Policy ID:	ADM-HUM-25 Minor Revision 8
Title:	Optional Benefits - Paid by the Employee
Description:	Optional benefits available for University employee's, paid by the employee
Category:	Human Resources
Applies to:	staff,faculty
Contact:	Human Resources
Purpose:	The University of Central Oklahoma also offers several payroll services and optional benefits to be paid by the employee.

Policy Statement:

Dental Plan

A comprehensive dental plan is offered for the employee and eligible dependents through a network of participating dentists.

Vision Service Plan

Vision benefits offer annual healthy eye wellness exams with a standard deductible, in addition to reduced costs and discounts for glasses and contact lenses.

Flexible Spending Accounts - Section 125

UCO offers an IRS-approved Section 125 Plan that allows money to be withheld pre-tax for specific expenses: approved insurance premiums, as well as out-of-pocket medical expenses **and** dependent care. Under the Section 125 Plan, these funds are not subject to Social Security, federal or state taxes. Because Social Security wages are reduced, there could be a slight impact later on Social Security income at retirement, but the main advantage is to lower taxable gross *now* for calculation of federal and state income taxes.

Approved insurance premiums for pre-tax benefit include dental, vision and medical coverage for the employee and eligible dependents, as well as optional cancer insurance. The option to change from pre-tax to after-tax is available every year during UCO's annual option period in October, but the initial election will remain in effect every year if no request to change is made.

The other component under Section 125 is the Flexible Spending Account (FSA) option that allows employees to designate pre-determined dollar amounts to be withheld for qualified out-of-pocket medical expenses and/or for dependent care expenses. Pre-tax dollars can be payroll deducted in equal amounts over the course of a calendar year for reimbursement to cover eligible expenses.

Medical Expense FSA

Most common uses are for deductibles, copayments, and remaining expenses for medical, dental and vision procedures beyond what insurance covers. Generally, qualifying items are the same as those allowable for the medical tax deduction, as outlined in IRS Publication 502. To facilitate easy access to funds, UCO's claims administrator offers a pre-loaded debit card to use for medical expenses.

Dependent Care FSA

Allows reimbursement for certain expenses to care for dependents who live with an employee to allow him or her to work, and if married, for the spouse to work or look for work. Most commonly used for child care for children under the age of 13, however, it also can be used for children of any age who are physically or mentally incapable of self-care, as well as adult day care forsenior citizen dependents who live with the employee, such as parents or grandparents. The person or persons on whom the dependent care funds are spent must be able to be claimed as a dependent on a federal tax return. Generally, the funds cannot be used for summer camps, or for long-term care for parents who live elsewhere (such as in a nursing home).

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FSAs have a "use it or lose it" rule. All funds must be withdrawn within the time frame allowed for eligible expenses incurred during the calendar year. Otherwise, any money that is left unspent at the end of the calendar year is forfeited. The plan requires annual reenrollment during UCO's option period in October to specifically designate funds for the upcoming new calendar year.

It is recommended that eligible expenses as they relate to an employee's individual circumstances be discussed and confirmed with a tax advisor to make sure only an amount that can be used for reimbursement throughout the calendar year is withheld.

Even though contributions to an FSA are withheld before taxes thereby reducing taxable income, for the Dependent Care FSA, it may be a greater benefit to take a Federal Tax Credit. Consultation with a tax advisor for details is highly recommended.

The annual contribution election must remain the same throughout the year unless certain qualifying events occur; such as the birth of a child, marriage, or death of a spouse.

Group Term Life Insurance

Additional life insurance is available from $10,000 to $250,000 with no evidence of insurability (EOI) required (guaranteed issue) if elected within 30 days of hire.

Eligible dependent life insurance is available with guaranteed issue, in options of $10,000, $20,000, and $50,000, with or without Accidental Death &Dismemberment coverage. Evidence of insurability is required for the $50,000 spousal level.

Buy Down — Long Term Disability

For a fee, this plan provides eligibility in UCO's long-term disability plan at 3 months (instead of the standard 6 months) upon approval of a qualifying disability.

Leave Share

The Leave Share Program is an annual program offered to sick-leave eligible employees who have exhausted all annual leave and sick leave due to illness, injury, impairment, physical or mental condition, which is of an extraordinary or severe nature and involves the employee, or eligible family member as defined under FLMA guidelines. The benefit provides up to two (2) months of full base pay, and up to an additional four (4) months of half-pay.

Employees must be employed a minimum of twelve (12) consecutive months to be eligible for participation. To sign up and participate in the program for the upcoming year, participants must donate a minimum of eight (8) hours of sick leave in March, and their sick leave balance must not fall below eighty (80) hours following the donation.

Additional Retirement Planning

403(b) and 457(b) retirement plans are available to employees through payroll deduction.

Part Time Employee Health Coverage

UCO provides access to health care coverage to part-time, adjunct and other employees not covered on the core benefits plan. It offers limited benefit plans of medical, dental and short-term disability.

These plans are offered under a group plan contracted with an administrator to handle the enrollment and collection of premiums. Payroll deduction is not available. Employee participation is required in order to cover eligible dependents, and everyone in the family must be on the same plan.

Oklahoma College Savings Plan

Payroll deduction for the Oklahoma 529 College Savings Plan is a convenient and flexible method to contribute to an Oklahoma 529 College Savings Plan account. Contributions can be as little as $15 per pay period, and can stop, start, or change at any time.

Short-Term Disability

Offers coverage after a 15-day waiting period, up to 60% of pay for up to six (6) months.

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Cancer Insurance

Policy provides wellness benefits to help with the costs of screenings for the early detection of some cancers, as well as the financial aid that may be needed following a cancer diagnosis. Limited Benefits Cancer Expense Protection benefits are paid directly to the employee, so they may be used however they are needed.

Accident Only Insurance — Basic and Enhanced Plans

A covered person under the Limited Benefit Accident Only Policy provides benefits that are paid as a result of injuries received in an accident that occurs while coverage is in force. All treatment, procedures and medical equipment must be diagnosed, recommended and treated by a physician. All benefits are paid once per covered person per covered accident unless otherwise specified.

Long-Term Care Insurance

Helps protect an employee's financial independence should he or she ever be faced with a debilitating accident, develop a degenerative condition or a cognitive disorder. Services provide support and individual assistance with the activities of daily living, or supervision when cognitively impaired.

Group Life Insurance

Allows for the purchase of additional life insurance for the employee and eligible dependents instead of, or in addition to, what is offered through UCO's base plan.

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