

**University of California**

**Health & Welfare Benefits Programs  
For Faculty and Staff**

**GROUP INSURANCE REGULATIONS**

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(See separate link and index.)

# 1. Preface

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## A. Benefits

The Group Insurance Regulations (“GIRs” or “Regulations”) contain the governing eligibility provisions for the Health and Welfare Benefits Programs and plans sponsored by the University of California and eligible Affiliates (collectively, referred to as “the University”) for its eligible Faculty and staff Employees and Retirees. The provisions set forth in these Regulations are applicable only to eligible Employees appointed and paid by the University and eligible Retirees of the University. Employees of Los Alamos National Security, LLC, Lawrence Livermore National Security, LLC, or other such separate entities are not eligible for University-sponsored health and welfare benefits. Other programs to which the GIRs do not apply include but may not be limited to: the Graduate Student Health Insurance Programs (GSHIP), Student Health Insurance Programs (SHIP), Post Doctoral Scholars Programs, Residents’ Programs, and other programs for individuals or Employees who do not meet the eligibility requirements for the Health and Welfare Benefits Program for Faculty and staff.

These Regulations establish the eligibility provisions for the University-sponsored health and welfare plans. They are intended to supplement the terms of the vendor contracts that define the benefits and services provided under the plans. The terms and conditions governing benefits and services provided to Employees, Retirees, and their eligible Family Members are determined by those contracts and the laws and regulations of any governmental or regulatory authority having jurisdiction over those contracts or the contracting vendor. The benefits described in these Regulations may differ for employees who belong to an exclusively represented bargaining unit. See applicable bargaining agreement.

The University of California intends to continue the benefits described in the Group Insurance Regulations indefinitely; however, the benefits and eligibility provisions of all Employees, Retirees, and their eligible Family Members and any other plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums and employer contributions at any time. Health and welfare benefits are not accrued or vested benefit entitlements.

## B. Administration

The University’s GIRs are under the direction of the President of the University as Plan Administrator and his or her delegates. Requests for interpretations of these Regulations must be directed in writing to the Plan Administrator. It is the intent of the Plan Administrator to apply the Regulations and the terms of vendor contracts equally for the benefit of the persons entitled to them without discrimination. The Plan Administrator has full power to administer these Regulations, subject to applicable legal requirements. No Employee or agent of the University has the authority to modify these Regulations or to make any representations, warranties, or inducements other than as set forth in these Regulations and the applicable insurance contracts. The Administrator’s powers include, but are not limited to, the following:

1. To make and enforce rules and procedures as required to administer the Regulations;
2. To exercise discretion in interpreting the Regulations and deciding questions concerning their interpretation and the eligibility of any person under them;
3. To appoint agents, counsel, accountants, consultants and other persons as needed to assist in administering the Regulations or the related contracts; and
4. To delegate responsibilities and designate certain persons to carry out any responsibilities under the plans.

These Regulations are subject to periodic change or cancellation, as are the benefit plans they govern. Such changes are made by the Plan Administrator and they are communicated by announcements from the Plan Administrator or his or her delegates. Where there are differences between the Plan Administrator's policy announcements and the Group Insurance Regulations, the announcements govern until the Regulations are revised.

## **C. Miscellaneous**

1. Required Information – Members must provide the Plan Administrator with information, evidence or signed documents as periodically requested to administer the Regulations.
2. Limitation of Rights – Neither the establishment nor amendment of the Regulations gives any person any legal rights against the University or Plan Administrator except as provided in the Regulations.
3. Regulations not a Contract – The Regulations are not a contract between the University and any Employee or Retiree. They are not intended as an inducement or consideration for employment and no Employee covered by these Regulations has any right to employment based on them nor, after termination of employment, any rights beyond those stated.
4. Withdrawals – Individuals employed at the Los Alamos National Laboratory (LANL) and Lawrence Livermore National Laboratory (LLNL) terminated employment with the University in connection with the transition to separate management companies (LANL to Los Alamos National Security, LLC (LANS); LLNL to Lawrence Livermore National Security, LLC (LLNS). Individuals who transitioned employment from the University to LANS and LLNS and Retirees from LANL and LLNL commenced coverage under the LANS and LLNS health and welfare plans (effective June 1, 2006 for LANL and effective October 1, 2007 for LLNL) and thus are not covered by the terms of these Group Insurance Regulations.

## **D. Appeals**

The University's Group Insurance Regulations (GIRs) have provisions for a claimant to appeal a denied claim. Claims for benefits in which the individual is eligible and properly enrolled in a plan but his or her benefit claim has been denied by the carrier on the basis of the plan's contractual provisions should be addressed to the particular carrier for the plan in which the individual is enrolled.

Contact information for the University's Health and Welfare plan carriers is available online at: [http://atyourservice.ucop.edu/directories\\_contacts/index.html](http://atyourservice.ucop.edu/directories_contacts/index.html), or by calling UC Benefits Customer Service at 800-888-8267.

Distinct from appeals for benefit claims directed to a particular carrier, there are instances where denial of coverage is based on a determination that an individual did not meet the eligibility requirements of the University's GIRs. That is, benefits are denied because the individual is not eligible to participate in a plan, did not enroll in a timely fashion, did not properly complete the enrollment process, was enrolled in error, etc. In these instances a separate and distinct appeal process is available as described below. This process is not an alternative to any carrier appeal process nor is it the next level of appeal if the carrier's process has already been exhausted. It is strictly intended to address denials of coverage based on plan eligibility under the University's GIRs.

A claimant with an eligibility issue must submit a request for coverage, which must be made in accordance with procedures established under the GIRs. No decision on the appeal will be made until an individual has submitted a written request for coverage and has provided pertinent information regarding the request as described below.

**First Level of Appeal** – A claimant whose claim has been denied, or his or her authorized representative, may ask for an independent review of the claim for eligibility under the GIRs. A written statement of appeal should be sent within 60 days of the written notice of the denial and should be directed to:

Executive Director, Benefit Programs and Strategy  
Human Resources, Health & Welfare Plan Administration  
University of California  
300 Lakeside Drive, 6th Floor  
Oakland, CA 94612-3555

The statement of appeal must:

- a. request a review of the denial;
- b. set forth all of the reasons and supporting facts and documentation upon which the request for review is based; and
- c. include any issues or comments which the claimant deems relevant to the appeal.

Each appeal and any related written materials submitted by the claimant will receive a full and fair review within 60 days after the Executive Director's receipt of the request for review unless the Executive Director determines that circumstances require a longer period for review, which may include time to review additional information or documents reasonably requested from the claimant, the carrier, the campus/laboratory location, the provider, or other relevant party. If additional time for review is needed, the claimant will be notified in writing of the need, and the reason, for the extended review period.

If the written notice includes a request that the claimant provide additional information or documents, the claimant must submit such information or documents within 30 days after receipt of the notice. If the claimant and/or any other relevant party has been asked for additional information or documents, written notice of the Executive Director's decision shall be given within 60 days of receipt of all such information or documents. If the appeal is denied, the Executive Director's written notice of the decision to the claimant shall set forth the specific reasons for such denial and any specific references on which the decision is based.

**Second Level of Appeal** – If the Executive Director sustained the decision to deny the claim, the claimant may ask the Plan Administrator to review the decision by submitting a written statement of appeal to the Vice President, Human Resources, of the University of California within 60 days after receiving a written notice of denial from the Executive Director. The procedures and requirements set forth above for the first level of appeal should be followed.

A second level appeal should be directed to:

Vice President, Human Resources  
Attention: Health and Welfare Plan Appeals  
University of California  
300 Lakeside Drive, 6th Floor  
Oakland, CA 94612-3555

The decision of the Vice President, Human Resources regarding eligibility shall be final and conclusive upon all persons. With the Vice President's decision, the claimant will have exhausted all administrative remedies under the plan. If after exhausting these administrative claims procedures, the claimant still believes that eligibility for coverage has been improperly denied, the claimant has the right to initiate legal proceedings.

## **E. Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy**

In order to receive University member Protected Health Information (PHI) from affected University Group Health Plans solely for member advocacy purposes and other plan administration functions performed in conjunction with its Group Health Plans, the University has performed certain acts.

### **I. The University has established the following permitted and required uses and disclosures of PHI**

1. Treatment: The Group Health Plans may use and disclose member PHI to doctors, nurses, technicians and other personnel who are involved in providing the member with medical treatment or services.
2. Payment: The Group Health Plans may use and disclose member PHI in the course of activities that involve reimbursement for health care, such as determination of eligibility or coverage, claims processing, billing, obtaining

and payment of premium, utilization review, medical necessity determinations, and pre-certifications.

3. Healthcare Operations for a Self-Funded Plan: Self-Funded Plans may use and disclose PHI about a member to carry out business operations and to assure that all enrollees receive quality care. For example, a Self-Funded Plan may disclose member PHI to a business associate who handles claims processing or administration, planning, data analysis, utilization review, quality assurance benefit management, practice management, or referrals to specialists, or provides legal, actuarial, accounting, consulting, data aggregation, management, or financial services.
4. Healthcare Operations for the OHCA: The University may also engage a business associate to carry out healthcare operations on behalf of the University's Organized Health Care Arrangement (OHCA), which includes all of the group health plan options. An OHCA is defined in HIPAA to include the fully insured and self-funded group health plans of a single plan sponsor such as the University
5. Plan Sponsor: The Group Health Plans may disclose summary health information (that is, claims data that is stripped of most individual identifiers) to the University in its role as plan sponsor in order to obtain bids for health insurance coverage or to facilitate modifying, amending or terminating a plan. In addition if a member requests help from the University in coordinating benefits or resolving a complaint, the Group Health Plans may disclose PHI to designated University staff, but no PHI may be disclosed to facilitate employment-related actions or decisions or for matters involving other benefits or benefit plan. The University may not further disclose any PHI that is disclosed to it in these limited instances.
6. Payment: The Group Health Plans may use and disclose PHI in the course of activities that involve reimbursement for health care, such as determination of eligibility for coverage, claims processing, billing, obtaining and payment of premium, utilization review, medical necessity determinations, and pre-certifications.
7. As Required By Law: The Group Health Plans will disclose PHI about a member when required to do so by federal, state or local law or regulation.
8. To Avert a Serious Threat to Health or Safety: The Group Health Plans may disclose PHI about a member when necessary to prevent or lessen a serious threat to the member's health and safety or the health and safety of the public or another person. Any such disclosure, however, must be made only to someone able to help prevent the threat.
9. Military and Veterans: If a plan member is or was a member of the armed forces, the Group Health Plans may release PHI about a plan member to military command authorities as authorized or required by law. The Group Health Plans may also release medical information about foreign military personnel to the appropriate military authority as authorized or required by law.



