benefit. Members who are not vested are not eligible for a lifetime benefit and are eligible to receive a refund of contributions. You become vested in the TRS after accumulating 10 years of creditable service.

3. **How is my retirement benefit calculated?**

   A member's retirement benefit is calculated based on a retirement formula. The formula used in calculating this benefit includes:

   - Average Final Salary – the average of the highest three years (July – June) out of the last 10 years the member made contributions. Partial years are included when calculating the average final salary.
   - Years and Months of Creditable Service – the total amount of creditable service to include membership service, prior service, purchased service and transfer service.
   - Benefit Factor – the current benefit factor, as established by the State Legislature, is 2.0125%.

4. **Can I convert my sick leave to creditable service at retirement?**

   A TRS member who is a public education employee may convert unused accrued sick leave to service credit for retirement purposes. This credit can be used to attain minimum service requirements for retirement, or may be added to total service credit if minimum service has been attained. If a member is paid for any sick leave, none can be used for retirement credit. Upon retirement, employees may convert up to one day per month of service of accrued sick leave to membership service credit in the Teachers' Retirement System.

5. **How do I make application for retirement with Teachers' Retirement (TRS)?**

   The first step is to call the Human Resources Department to confirm the earliest date you are eligible to retire. Your retirement is effective on the first of a month. Application for retirement must be made with the Human Resources Department no earlier than 90 days prior to and no later than 30 days from your retirement date. Appointments may be made with a member of the Benefits staff by calling (251) 460-6133.

   During your initial appointment an application for retirement will be completed. You will be required to list a beneficiary for your retirement monies; therefore, it is important to bring the beneficiary's name, address and social security number. There will also be a review of all your current benefits and any plans you are eligible to convert or keep upon retirement.

   Once TRS receives your retirement application, they will mail your retirement options and a PEEHIP medical insurance application to your home address (if applicable). PEEHIP is medical insurance that is available to employees who retire from TRS. When you receive these forms from TRS, you may schedule a second appointment with our Benefits staff. We will notarize the retirement option you choose, certify your PEEHIP medical insurance application (if applicable), and keep a copy for our files.

Optional Retirement

1. **Are there other options for retirement savings?**

   Eligible employees may reduce their state and federal taxable income by contributing up to $16,500 ($22,000 if over age 50) a year to an approved 403(b) and/or 457 tax-sheltered annuity. Contact the Human Resources Department for additional information regarding optional retirement savings.