## **HEALTH AND WELFARE**

1. During the training it was announced that the BELI out-of-compliance reports have not been changed to reflect the new 17.5 hour rule. How should locations manage in the meantime? (3/27/2001)

The Health and Welfare policy unit is working now on an administrative memorandum to address the BELI out of compliance reports. They plan to issue this memo later this spring.

2. If a casual 49% employee is on active payroll status 1/1/01 and by virtue of the look back provision becomes career status effective 1/1/01, is this employee eligible for all career health and welfare benefits effective 1/1/01? (2/6/2001)

In regards to Health and Welfare benefits, the employee who has a 49% appointment will not be eligible for full health and welfare benefits. The employee will be eligible for the full benefit package if the appointment is changed to 50% for one year or more or the first of the month following the month when the employee reaches the 1,000 hours threshold.

3. Under the new Limited Program there has been discussion that an employee will need to work a minimum of 17.5 hours per week to maintain their health and welfare benefits. How will this work? (2/6/2001)

Effective January 1, 2001, the continuing requirement to maintain certain health and welfare benefits under the Full and Mid-level benefit packages is a minimum of 17.5 hours average paid time per week. The appointment percent was eliminated as a continuing requirement. Please refer to the HRD/BM e-mail on Health and Welfare Policy Changes issued on December 18, 2001 for more details.

4. What if employee earned 1,000 hours then left and came back at an appointment that does not meet H&W eligibility requirements? Would the employee be eligible for full H&W benefits? (11/22/2000)

Based on the current UCRP proposal, if a UC employee terminates and is rehired, any hours during the previous 12-months will count towards satisfying the 1,000-hour eligibility requirement. Therefore, full health and welfare benefit eligibility for a rehired employee would depend on when the 1,000-hour threshold was met and the length of the break in service.

Here are two examples on how this provision would work:

Example 1: If break in service is less than 30 days Employee who was working 20 hours/week Reaches 1,000 hours in December 2001 Terminates employment in January 2002 Rehire in February 2002

12-month look back period February 2001 — January 2002

This employee would be eligible for full health and welfare benefits on the date of rehire since he/she would have already satisfied the 1,000-hour eligibility requirement within the previous 12—month period, (February 2001- January 2002). However, the employee would have to maintain an average of at least 20 hours per week in order to continue full health and welfare benefits

Example 2: If break in service is more than 30 days Employee who was working 20 hours/week Reaches 1,000 hours in December 2001 Terminates employment in January 2002 Rehire in April 2002

12 month look back April 2001 to March 2002

This employee would not be eligible for full health and welfare benefits on the date of rehire because the total hours worked in the previous 12-month period (April 2001 - March 2002) would be less than 1,000. The actual number of hours would be 860 hours [43 weeks (number of weeks in April 2001 — March 2002) X 20 hours/per week]. This employee would be eligible again for full health and welfare benefits when he/she reaches the 1,000-hour threshold looking back in the previous 12-month period.

5. Once the employee works 1,000 hours in a 12-month period and is eligible for Career Benefits, how does the Benefits office compute premiums for Life and disability? Both of these plans use employee age and annual salary to compute the monthly premium. So, how do we compute an 'average' annual salary? (11/16/2000)

The life and disability plan premium computations for this group would automatically work the same way they do currently when someone moves from an ineligible to an eligible position (and also from a BELI 3 or 2 appointment to a 1 for Employee-Paid life). For clarity, here is a reminder of the process:

- For Employee-Paid Life and Employee-Paid Disability, the premiums are based on the full time covered salary equivalent (monthly for Employee-Paid Disability; annual for Employee-Paid Life) in effect at the time the employee becomes eligible using the rate based on the age at enrollment. The current maximum monthly salary for Employee-Paid Disability premiums (\$14,286) and the current Employee-Paid Life coverage maximums per plan (e.g., \$250k for 1x plan) which apply to the premium calculation would apply to this group. These maximums will remain in effect for 2001.
- For UC-Paid Life, the coverage amount is based on the covered salary adjusted for the appointment rate in effect at the point of eligibility. The automatic calculation uses the full-time salary rate for the position up to \$50,000 rounded to the next highest thousand-dollar

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## **QUESTIONS AND ANSWERS**

amount and multiplied by the percent time of appointment. For variable appointments, an average of the appointment range is first calculated. See Administrative Supplement 9 of the Group Insurance Regulations for examples. For UC-Paid Disability there is a flat per capita charge for all eligible employees.

As you know, all health & welfare benefits are subject to change. Depending on Regental approval of the proposals related to casual employees we may evaluate the current process to determine if any changes would be appropriate for 2001 or in the future.