10. Research: In limited circumstances, the Group Health Plans may use and disclose PHI for research purposes, subject to the confidentiality provisions of state and federal law. A member's PHI may be important to further research efforts and the development of new knowledge. All research projects conducted by UC undergo a special review process to protect member safety, welfare and confidentiality.
11. Workers' Compensation: The Group Health Plans may release PHI about a member for workers' compensation or similar programs as permitted or required by law. These programs provide benefits for work-related injuries or illness.
12. Health Oversight Activities: The Group Health Plans may disclose PHI to governmental, licensing, auditing and accrediting agencies as authorized or required by law.
13. Legal Proceedings: The Group Health Plans may disclose PHI to courts, attorneys and court employees in the course of conservatorship and certain other judicial or administrative proceedings.
14. Lawsuits and Disputes: If a member is involved in a lawsuit or other legal proceeding, the Group Health Plans may disclose PHI about a member in response to a court or administrative order, or in response to a subpoena, discovery request, warrant, summons, or other lawful process.
15. Law Enforcement: If authorized or required by law, the Group Health Plans may disclose PHI under limited circumstances to a law enforcement official in response to a warrant or similar process, to identify or locate a suspect, or to provide information about the victim of a crime.
16. National Security and Intelligence Activities: If authorized or required by law, the Group Health Plans may release PHI about a member to authorized federal officials for intelligence, counterintelligence, and other national security activities.
17. Protective Services for the United States President and Others: The Group Health Plans may disclose PHI about a member to authorized federal and state officials so they may provide protection to the President, other authorized persons, or foreign heads of state, or conduct special investigations, as authorized or required by law.
18. Inmates: If a member is an inmate of a correctional institution or under the custody of a law enforcement official, the Group Health Plans may release PHI about a member to the correctional institution or law enforcement official, as authorized or required by law. Such a release is justified if necessary to provide a member with health care, to protect a member's health and safety or the health and safety of others, or for the safety and security of the correctional institution.

**II. The University agrees to:**

- 1) Not use or further disclose PHI or summary health information other than as permitted or required by these Group Insurance Regulations documents or as required by law;
- 2) Ensure that any agents (including a subcontractor) to whom the University provides PHI received from any of its Group Health Plans agree to the same restrictions and conditions that apply to the University with respect to such information;
- 3) Not use or disclose the information for employment-related actions and decisions of the University or in connection with any other benefit or employee benefit plan;
- 4) Report to the University's applicable Group Health Plans any use or disclosure of information that is inconsistent with the uses or disclosures provided for, or which it becomes aware;
- 5) Make available PHI in accordance with 45 Code of Federal Regulations, section 164.524 that allows individuals to access their protected health information;
- 6) Make available PHI for amendment and consider any amendments of PHI in accordance with 45 Code of Federal Regulations, section 164.526 that allows individual requests for amendment of protected health information;
- 7) Make available an accounting of disclosures of an individual's PHI in accordance with 45 Code of Federal Regulations, section 164.528;
- 8) Make available to the DHHS Secretary the University's internal practices, books, and records relating to the use and disclosure of PHI received from the University's Group Health Plans for purposes of determining compliance by the Group Health Plans with the Privacy Rule;
- 9) If feasible, to, return or destroy all PHI received from the Group Health Plans that the University still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
- 10) Ensure that adequate separation is maintained between the Plan Sponsor, plan administration and other covered components of the University, as required by the Privacy Rule.

**III. The University permits workforce members in the following departments and roles, who are responsible for performing plan administration functions for the UC Group Health Plans, access to Protected Health Information as required:**

- 1) The Regents of the University
- 2) The President's Immediate Office
- 3) Office of the President Business Operations
- 4) Office of the President – Human Resources
- 5) Financial Management - Payroll Coordination
- 6) Office of the General Counsel
- 7) Ethics, Compliance and Audit Services
- 8) University - location Benefit Offices
- 9) University - location Payroll Offices
- 10) University - location Health Care Facilitators
- 11) University - location Chief Human Resource Officers
- 12) University location IT Staff

**IV. Any issues of staff non-compliance with use, access, and disclosure of PHI will be subject to disciplinary action in accordance with University policies and procedures.**

**F. Health Insurance Portability and Accountability Act of 1996 (HIPAA) Security**

To comply with the HIPAA Security Standards rules promulgated by HHS on February 20, 2003, the University amends this Group Insurance Regulations document to provide that the University will reasonably and appropriately safeguard electronic protected health information (ePHI) created, received, maintained, or transmitted to the University on behalf of the University's Group Health Plans subject to the HIPAA Security Standards by:

- 1) Implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information (ePHI) that it creates, receives, maintains or transmits on behalf of the University's Group Health Plans subject to the HIPAA Security Standards;
- 2) Ensuring that the adequate separation required by CFR Section 164.504(f)(2)(iii) of HIPAA is supported by reasonable and appropriate security measures.

- 3) Ensuring that any agent, including a subcontractor, to who the University provides ePHI agrees to implement reasonable and appropriate security measures to protect the ePHI; and
- 4) Reporting any security incident of which it becomes aware to the University's Group Health Plans subject to the HIPAA Security Standards.

## 2. Definitions and Abbreviations

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### A. Definitions

**Average Regular Paid Time** – For any month, the average number of regular paid hours per week (excluding overtime, stipend or bonus time) worked in the preceding twelve (12) month period. Average regular paid time does not include full or partial months of zero paid hours when an Employee works less than 43.75% of the regular paid hours available in the month due to furlough, leave without pay or initial employment.

**Benefits Eligibility Level Indicator (BELI)** – A code required for each appointment to identify the appropriate health and welfare benefit package for an individual: Full Benefits (BELI 1), Mid-level Benefits (BELIs 2-3), Core Benefits (BELI 4), or Ineligible for Benefits (BELI 5). A BELI code controls the types of enrollments applicable to an individual's appointment. See Administrative Supplement No. 2 for additional information.

**BELI Status Qualifier Code** – A code used to identify specific and limited qualifying employment situations which affect an Employee's eligibility for benefits. This code is used in addition to the BELI code to further describe and qualify an individual's status. See Administrative Supplement No. 3 for additional detail.

**Break in Service** – Break in Service has the meaning set forth in Administrative Supplement No. 5.

**Defined Benefit Plan** –  
University of California Retirement Plan (UCRP)  
California State Teachers' Retirement System (CSTRS)  
Federal Civil Service Retirement System (FCSRS)  
Public Employees' Retirement System (PERS)  
Sacramento County Employees' Retirement System (SCERS)  
Orange County Employees' Retirement System (OCERS)

**Defined Contribution Plans** –  
Tax-Deferred 403(b) Plan  
457(b) Deferred Compensation Plan  
Defined Contribution Plan

**Employee** – A person classified by the University as an Employee, appointed and paid by the University who, for purposes of the GIRs and eligibility for UC health and welfare benefit coverage, satisfies the eligibility requirements set forth in Section 3.A and Part II of these Regulations.

**Enrollment Transaction** – Depending on the type of transaction, an enrollment transaction is considered processed as follows:

- Paper enrollment forms – Upon receipt of the form by the local Benefits or

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**Definitions and Abbreviations**

- Accounting Office, and
- Online data entry – when the data is entered directly into the Payroll database.

**Faculty** – Academic appointees hired to teach University-approved courses for credit.

**Family Member** - A child or adult who may be eligible for coverage under one or more University-sponsored health and welfare plans based on such child or adult's relationship to a University Employee or Retiree.

**Furlough** – The scheduled periods during which Employees in partial-year career positions are not at work are designated as furloughs. (For purposes of the GIRs, the term “Furlough” does not refer to the systemwide furlough plan approved by The Regents on July 16, 2009 and implemented beginning on September 1, 2009).

**Gross Premium** – Total Plan premium including the University contribution, as well as the Employee/retiree portion.

**Health** – Core Medical and Medical coverage, Dental coverage and Vision coverage.

**Housestaff** – Individuals with titles such as “Resident in \_\_\_\_\_” or “Intern in \_\_\_\_\_”.

**Increased Coverage** – Addition of Family Members, contract changes which provide higher benefits, etc.

**Indemnity Dental Plan** – Dental services may be provided by any licensed dentist. An annual deductible may be required before benefits are payable, and the member may be responsible for paying some co-insurance percentage for certain covered services. Benefits payable may be limited by an annual maximum; other plan maximums (e.g., for orthodontia) may also apply. (Also see “Prepaid Dental Plan” definition.)

**Medicare Advantage Plan** – An arrangement under which CMS subcontracts for Medicare Plan coverage with a Health Maintenance Organization, such as Kaiser. The member must receive all services from the HMO, including those covered by Medicare and must complete Medicare enrollment forms in order for coverage to be effective.

**Misuse of the Plan** – Includes but is not limited to actions such as falsifying enrollment information or claims information, allowing others to use the plan identification card, threats or abusive behavior toward plan providers or representatives.

**Net Premium** – Balance of plan premium after application of the University contribution. Employee's or Retiree's share of the Gross Premium.

**Pay Status** – Pay status includes any period of time for which an Employee receives pay for time worked, compensatory time off, or for time on paid leave. Paid leave time includes sick leave, extended sick leave, vacation, administrative leave with pay, holiday, or military leave with pay. The one month's pay for extended military leave and lump-sum payments for terminal vacation do not represent time on Pay Status.

**Plan Administrator** – The President of the University and any individuals within the Office of the President to whom the President has delegated authority for administration of the University's Human Resources and Benefits Programs.

**Prepaid Dental Plan** – Dental services are covered only when provided by a licensed dentist who is a member of the Prepaid Dental Plan's network. Except for co-payments for certain procedures, there is no cost to the member for covered services. (Also see "Indemnity Dental Plan" definition.)

**Qualified Beneficiary** – An individual who is eligible for COBRA coverage as described in Sections 1009, 1109, 1209, and 1309, in accordance with Title XXII of the Public Health Service Act (42 USC 300bb-1 through 300bb-8)

**Qualified Leaves for Professional Renewal** – Approved leaves which are related to Employees' University positions and are under regular University leave programs for research or teaching (e.g., the Professional Leave Program for MSP Employees, the Teaching Leave Program at the Lawrence Berkeley National Laboratory), or to work under a professional grant or fellowship (e.g., Guggenheim Fellowships). This definition does not include leaves to enroll as a student in a degree program or other personal leaves.

**Regular Paid Time** – Pay coded as "REG". Does not include such pay as overtime, stipends, bonuses, summer session income, etc. Specified in hours per week. For Employees not on hourly pay, the equivalent is derived, based on the individual pay rate and eligible earnings.

**Retiree**– A retired or disabled University Employee, or a deceased University Employee's (Retiree's) Family Member, who is receiving a monthly retirement income from a defined benefit plan to which the University contributes (an "eligible plan") and who, for purposes of eligibility for UC retiree insurance coverage, satisfies the eligibility requirements set forth in Administrative Supplement No. 8. An individual who elects a lump sum distribution or a refund of accumulations from an eligible plan is not a Retiree for purposes of the GIRs.

**Supplemental Disability Continuation Rider** – Coverage under the Supplemental Disability Plan that may be elected by Employees who have Qualified Leaves for Professional Renewal.

## **B. Abbreviations**

<b><u>AD&amp;D</u></b>	Accidental Death and Dismemberment Insurance
<b><u>ADR</u></b>	Adult Dependent Relative (prior to 12/31/03)
<b><u>ARRA</u></b>	American Recovery and Reinvestment Act
<b><u>BELI</u></b>	Benefits Eligibility Level Indicator
<b><u>CHIP</u></b>	Children's Health Insurance Program
<b><u>CMS</u></b>	Centers for Medicare and Medicaid Services
<b><u>COBRA</u></b>	Consolidated Omnibus Budget Reconciliation Act of 1985
<b><u>DepCare FSA</u></b>	Dependent Care Flexible Spending Account (formerly Dependent Care Reimbursement Account (DepCare))
<b><u>DDPO</u></b>	Dental Preferred Provider Organization
<b><u>DHMO</u></b>	Dental Health Maintenance Organization
<b><u>EDB</u></b>	Employee Database
<b><u>EOC</u></b>	Evidence of Coverage Booklet
<b><u>EPO</u></b>	Exclusive Provider Organization
<b><u>FICA</u></b>	Federal Insurance Contributions Act tax (Social Security)
<b><u>FMLA</u></b>	Federal Family and Medical Leave Act
<b><u>FSA</u></b>	Flexible Spending Account
<b><u>Health FSA</u></b>	Health Flexible Spending Account (formerly Health Care Reimbursement Account (HCRA))
<b><u>HIPAA</u></b>	Health Insurance Portability and Accountability Act of 1996
<b><u>HMO</u></b>	Health Maintenance Organization Medical Plan
<b><u>IRS</u></b>	Internal Revenue Service
<b><u>OEP</u></b>	Open Enrollment Period
<b><u>PBA</u></b>	Personal Benefit Account (part of United Healthcare's iPlan)
<b><u>PCA</u></b>	Personal Care Account (part of Definity Health plan)
<b><u>PCP</u></b>	Primary Care Physician
<b><u>PERS</u></b>	Public Employees' Retirement System Protected Health Information
<b><u>PHI</u></b>	Period of Initial Eligibility
<b><u>PIE</u></b>	



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<b><u>PMI</u></b>	UC's Prepaid Dental Plan
<b><u>POS</u></b>	Point of Service Medical Plan
<b><u>PPO</u></b>	Preferred Provider Organization Medical Plan
<b><u>SDI</u></b>	California State Disability Insurance Program
<b><u>SPD</u></b>	Summary Plan Description
<b><u>TIP</u></b>	Tax Savings on Insurance Premiums Plan
<b><u>UC</u></b>	University of California
<b><u>UCRP</u></b>	University of California Retirement Plan
<b><u>VSP</u></b>	Vision Service Plan

## 3. Eligibility

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### **A. Employee Eligibility**

To be eligible for University-sponsored group health and welfare benefits, Employees must meet the eligibility requirements specified in these Group Insurance Regulations. The specific requirements applicable to each plan are listed in Part II of the GIRs at the beginning of the section for each plan under “Eligibility”. To remain eligible for a particular group insurance plan, Employees must maintain the employment requirements specific to the plan, if any, listed in the section entitled “Continuing Requirements”. Many plans require that an Employee maintain an Average Regular Paid Time of at least 17.5 hours per week and maintain an appointment in an eligible category.

Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans. An individual who is not classified by the University as an Employee and/or who is classified by the University as an Employee of any entity other than the University, does not meet the definition of Eligible Employee and is ineligible for benefits. These categories include but are not limited to the following:

- individuals classified by the University as an independent contractor or independent consultant, or non-Employee consultant;
- those with casual restricted appointments or academic titles reserved for students (may be filled by non-students based on need);
- Housestaff;
- Post doctoral scholars;
- Graduate students;
- those paid a salary or wage from which plan deductions cannot be taken by regular scheduling;
- those on per diem appointments;
- those paid solely “by agreement,” or by stipend;
- those appointed to a “without salary” position.

For information on University-sponsored group health and welfare benefits packages (Full, Mid-level, and Core) for eligible Employees including the corresponding Benefits Eligibility Level Indicators (BELIs) required to identify the appropriate Plan enrollment options for each appointment (as well as the BELI Status Qualifier Codes that may apply), see Administrative Supplement s No. 2 and No. 3.

### **B. Retiree Eligibility**

To be eligible for University-sponsored group health and welfare benefits, Retirees must meet the eligibility requirements specified in Part III of these Group Insurance Regulations. The requirements applicable to each plan are listed at the beginning of the section for each plan under “Eligibility”.

## **C. Family Member Eligibility**

Eligible Employee/Retirees enrolled in a Plan providing coverage for eligible Family Members may enroll themselves and their eligible Family Members, in accordance with the following. Note: This section does not apply to the Health Flexible Spending Account (Health FSA) or the Dependent Care Spending Account (DepCare FSA) as these plans cover expenses for dependents as defined by Internal Revenue Code Sections 21 and 129 (See Section 5000.B and 5200.B).

1. Subject to the requirements specified in C.2, below, eligible Family Members include the eligible Employee's/Retiree's:

### **Eligible Adult**

- Spouse, or
- Domestic Partner.

### **Eligible Child**

- The Employee's/Retiree's natural or adopted child, step-child, grandchild, step grandchild, or legal ward.
- The spouse's natural or adopted child or grandchild (Employee's/Retiree's step-child/grandchild), or
- The domestic partner's natural or adopted child or grandchild.
- Any child listed above (except a legal ward) who is over the plan's age limit but who is incapable of self-support due to a physical or mental disability.

## **2. FAMILY MEMBER ELIGIBILITY REQUIREMENTS**

**(Relationship is to Employee/Retiree unless stated otherwise) (i)**

**PLANS  
ELIGIBLE FOR**

**DATE ELIGIBILITY  
BEGINS**

### **I. ELIGIBLE ADULT**

Only one adult Family Member may be enrolled in an Employee's or Retiree's University-sponsored plans: either a spouse, or a domestic partner (or an Adult Dependent Relative enrolled prior to 12/31/03; see "Grandfathered Eligible Family Members" at the end of this section). The adult Family Member must be the same person for all plans. For example, an Employee/Retiree may not have a spouse enrolled in Dependent Life and a domestic partner enrolled in a Medical plan. In this case, when the spouse is disenrolled from medical coverage, he or she must be disenrolled from all other coverage at the same time.

#### **(a) Spouse: Must be**

The Employee/Retiree's legal spouse (ii)  
*A Survivor Retiree cannot add a new spouse.*

Medical, Dental,  
Vision  
Dependent life  
AD&D  
Legal  
Retiree Medical,  
Dental, Vision,  
Legal & AD&D

Date of  
marriage.

## 2. FAMILY MEMBER ELIGIBILITY REQUIREMENTS

(Relationship is to Employee/Retiree unless stated otherwise) (i)	PLANS ELIGIBLE FOR	DATE ELIGIBILITY BEGINS
<p><b>(b) Domestic Partner: Must be</b></p> <ul style="list-style-type: none"> <li>• Age 18 or older</li> <li>• The same sex as the Employee/Retiree or if opposite sex, either the Employee/Retiree or the domestic partner must be age 62 or older and eligible to receive Social Security benefits based on age</li> <li>• Domestic partnership registered with the State of California; otherwise, the following requirements apply: <ul style="list-style-type: none"> <li>- Each other's sole domestic partner in a long-term, committed relationship and intend to remain so indefinitely</li> <li>- Neither may be legally married nor in another domestic partnership</li> <li>- Not related to each other (iii)</li> <li>- Both capable of consenting to the relationship</li> <li>- Employee/Retiree and domestic partner must be financially interdependent</li> <li>- Share a common residence</li> </ul> </li> </ul>	<p>Medical, Dental, Vision  Dependent life  AD&amp;D  Legal  Retiree Medical, Dental, Vision, Legal &amp; AD&amp;D</p>	<p>Date all eligibility requirements are met.</p>

Same-sex domestic partners from jurisdictions other than California will be covered to the extent required by law.

*A Survivor Retiree cannot enroll a new domestic partner.*

### II. ELIGIBLE CHILD

- (a) Child (Natural/Adopted) of Employee/Retiree: Must be**
- Under age 26 (viii)

<p>Medical, Dental, Vision (viii)  Dependent Life  AD&amp;D (active only)  Legal  Retiree Medical, Dental, Vision, and Legal (excludes AD&amp;D)</p>	<p>Natural child: date of birth</p> <p>Adopted child: the earlier of</p> <ul style="list-style-type: none"> <li>• The date the child is placed for adoption with the Employee/Retiree, or</li> <li>• The date the Employee/Retiree has the legal right to control the child's health care</li> </ul>
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## 2. FAMILY MEMBER ELIGIBILITY REQUIREMENTS

(Relationship is to Employee/Retiree unless stated otherwise) (i)	PLANS ELIGIBLE FOR	DATE ELIGIBILITY BEGINS
<p><b>(b) Child (Natural or Adopted) of Eligible Adult:</b></p> <p>In addition to his or her natural/adopted child, the child(ren) of one eligible adult Family Member may be enrolled in an Employee's or Retiree's University-sponsored plans: either the child(ren) of a spouse, or the child(ren) of a domestic partner, depending on the Eligible Adult Enrolled* (see below). The Employee/Retiree may not enroll both the child of a spouse and the child of a domestic partner.</p>		<p>Natural child: date of birth</p> <p>Adopted child: the earlier of The date the child is placed for adoption with the Eligible Adult, or The date the Eligible Adult has the legal right to control the child's health care.</p>
* <u>Eligible Adult Enrolled</u>	<u>Employee/Retiree May Enroll Child(ren) of</u>	
None Spouse Domestic partner Adult dependent relative (grandfathered)	A spouse or a domestic partner The spouse The domestic partner A spouse or a domestic partner	
<p><b>(1) Of Spouse (Stepchild): Must be</b></p> <ul style="list-style-type: none"> <li>Under age 26 (viii)</li> </ul> <p>Spouse does not have to be enrolled.</p> <p><i>A Survivor Retiree cannot enroll a child of a new spouse.</i></p>	Medical, Dental, Vision (viii) Dependent Life AD&D (active only) Legal Retiree Medical, Dental, Vision, Legal & AD&D	The date the spouse and child meet all eligibility requirements.

## 2. FAMILY MEMBER ELIGIBILITY REQUIREMENTS

(Relationship is to Employee/Retiree unless stated otherwise) (i)	PLANS ELIGIBLE FOR	DATE ELIGIBILITY BEGINS
<p><b>(2) Of Domestic Partner: Must be</b></p> <ul style="list-style-type: none"> <li>• Under age 26 (viii)</li> </ul> <p>Domestic partner must be eligible for University-sponsored coverage, but does not have to be enrolled.</p> <p><i>A Survivor Retiree cannot enroll a child of a new domestic partner.</i></p>	<p>Medical, Dental, Vision (viii)            Dependent Life AD&amp;D (active only)            Legal            Retiree Medical, Dental, Vision, Legal (excludes AD&amp;D)</p>	<p>The date the domestic partner and child meet all eligibility requirements.</p>

<p><b>III. ELIGIBLE GRANDCHILD</b></p> <p><b>(a) Grandchild of Employee/Retiree: Must be</b></p> <ul style="list-style-type: none"> <li>• Under age 26 (viii)</li> <li>• Unmarried</li> <li>• Living with the Employee/Retiree</li> <li>• Dependent on the Employee/Retiree for 50% or more of his/her support</li> <li>• Claimed as the Employee/Retiree's dependent for income tax purposes (v)(ix)</li> </ul>	<p>Medical, Dental, Vision (viii)            Dependent Life AD&amp;D (active only)            Legal            Retiree Medical, Dental, Vision, Legal (excludes AD&amp;D)</p>	<p>The date grandchild meets all eligibility requirements.</p>
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**(b) Grandchild of Eligible Adult:**

In addition to his or her grandchild, the grandchild(ren) of an eligible adult Family Member may be enrolled in an Employee's or Retiree's University-sponsored plans: either the grandchild(ren) of a spouse, or the grandchild(ren) of a domestic partner, depending on the Eligible Adult Enrolled\* (see below). The Employee/Retiree may not enroll both the grandchild(ren) of a spouse and the grandchild(ren) of a domestic partner.

\* Eligible Adult Enrolled

Employee/ Retiree May Enroll Grandchild(ren) of

None

A spouse or a domestic partner

Spouse

The spouse

Domestic partner

The domestic partner

Adult dependent relative (grandfathered)

A spouse or a domestic partner

## 2. FAMILY MEMBER ELIGIBILITY REQUIREMENTS

(Relationship is to Employee/Retiree unless stated otherwise) (i)	PLANS ELIGIBLE FOR	DATE ELIGIBILITY BEGINS
<p><b>(1) Of Spouse (Stepgrandchild): Must be</b></p> <ul style="list-style-type: none"> <li>• Under age 26 (viii)</li> <li>• Unmarried</li> <li>• Living with the Employee/Retiree</li> <li>• Dependent on the Employee/Retiree or on the spouse for 50% or more of his/her support</li> <li>• Claimed as the Employee/Retiree's or the spouse's dependent for income tax purposes (v)(ix)</li> </ul>	<p>Medical, Dental, Vision (viii)  Dependent Life AD&amp;D (active only)  Legal  Retiree Medical, Dental, Vision, Legal (excludes AD&amp;D)</p>	<p>The date the spouse and grandchild meet all eligibility requirements.</p>
<p>Spouse does not have to be enrolled.</p> <p><i>A Survivor Retiree cannot enroll a grandchild of a new spouse.</i></p>		
<p><b>(2) Of Domestic Partner: Must be</b></p> <ul style="list-style-type: none"> <li>• Under age 26 (viii)</li> <li>• Unmarried</li> <li>• Living with the Employee/Retiree</li> <li>• Dependent on the Employee/Retiree or on the domestic partner for 50% or more of his/her support</li> <li>• Claimed as the Employee/Retiree's or the domestic partner's dependent for income tax purposes (v)(ix)</li> </ul>	<p>Medical, Dental, Vision (viii)  Dependent Life AD&amp;D (active only)  Legal  Retiree Medical, Dental, Vision, Legal (excludes AD&amp;D)</p>	<p>The date the domestic partner and grandchild meet all eligibility requirements.</p>
<p>Domestic partner must be eligible for University-sponsored coverage, but does not have to be enrolled.</p> <p><i>A Survivor Retiree cannot enroll a grandchild of a domestic partner.</i></p>		
<p><b>(IV) Legal Ward: Must be</b></p> <ul style="list-style-type: none"> <li>• Under age 18 (at least 24 hours old for dependent life)</li> <li>• Unmarried</li> <li>• Living with the Employee/Retiree</li> <li>• Dependent on the Employee/Retiree for at least 50% of his/her support</li> <li>• Claimed as the Employee/Retiree's dependent for income tax purposes (v)(ix)</li> </ul>	<p>Medical, Dental, Vision  Dependent life, legal  AD&amp;D (active only)  Retiree Medical, Dental, Vision, Legal (excludes AD&amp;D)</p>	<p>Date all eligibility requirements are met.</p>

## 2. FAMILY MEMBER ELIGIBILITY REQUIREMENTS

(Relationship is to Employee/Retiree unless stated otherwise) (i)	PLANS ELIGIBLE FOR	DATE ELIGIBILITY BEGINS
<b>(V) Overage Disabled Child</b>		
<p><b>An eligible child as defined in II or III above who is:</b></p> <ul style="list-style-type: none"> <li>• Age 26 or older</li> <li>• Unmarried</li> <li>• Incapable of self-support due to a mental or physical disability</li> <li>• Chiefly dependent on the Employee/Retiree, spouse, or domestic partner for his/her support (50% or more)</li> <li>• Claimed as the Employee/Retiree's, the spouse's or the domestic partner's dependent for income tax purposes (v), or if not claimed as such dependent for income tax purposes, is eligible for Social Security income (SSI) or Supplemental Security Income as a disabled person or is working in supported employment which may offset the Social Security or SSI.</li> </ul>	<p>Medical, Dental, Vision            Dependent Life AD&amp;D (active only)            Legal            Retiree Medical, Dental, Vision, Legal (excludes AD&amp;D)</p>	<p>For the child of a current Employee/Retiree, spouse or domestic partner:            - The date the child becomes age 26 and meets the requirements of this section VI.</p> <p>For a newly acquired child who meets the requirements of this section VI:            - The date the child is acquired.</p> <p>For the child of a newly hired Employee or of the spouse or domestic partner of a newly hired Employee:            - The date the Employee becomes an eligible Employee.</p>

*A legal ward is not eligible.*

### To Continue Coverage for an Overage Disabled Child:

An Employee/Retiree may apply to continue coverage under a University-sponsored plan for an overage disabled child if:

- the child was disabled and enrolled in the plan before age 26;
- the child is disabled and enrolled in the plan at the time application is made for continued coverage;
- application is made to the carrier before the child's 26<sup>th</sup> birthday; and
- the carrier approves the application.\*\*



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**Eligibility**

To apply for coverage for an Overage Disabled Child:

Application for coverage may be made for the overage disabled child of a newly eligible Employee or for a newly acquired overage disabled child of a currently covered Employee/Retiree under the same general terms as a disabled dependent child who is eligible to continue coverage past age 26 if:

- the disability began before age 26;
- the child had continuous group medical coverage since age 26 if applying for health (see "Definitions and Abbreviations") and legal coverages;
- the child had continuous group coverage of the same type since age 26 if applying for life and AD&D coverages;
- application is made to the carrier during the child's period of initial eligibility; and
- the carrier approves the application.\*\*

\*\*The medical carrier will determine if the child is disabled at the time the application is made. Disabled children approved for coverage under a medical plan are eligible for continued coverage under any other medical plan, a dental plan, the vision plan and the group legal plan. If enrollment is transferred between medical or dental plans a new application is not required. If application is being made for dental, vision or group legal coverage, but not medical, then the plan being applied for will determine how proof of disability is to be provided for the child. Proof of disability is evaluated by the life and AD&D carriers on a post-audit basis, after a claim is made. Carriers may request periodic proof of disability.

Coverage may continue under a plan as long as the child is continuously disabled, meets all other eligibility requirements listed above and the Employee/Retiree is covered under the plan.

**GRANDFATHERED ELIGIBLE FAMILY MEMBERS**

**1) Adult Dependent Relative: Must be:**

- Enrolled before 12/31/03
- Age 18 or older
- Incapable under California law of a valid marriage to the Employee/Retiree because of a family relationship (iii)
- Living with the Employee/Retiree or in a convalescent hospital or nursing home
- Claimed as the Employee/Retiree's dependent for income tax purposes (v)
- Ineligible for Medicare Part A
- Continuously eligible and covered (vii)

*A Survivor Retiree cannot enroll an Adult Dependent Relative.*

**Plans eligible for:**

Medical, dental, vision  
Retiree medical and dental

*May only continue plans enrolled in as of 12/31/03; if coverage period is broken on or after 1/1/04, ADR may not be re-enrolled.*

**2) Legal Ward enrolled before 1/1/95: Must be**

- Under age 18
- Unmarried
- Continuously eligible and covered (vii)

**Plans eligible for:**

Medical, dental, vision, Dependent life, legal,  
AD&D (active only)  
Retiree Medical, Dental, Vision, Legal (excludes AD&D)

**3) Other Child: Must be:**

- Enrolled before 9/1/94
- Under age 26
- Unmarried
- Living with the Employee/Retiree
- Dependent on the Employee/Retiree for at least 50% of his/her support
- Claimed as the Employee/Retiree's dependent for income tax purposes
- Continuously eligible and covered (vii)

In addition, the eligible Employee or Retiree must continue to have the legal right to authorize medical care for the child.

**Plans eligible for:**

Medical, dental, vision (viii)

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**Footnotes**

**i. Ineligible relatives:**

Relatives not eligible for coverage include but are not limited to: in-laws, the Employee/Retiree's former spouses or former domestic partners, legally separated spouses, the spouses of the children or grandchildren of the Employee/Retiree or the Employee/ Retiree's spouse or domestic partner, cousins of the Employee/Retiree or the Employee/Retiree's spouse or domestic partner.

**ii. Legally separated or former spouse:**

A legally separated spouse or a former spouse or former domestic partner is not eligible to participate in University-sponsored plans even if the settlement requires the Employee/Retiree to provide coverage.

**iii. Those incapable of a valid marriage or domestic partnership because of family relationship include:**

- parents and children
- ancestors and descendants of every degree (this means grandparents and grandchildren, great-grand- parents and great-grandchildren, etc.)
- brothers and sisters
- half-brothers and half-sisters
- uncles and aunts
- nieces and nephews

**iv. Six-month wait between certain eligible adults:**

No longer applicable because Adult Dependent Relatives (ADRs) may not be enrolled or reenrolled for coverage effective on or after 12/31/03. Also does not apply to domestic partners or spouses.

**v. Partial year tax dependency:**

If a Family Member for whom tax dependency is a requirement is a tax dependent for only part of the year, the following alternative legal documentation may be accepted in lieu of the tax verification requirement. In the event tax dependency is lost due to one of the following events, the supporting documents shown for each may be accepted.

Divorce – A copy of the divorce papers as proof of eligibility loss.

Change in custody – A copy of the custody agreement papers reflecting the change.

Employment – If an enrolled child becomes employed, a letter from his/her employer which states the date of hire.

**vi. Effective date for legal wards:**

Legal guardianship is effective on the later of the date the application for guardianship was processed/ approved by the court, or the date the guardianship becomes effective.

**vii. Effect of a Break in Service or loss of coverage for grandfathered enrollees:**

If a legal ward enrolled before January 1, 1995 or another child enrolled before September 1, 1994 or an ADR loses coverage due to the Employee's Break in Service or for any other reason, that child or the ADR may not be reenrolled at a later date unless the child or ADR is otherwise eligible (for example, the child is adopted by the Employee). A Break in Service is described in Administrative Supplement No. 5.

**viii. Certain state laws may require coverage beyond age 26.**

**PROOF OF ELIGIBILITY - DOCUMENTATION**

Any Employee with enrolled Family Member(s) must provide, upon request, documentation verifying the relationship between the Employee and the individual(s) enrolled as eligible Family Member(s). Verification must be provided for any Family Member being added and for any Family Members already covered for whom verification has not yet been provided or whose relationship with the Employee/Retiree may have changed.

Documentation may include but is not limited to:

- marriage certificate,
- birth certificate,
- court documentation confirming child's status as a legal ward,
- Regarding an adopted child:
  - adoption papers/court decree
  - evidence or the right of the Employee/Retiree, spouse or domestic partner to control the health care of the child:
    - California health facility minor release form; or
    - California medical authorization form; or
    - California relinquishment form; or
    - Other evidence acceptable to the Plan Administrator of the right of the Employee/Retiree, spouse, or domestic partner to control the health care of the child.
  - evidence of the Employee/Retiree's, spouse's or domestic partner's assumption and retention of a legal obligation for total or partial support of the child in anticipation of the adoption of such child.
- a copy of IRS form 1040 (or its IRS equivalent) showing dependents claimed for tax purposes and the Employee's or tax preparer's signature for all Family Members for whom income tax dependency is a requirement.
- for a domestic partner, either a copy of the California State Registry form or at least three of the following:
  - joint mortgage or joint tenancy on a residential lease
  - joint bank account
  - joint liabilities (for example, credit cards or car loans)
  - joint ownership of significant property (for example, a car or house)
  - durable property or health care power of attorney
  - wills, life insurance policies or retirement annuities naming each other as primary beneficiary
  - written agreements or contracts regarding the relationship showing mutual support obligations or joint ownership of assets acquired during the relationship.

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If the Employee has a grandfathered Adult Dependent Relative (ADR), the Employee must provide, upon request, documents supporting the ADR's continuing eligibility. (See Section 3.C above)

In addition to the University requirements, the carrier may also separately require documentation of a Family Member's eligibility.

Any ineligible individuals enrolled in a UC sponsored Plan can be disenrolled subject to the terms in these Regulations (Section XX04.B).

## **PART II**

### **Employee Health & Welfare Benefits**

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# 1000. CORE MEDICAL PLAN

These regulations also apply when an Employee is transferring from Medical to Core Medical coverage.

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## 1001. Definition

The University-sponsored group Core Medical Plan provides coverage for eligible Employees and their eligible Family Members. (See Part III for Retiree eligibility.)

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## 1002. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months or more, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12-month period , or
- 100% time for 3 months or more, or
- a person appointed at least 50% time with the notation: “ending date for funding purposes only; intent of employment is indefinite (for more than one year)” , or
- at least 43.75% time.

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Employees participating in the Phased Retirement Program are eligible provided they meet the continuing requirements in 2. below.

2. **Continuing Requirements** – To remain eligible, Employees must maintain an average regular paid time of at least 17.5 hours per week and maintain an appointment in an eligible category.

Appointment types listed in Part I, Section 3.A "Ineligible Categories" will not be considered in determining continuing benefits eligibility.

(See Administrative Supplement No. 3 for Qualified Status situations.)

Employees who do not meet the continuing requirements must be de-enrolled.

3. **Special Categories** - Nonimmigrant Aliens must have UC or non-UC medical insurance and provide proof of coverage according to University policy. If eligible as described in 1. above, they will be covered automatically.
  4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.
- B. **Family Members** – The Family Member eligibility requirements are set forth in Part I, Section 3.C of these Regulations.

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## 1003. Period of Initial Eligibility (PIE)

- A. **Definition** – A period of initial eligibility (PIE) is a period during which an eligible Employee may enroll him/herself and/or is/her eligible Family Members in a Medical Plan as described in this Section (Section 1003). Employees must remain eligible for coverage as described in Section 1002.A (If an Employee contribution is required and is made on a pretax basis, see TIP Group Insurance Regulations (Section 5100) for possible forfeiture implications.)
- B. **Length** – The PIE begins on the day the eligible Employee and/or the eligible Family Member first becomes eligible as described in Section 1002 or on a later date as described in D. below.

If an Employee's appointment is retroactive, the PIE begins on the date the department chair or hiring authority signs a written statement that the appointment was approved retroactively.

The PIE ends 31 calendar days from the date it begins, except that for enrollment under D.6.c and D.14 below the PIE period is 60 days. Note that in determining the end of the 31-day or 60-day period, the date the PIE starts should be counted as the first day. Example: Employee's hire date is March 1; PIE ends on March 31. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms.

- C. **Extensions for Illness/Accident** – Chief Human Resources Officers may grant an extension to Employees unable to enroll during their PIE due to illness or accident. The extension begins on the first day after the PIE ends. The extension ends 31 calendar days later as described in B. above. Extensions cannot be granted to Employees only because they failed to obtain information about their PIE. Employees must be eligible for coverage as described in Section 1002.A.
- D. **Added Period of Initial Eligibility** – Under the following circumstances there is an additional PIE. It begins as described below and ends as described in B. above. Employees and family members must remain eligible for coverage as described in Section 1102.
1. **Faculty** – Newly appointed Faculty members may have an additional PIE if they do not enroll their Family Members during their first PIE. The second PIE begins on the first day of classes (see campus calendar for class schedule) for the quarter/semester in which the appointment starts or the first day of arrival at the campus, whichever occurs first.
  2. **Nonimmigrant Aliens and Other Employees** whose eligible Family Member(s) arrive in the United States after the Employee's PIE have a new PIE to enroll them. The PIE begins the day the Family Member(s) arrive in the United States.
  3. **Leave without Pay** – Employees who do not continue coverage during an approved leave without pay have a new PIE beginning with the date of return to Pay Status in an eligible position.

The plan reenrollment depends on the length of the approved leave, and there may be no charge for the first full or partial month's coverage (See Section 1007).

- a. **Leave is Less than 120 Days** – Enrollment is limited to coverage in effect and Family Members listed (if still eligible) when the leave started. However, Employees may add Family Members who became eligible during the leave without pay.
  - b. **Leave is 120 Days or More** – Employees are treated as newly eligible Employees.
4. **Furlough/Temporary Layoff** – Employees who do not continue coverage during a furlough or temporary layoff have a new PIE beginning on the date of rehire in an eligible position.
- The plan reenrollment depends on the length of the furlough or layoff.
- a. **Furlough/Layoff is Less than 120 Days** – Enrollment is limited to coverage in effect and Family Members listed (if still eligible) at

the time of furlough or layoff. However, Employees may add Family Members who became eligible during the furlough or layoff period. If CORE Medical is selected as a COBRA benefit, the Employee is eligible to continue CORE Medical benefits

- b. Furlough/Layoff is 120 Days or More** – Employees are treated as newly eligible Employees.
5. **Rehire** – Employees who are rehired have a new PIE beginning on the date of rehire in an eligible position.

The plan reenrollment depends on the length of the Break in Service.

- a. Rehire Occurs Less than 120 Days After Separation** – Enrollment is limited to coverage in effect and Family Members listed (if still eligible) at the time of termination. However, Employees may add Family Members who became eligible during the termination period.
  - b. Rehire Occurs 120 Days or More After Separation** – Employees are treated as newly eligible Employees.
6. **Involuntary Loss of Coverage (ILOC)** – An Employee will have a new PIE if, during the time of the prior PIE the Employee and/or Family Member(s) were enrolled in another group or individual medical plan and the Employee and/or Family Member(s) lose that coverage involuntarily for any of the reasons below. The PIE begins on the date following the date the other group or individual coverage ends. Example: Other group or individual coverage ends on March 31; the PIE begins on April 1:
- a.** the coverage was medical plan coverage (other than coverage under b. and c. below) and eligibility for the coverage was lost or employer contributions for the coverage were terminated.
  - b.** the coverage was provided under COBRA and the entire COBRA coverage period was exhausted \*; or
  - c.** the coverage was under Medicaid or a State children's health insurance program (CHIP) and eligibility for the coverage was lost.

Involuntary loss of eligibility for coverage includes, but may not limited to: loss of eligibility as a result of legal separation, divorce or termination of domestic partnership, cessation of dependent status (such as attaining maximum age for dependent child status), death, termination of employment, or reduction in hours of employment. Loss of eligibility does not include loss due to the failure to pay premiums on a timely basis or for cause (such as making a fraudulent claim or intentionally misrepresenting a material fact in connection

with the coverage provided). Coverage that may be lost involuntarily includes, but may not be limited to: coverage under group plans, medical providers, individual direct pay plans, Medicare, Medicaid, CHIP plans, and foreign socialized medical plans.

An Employee eligible to enroll under these ILOC provisions may enroll him/herself and eligible Family Members in any University-sponsored plan. If already enrolled in a University-sponsored plan, the Employee may add eligible Family Members to that plan or enroll him/herself and eligible Family Members in a different University-sponsored plan. The enrollment form must be accompanied by the appropriate form certifying loss of the other group or individual coverage and, if necessary, a form to cancel any opt out election.

\* Exhaustion of COBRA coverage means that an individual's COBRA coverage ceases for any reason other than the failure to pay premiums on a timely basis or for cause (such as making a fraudulent claim or intentionally misrepresenting a material fact in connection with the coverage provided). Voluntary termination of COBRA coverage is not considered exhaustion of such coverage.

7. **Coverage as a Family Member While on Leave** – An Employee going on an approved leave of absence is given a new PIE to be covered as a Family Member under another eligible Employee who is the Employee's spouse or domestic partner.
8. **Disruption of Primary Medical Group** – Not applicable.
9. **Appointment Change** – An Employee will have a PIE to enroll (or increase) coverage if the Employee's appointment changes from an ineligible position to a position eligible for coverage by satisfying the employment requirements described in Part I, Section 3.A. If there is a break in service before the appointment change, see "Rehire" under Section D.6 above.

An Employee who was provided a PIE when they were appointed as a BELI 2 or BELI 3 and is reappointed as a BELI 1 (as described in Administrative Supplement No. 2), will have an added PIE to enroll.

10. **Return After a Period of Ineligibility** – An Employee who loses eligibility for coverage, thus requiring disenrollment from coverage, and subsequently returns to eligibility in the circumstances below by satisfying the employment requirements described in Part 1, Section 3.A, will have a new PIE as follows:
  - a. **Change in Appointment** - If an Employee's appointment is changed from an ineligible position to a position eligible for benefits, the PIE begins with the effective date of the reappointment.

- b. **Change in Average Regular Paid Time** – If coverage lapsed due to insufficient Average Regular Paid Time and the Employee returns to sufficient Average Regular Paid Time without a change in appointment, the PIE begins with the date of return to the required 17.5 Average Regular Paid Time per week.
- c. **Change in Earnings** – If coverage lapsed due to insufficient earnings and there has been no Break in Service, the PIE begins with the date of return to Pay Status of sufficient earnings in an eligible position.

The plan reenrollment depends on the length of the period of ineligibility:

- a. **Less than 120 Days and Return to Eligibility in Same Plan Year** - Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when coverage lapsed. However, Employees may add Family Members who became eligible during the insufficient earnings period.
- b. **120 Days or More or Return to Eligibility in New Plan Year** – Employees are treated as newly eligible Employees.

**11. Move Out of/Return to Plan Service Area –**

**Non-University-Sponsored HMO** – If an Employee and/or his/her Family Members are enrolled in a non-University-sponsored HMO, or other arrangement, in the individual plan market that does not provide benefits to individuals who no longer reside, live or work in the service area, and coverage is lost because the enrolled individuals no longer reside, live or work in the plan's service area, the Employee may enroll him/herself and/or eligible Family Members in any University-sponsored plan. If already enrolled in a University-sponsored plan, the Employee may add eligible Family Members to that plan or enroll him/herself and eligible Family Members in a different University-sponsored plan.

If the coverage is lost under an HMO, or other arrangement, in the group plan market, enrollment in a University-sponsored plan as described above is available only if the sponsor of the group plan makes no other benefit package available to the individual(s) losing coverage.

- 12. Acquisition of Eligible Family Member** – Upon the acquisition of a newly eligible Family member, an eligible Employee may enroll him/herself, the newly eligible Family Member and any other eligible Family Members in any University-sponsored plan for which they are eligible. If already enrolled in the Core Medical plan, the Employee may add the newly eligible Family Member, and any other eligible Family Members not already enrolled.

The PIE begins with the date the Family Member first meets the eligibility requirements described in Part I, Section 3.C. If an Eligible Adult is deenrolled due to death, the Employee is provided a PIE to add any Eligible Adult. The PIE begins the day after death.

If a legally adopted child is not enrolled during the PIE beginning with the earlier of the date the child is placed for adoption with the Employee, or the date the Employee or the Employee's spouse/domestic partner has the legal right to control the child's health care, there is a second PIE beginning with the date the adoption is final.

- 13. Eligibility for Medicaid or CHIP Premium Assistance Program** – If an eligible Employee and/or his/her eligible Family Member(s) who are not enrolled in a University-sponsored medical plan become eligible for premium assistance under a Medicaid or CHIP premium assistance program, the Employee may enroll him/herself and/or eligible Family Members in any University-sponsored plan.
- 14. Loss of UC Coverage Due to Misuse of Plan** – There is a new PIE if the Employee and/or Family Member(s) were deenrolled due to Misuse of the plan as described in Section 1004.B.2. In this case, reenrollment is subject to plan approval. The PIE begins on the date following 12 months of deenrollment. The plan reenrollment is described below and depends on whether the individual continued coverage on a “restricted direct-pay basis, as described in Section 1004.B.2 under “Restricted Direct-Pay Continuance”.
- **Coverage was Continued on a Restricted Direct-Pay Basis** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when coverage lapsed. However, Employees may add Family Members who became eligible but were not added during the time covered on a restricted direct-pay basis.
  - **Coverage was not Continued on a Restricted Direct-Pay Basis**– Employees are treated as newly eligible Employees.

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## **1004. Enrollment/Deenrollment**

Clerical error, by itself, will not be the basis for including or excluding individuals.

### **A. Enrollment**

#### **1. Automatic Enrollment/Opting Out of or Into a Medical Plan**

**Core Medical Plan  
Section 1004  
Enrollment/Deenrollment**

- a. Eligible Employees who do not enroll in a Medical Plan will be enrolled automatically in single-party coverage in the Core Medical Plan.
  - b. Eligible Employees who cancel their Medical Plan and take no other action will be enrolled automatically the next January 1 in single-party coverage in the Core Medical Plan. Such cancellation is only permitted:
    - at Open Enrollment;
    - if the Employee is not participating in the TIP plan; or
    - if the Employee is participating in the TIP plan and the election to cancel coverage meets the election change requirements under the terms of the plan and Section 125 of the Internal Revenue Code, as determined by the Plan Administrator.
  - c. Employees may opt out of the automatic Core Medical Plan if:
    - they are already covered by another group medical plan at least equivalent to the Core Medical Plan, including a University-sponsored plan, or
    - for religious reasons.
  - d. Employees who are eligible for the Core Medical Plan and have cancelled or opted out may opt back into the Core Medical Plan if one of the situations in 2. below occurs. The Employee and all eligible Family Members may be enrolled by completing the appropriate enrollment transaction. However, Employees who opted out because of duplicate University-sponsored coverage may not opt back in.
2. **Enrolling** – Enrollment of eligible Employees in single-party coverage in the Core Medical Plan is automatic. Employees may enroll eligible Family Members or cancel an election to opt out of coverage:
- a. During a **Period of Initial Eligibility** as described in Section 1003. Once the enrollment transaction is processed (see Definitions), changes cannot be made:
    - until there is a new PIE (Section 1003.D.); or there is an Open Enrollment Period (b. below); or
    - application is made under the process described in c. below.

During a PIE for a newly acquired Family Member, an Employee may enroll the newly acquired Family Member plus any other eligible Family Member who is not enrolled.



**Core Medical Plan  
Section 1004  
Enrollment/Deenrollment**

If the Employee has opted out of coverage, the Employee must enroll or opt back into medical plan coverage at the same time as the Family Member(s).

An enrolled Employee whose child(ren) are also enrolled under the plan may add additional children at any time after their PIE with coverage effective as described in Section 1005, provided that such children may be added at a time other than Open Enrollment or at a time described in Section 1003.D only if the addition of such child(ren) does not change the cost to Employee for medical plan coverage. The 90-day Waiting Period described in c. below does not apply. However, retroactive coverage is limited to a maximum of 60 days preceding the date the enrollment form is received by the local Benefits or Accounting Office, or the date the children became eligible, whichever is most recent.

- b.** During the annual **Open Enrollment Period (OEP)** announced by the Plan Administrator, Office of the President. An OEP may allow Employees to enroll for the first time or to add eligible Family Members. It also may allow Employees to transfer between Medical Plans or cancel an opt out election.
- c.** In the following situations an Employee may enroll in the Core Medical Plan subject to a **90-Day Waiting Period** before coverage begins. The 90-Day Waiting Period begins on the date the enrollment form is received by the local Benefits or Accounting Office and ends 90 consecutive calendar days from the date it begins.
  - An Employee is not enrolled in any Medical Plan because a PIE or OEP was missed.
  - An Employee opted out or cancelled coverage in a Medical Plan and subsequently missed a PIE or OEP opportunity to enroll or re-enroll in a Medical Plan.
  - An Employee is enrolled in non-family coverage and missed a PIE or an OEP and wants to add an eligible Family Member.
  - If an Employee is enrolled in family or adult with child(ren) Medical Plan coverage and wants to add an eligible Family Member, the 90-Day Waiting Period would not apply; the Employee may add the child at any time as described in Section 1005 with coverage retroactive to a maximum of 60 days.

**3. Enrollment in Duplicate University–Sponsored Coverage is not allowed.**

- a.** If both husband, wife, or domestic partner are eligible to enroll in a medical plan including Core Medical as either an Employee or a Retiree:

- Each may enroll separately, or
- One may enroll and cover the other as a Family Member. If the one to be covered as a Family Member is an Employee or Retiree, that person must submit the appropriate form to opt out of coverage as an Employee, or suspend coverage as a Retiree.

If they enroll separately,

- Neither may cover the other as a Family Member, and
- Their eligible Family Members may be covered on one plan, but not on both.

- b.** Children who are eligible to be covered as Family Members and who also are eligible Employees may:

- Enroll separately, or
- Be covered by one parent's plan as a Family Member, but not on both parents' plans. The child also must submit the appropriate form to opt out of coverage as an Employee.

- c.** Individuals eligible in more than one category (e.g., as an Employee and as a Retiree, as an Employee's Family Member and as a Retiree's Family Member) may be covered as one or the other, but not both. If an individual eligible for Core Medical coverage is enrolled in another UC Medical Plan, benefits will be provided under the other UC Medical Plan only.

- d.** An Employee with two or more appointments, one of which is a student appointment in an ineligible category and one or more of which is an eligible category (as specified in Part I, Section 1.A ), is not restricted from enrollment by virtue of their ineligible position, as long as the eligible appointment(s) qualify the Employee for benefits through meeting the requirements specified in Part I.

- e.** Where duplicate coverage occurred, benefits will be paid under the medical plan with the earliest effective date.

**B. De-enrollment**

**1. Ineligibility**

- a. Ineligible individuals must be deenrolled.
- b. The Plan Administrator reserves the right to permanently deenroll ineligible individuals.
- c. Ineligible individuals include but are not limited to:
  - an individual with duplicate University coverage both as an Employee or a Retiree, and as a Family Member (may only have one or the other),
  - an ineligible Employee and any enrolled Family Members,
  - an ineligible Family Member,
  - an individual enrolled as an eligible Family Member for whom the Employee fails to provide, upon request by the Plan Administrator or insurance carrier, documentation that is determined by the Plan Administrator to be sufficient to verify that the enrolled individual is eligible for Plan coverage.
  - Employees who have been on leave with or without pay for more than two years. These individuals must cancel or opt out of coverage effective the first day of the 25<sup>th</sup> month of the leave.
- d. The Plan Administrator, Office of the President, will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.
- e. Ineligible individuals are not entitled to COBRA or direct-pay continuation rights.

**2. Misuse of the Plan – The Plan Administrator reserves the right to deenroll individuals who misuse the plan.**

Misuse of the plan is defined in the Definitions and Abbreviations section (Part I, Section 2) and includes intentionally enrolling individuals who are ineligible. In case of Misuse of the plan, individuals will be deenrolled as follows:

- An eligible Employee who misuses the plan, plus any of the Employee's eligible enrolled Family Members, will be disenrolled for 12 months. If the Misuse is the Employee's intentional enrollment of individuals who are not eligible Family Members, the ineligible individuals will be permanently disenrolled.
- an eligible Family Member who misuses the plan will be disenrolled for 12 months. If the Employee is aware of, or participates in, the Misuse, the Employee and any eligible Family Members will also be disenrolled for 12 months.

The Plan Administrator, Office of the President, will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.

**Restricted Direct-Pay Continuance** - Eligible Employees who are disenrolled for 12 months may continue coverage for themselves and any eligible Family Members on a direct-pay basis subject to the following restrictions:

- The continuance of coverage is subject to Plan approval, and,
- The employee is required to directly pay for coverage at the rate that would be charged if the Employee elected coverage under COBRA, and
- The payment must be made directly through the third party Administrator selected by the University, and
- The Employee's eligible Family Member(s) may not separately elect this continued coverage.

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## 1005. Effective Date

Coverage begins on the date listed below provided the Employee is on Pay Status as an eligible Employee (see Part I, Section 2.A). Coverage cannot begin before the first day of eligibility for the Plan. Automatic coverage (as specified in Section 1004.A.1) begins the first day on Pay Status as an eligible Employee. Otherwise, coverage begins on the date listed below provided the Employee is on Pay Status as an eligible Employee. The effective date of any coverage is subject to the exceptions in E. below.

- A. During a **Period of Initial Eligibility** – If the appropriate enrollment transaction is processed during the PIE (see Definitions), coverage is effective the date the PIE began.

A form to cancel/opt out of or delete a Family Member from coverage is effective the last day of the pay period in which the local Benefits or Accounting Office receives it.

- B. During an Open Enrollment Period** – The date announced by the Plan Administrator, Office of the President. In this case, the requirement that an Employee must be on Pay Status does not apply (see Section 1005.E below).
- C. At any other time upon completion of the 90-day Waiting Period** – The 91st consecutive calendar day after the enrollment form is received by the local Benefits or Accounting Office (See 1004.A.2).
- D. Deferred Effective Date** – Employees may defer the normal effective date of coverage for up to six months for any Family Member being enrolled. A written request specifying the deferred effective date must be submitted. A request for a deferred effective date may not be revoked. Nonimmigrant Aliens may not defer the effective date of coverage.
- E. Exceptions** – If any of the exceptions below applies, the effective date of coverage for the Employee and all Family Members is deferred as noted.
  - 1. Leave for Health Reasons** – Does not apply.
  - 2. Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage is deferred until the Employee is placed on normal Pay Status for that appointment.
  - 3. Hospitalized Family Members** – Does not apply.
  - 4. Open Enrollment Period Action by Employee on a Leave without Pay** – The effective date of coverage is deferred until the Employee is placed on normal Pay Status in an eligible appointment

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## 1006. University Contribution

The University contributes toward the Core Medical Plan premium. The Plan Administrator, Office of the President, sets the amount of the contribution. The amount may increase or decrease at any time. The Employee is responsible for any Net Premium amount.

The University contribution will continue during an approved leave without pay under the provisions of the Federal Family and Medical Leave Act (FMLA) for up to 12 workweeks for the Employee and any enrolled Family Members, provided the Employee was enrolled in the Core Medical Plan at the beginning of the leave. See Section 1008 for other actions which may affect the University contribution.

When more than one Family Member is eligible and each enrolls separately, each receives a contribution. If Family Members are enrolled under a single medical plan, one contribution is made. An individual who is eligible in more than one category (e.g., as an Employee and a Family Member; as an Employee and a Retiree, etc.) may receive only one contribution for medical coverage. (Also see Section 1004.A.3.)

The University complies with federal and state income tax rules in administering its group insurance programs for faculty and staff and their eligible Family Members, which includes requirements for the treatment of the University/employer contribution for insurance coverage. Requirements may include laws mandating that the employer contribution for coverage provided to certain Family Members be treated as imputed income to the Employee. California state income tax rules currently conform to the changes in federal income tax rules enacted as part of health care reform legislation, which provided tax-favored treatment of health benefits for children through the end of the year in which they attain age 26 (implemented 3/30/10). These laws are subject to change. Information may be available on At Your Service online. Employees should be referred to their tax advisor for additional information.

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## 1007. Premiums

**A. Payment** – Premiums are paid in advance by payroll deduction or salary reduction. There is no charge for the first full or partial month's coverage as a result of an Employee's PIE or for the first full or partial month's premium difference, if any, when a Family Member is added to the plan. This provision does not apply to open enrollment transfers between plans. There is no charge for the first full or partial month's premium when an Employee reenrolls during an added PIE (Section 1003.D.) provided there has been a lapse in coverage of more than one month.

Premiums will not be refunded retroactively if the Employee should have filed a form to cancel coverage or delete a Family Member.

When the plan is cancelled, a Family Member is deleted, or a transfer between plans is made, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.

If an Employee contribution is required and is made on a pre-tax basis, see TIP Group Insurance Regulations Section 5107 for possible forfeiture implications.

**B. Rate Changes** are made when the contract is renewed, when required by contract amendments, or when the Employee makes changes in coverage.

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## 1008. Actions Which Affect Coverage

The following situations will result in a loss or termination of coverage as described in Section 1010, if an Employee does not continue group coverage as provided below or in Sections 1009 and 1011. The effective date of any automatic Core Medical Plan coverage is subject to the exceptions in Section 1005.E. Different rules may apply to specified groups. See Administrative Supplement No. 2.

**A. Leave without Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.

1. **Approved Leave** – Coverage may be continued during an approved leave of absence without pay of up to two years. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee off Pay Status without an approved leave of absence may not make direct premium payments.

If any part of this two-year period is an approved leave without pay under the provisions of the Federal Family and Medical Leave Act (FMLA), the University contribution will be provided for up to 12 workweeks as described in Section 1006. An Employee on a FMLA leave must arrange continuation and direct payment of any Net Premiums through the local Benefits or Accounting Office. Payment must be made in advance of each premium month.

**Unapproved Leave or Strike** - An Employee who is not on Pay Status and does not have an approved leave of absence may not pay premiums directly to the local Benefits or Payroll Office to continue coverage. A strike is considered to be a type of unapproved Leave. Coverage is terminated as described in Section 1010.B. A Break in Service occurs after 4 consecutive months of unapproved Leave.

2. **While Receiving Short-Term Disability Insurance Benefits (Section 3000)** – Employees continue to receive the University contribution for Core Medical Plan coverage for up to six months provided their University employment is not terminated. These Employees must arrange direct payment of any Net Premiums through the local Benefits or Accounting Office. Payment must be made in advance of each premium month.

Otherwise, see 1. above and B., E., K. and L. below as applicable.

3. **Military Leave** – Coverage may be continued during an approved military leave of up to six months. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office.

These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee off Pay Status without an approved leave of absence may not make direct premium payments.

4. **While Receiving Temporary Disability Payments Under Workers' Compensation** – Medical Plan coverage for an Employee may be continued while the Employee is receiving workers' compensation temporary disability benefits in connection with University employment, provided that their University employment is not terminated. The Medical Plan Contingency Fund may be used in specified situations to reimburse departments for the Gross Premium for the Employee's Medical Plan. See Administrative Supplement No. 20.

- B. **Leave with Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.

1. **General** – Coverage may be continued for up to two years as long as the Employee's average regular paid time is at least 17.5 hours per week and provided that earnings are sufficient to cover minimum deductions.

Employees who will continue on paid leave beyond two years must complete a cancellation or opt-out form to be effective the first day of the 25<sup>th</sup> month of the leave.

2. **Sabbatical Leave/Qualified Leave for Professional Renewal** – Coverage may be continued for up to two years as long as earnings cover required deductions, if any. (See Section A. 1. for the effect of a Leave without Pay.)

Employees who will continue on paid leave beyond two years must complete a cancellation or opt-out form to be effective the first day of the 25<sup>th</sup> month of the leave.

- C. **Furlough or Temporary Layoff** – Coverage may continue for up to four calendar months after the month the furlough or temporary layoff begins. The University contribution continues for up to three months in a calendar year. The three-month period begins after the last University paycheck with a Core Medical Plan contribution. In no case will the University contribution continue past the fourth month after the furlough or layoff. The Employee must arrange continuation and direct payment of any Net Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the furlough or layoff period. Payment must be made in advance of each premium month. Employees are eligible to enroll at the time of layoff in the CORE Medical Plan for COBRA benefits.



- D. Indefinite Layoff** – Indefinite Layoff is treated as termination of employment. See Sections 1003.D, 1008.L and 1009 for options for continued coverage (e.g., for COBRA) that may apply. Employees are eligible to enroll at the time of layoff in the CORE Medical Plan for COBRA benefits.
- E. Insufficient Earnings** – If Gross Premiums cannot be taken from pay for two consecutive months, coverage lapses retroactively to the first day of the first month for which a premium was missed.
- If coverage lapses due to insufficient earnings, individuals cannot reenroll in Core Medical coverage until they return to Pay Status as eligible Employees (Part I, Section 3.A.). If these Employees do not reenroll their eligible Family Members, automatic single-party Core Medical Plan coverage begins on the first day of return to Pay Status in an eligible position (Section 1004.A.1.).
- F. Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week** – After two consecutive months of insufficient average regular paid time, the individual must be disenrolled from coverage effective the first of the following month.
- If disenrolled due to insufficient average regular paid time, automatic single-party Core Medical Plan coverage will not resume until the individual returns to sufficient average regular paid time (17.5 hours) in an eligible position (Part I, Section 3.A.). If these Employees do not reenroll their Family Members, automatic single-party Core Medical Plan coverage begins on the first day of return to Pay Status in an eligible position (Section 1004.A.1.).
- G. Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets the Initial Employment Requirements in Section 1002.A.1., the Employee and eligible Family Members may be enrolled according to Section 1003.A.
- H. Transfer to an Ineligible Position** – Treated as termination of employment.
- I. Retirement** – An Employee eligible for medical coverage as a Retiree (Part III) may continue in the group plan. Otherwise, retirement is treated as termination of employment.
- J. Loss of Eligible Family Member Status** – The Employee may not continue to cover a Family Member who loses eligibility. The Employee must delete the Family Member from the plan within 60 days of ineligibility. The University may recover from the Employee any cost incurred due to enrollment of ineligible individuals subject to the terms in Section 1004.B.

Family members who are eligible for medical coverage, including Core Medical, as Employees have a PIE as described in Sections 1003.D.6. Family members eligible as Retirees or survivor Retirees also have a PIE (Section 6003.D.2.). Otherwise Family Members may elect to continue group coverage (Section 1009) or may be eligible to convert to individual plans (Section 1011).

Family member eligibility stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements described in Section 1002.B. and Part I, Section 3.C:

1. **Divorce/Legal Separation/Annulment** – Eligibility stops at the end of the month in which the divorce/legal separation/annulment is final.
  2. **Ineligible Adult Dependent Relative/Domestic Partner** – Eligibility stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements (described in Section 1002.B. and Part I, Section 3.C) or in the case of an adult dependent relative, the day the individual becomes entitled to Medicare (the first of the month in which the individual becomes age 65, or the first of the prior month if the birthday is on the first of the month if earlier).
  3. **Overage/Ineligible Child or Grandchild or Step Grandchild** – Eligibility stops at the end of the month in which the child reaches age 26 (18 for a Legal Ward), or ceases to meet any one of the eligibility requirements (described in Section 1002.B. and Part I, Section 3.C). This age provision does not apply to qualifying disabled children.
  4. **Marriage of Eligible Grandchild, Overage Disabled Child or Declaration of Emancipation by a Minor Child** – Eligibility stops at the end of the month in which the child marries or a declaration of emancipation becomes effective.
- K. **Pending Disability Retirement** – from a University-sponsored defined benefit plan. Coverage continues for an eligible Employee under the following circumstances:
- the Employee has applied for disability income from a University-sponsored defined benefit plan and the application is in process; and
  - Short-Term disability benefits are exhausted; and
  - the Employee is either on leave without pay or has been terminated from University employment.

Payment must be made in advance of each premium month. The Employee must arrange direct payment of Gross Premiums through the appropriate unit in Office of the President.

Otherwise, see A.1., B., E. and L. as applicable

- L. Termination of Employment** – Coverage ends on the last day of the last eligible pay period for which premiums are paid through the University, unless the Employee or Family Member elects continued group coverage (Section 1009) or converts to an individual plan (Section 1011).
- M. Cancellation of Coverage/Salary Reduction Agreement** – Coverage ends on the last day of the month in which a form to cancel/opt out of coverage or delete a Family Member is received in the local Benefits or Accounting Office.

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## 1009. Continued Group Coverage (COBRA)

Under certain circumstances, coverage under the group Core Medical Plan may be continued for specified periods of time.

- Except for termination and reduction in average regular paid time, the Employee and/or Family Members must notify the local Benefits Office of the Qualifying Event within the legally required time period.
- The Employee and/or eligible Family Members may separately elect continued coverage.
- There is no University contribution during the period of continued group coverage unless required by law.
- The continuation period begins on the date coverage ends in the University or the last day of leave without pay, whichever is earlier.
- In addition to those eligible individuals described below, individuals disenrolled from group coverage due to Misuse of the plan may continue coverage under this section subject to plan approval. In this case, the Employee and/or eligible Family Members may not separately elect continued coverage. When continuation coverage ends, these individuals may be eligible for a PIE under the terms of Section 1003.D.11.
- Eligible domestic partners and eligible adult dependent relatives are eligible only for COBRA under A below.
- Employees who are eligible for COBRA due to a Layoff, at the time of Layoff, an Employee may select the Medical plan they are enrolled in or change to the CORE Medical plan for COBRA benefits at the time of the Layoff.

**Changes in COBRA Laws** – The provisions in this Section are subject to change due to revisions in COBRA related law.

A. **Eligibility** - for continued group coverage begins on the date of the earliest Qualifying Event (divorce, marriage, termination, death, etc.), as described in 2. below.

1. **Eligible Employees and/or Family Members Who Are Qualified Beneficiaries (see Definitions) and are Eligible for Continuation Coverage** are:

- a. Employees and/or eligible Family Members who are enrolled in the Core Medical Plan the day before a Qualifying Event as defined in 2. below.
- b. Children born to or adopted by the Employee during the 18-month continuation period described in 2.a.i. below.

2. **Qualifying Event** – Continuation coverage is as follows for each type of Qualifying Event:

a. **Termination**

- i. **General** – Employees whose employment terminates may continue coverage for themselves and eligible Family Members for up to 18 months (except for gross misconduct – see B.3. below).
- ii **Disabled Individuals** – Employees or Family Members who meet the Social Security definition of disability under Titles II or XVI of the Social Security Act at the time of the Qualifying Event in i. above or b. below or at any time during the first 60 days of the 18-month continuation period may continue coverage for the disabled individual and any enrolled Family Members for up to 29 months.

**Reduction in Average Regular Paid Time** – Employees whose Average Regular Paid Time falls below 17.5 hours per week may continue coverage for themselves and eligible Family Members for up to 18 months.

b. **Death of Employee** – Eligible Family Members may continue coverage for up to 36 months.

c. **Divorce/Legal Separation/Annulment** – Eligible Family Members may continue coverage for up to 36 months.

d. **Ineligible Adult Dependent Relative/Domestic Partner** – The ineligible adult dependent relative/domestic partner and any enrolled child/grandchild of the domestic partner may continue coverage for up to 36 months.

- e. **Overage/Ineligible Children or Grandchildren or Step Grandchildren** – may continue coverage for up to 36 months.
- f. **A Married Child or Grandchild or Step Grandchild Under Age 26 or an Emancipated Minor Child** – may continue coverage for up to 36 months.

**3. Multiple Qualifying Events**

- a. If a Family Member has continued coverage due to a Qualifying Event in 2.a.i. or b. above and there is a second Qualifying Event, the Family Member is entitled to an extension of the continuation period. The maximum continuation period begins with the earliest event and ends 18, 29 or 36 months from the month of that event.
- b. If an Employee becomes entitled to Medicare due to age within 18 months before his or her Qualifying Event, this entitles any Family Members with continued coverage to an extension of the continuation period up to a maximum of 36 months beginning on the date the Employee became entitled to Medicare.

**B. Ineligibility** – The following individuals are not considered Qualified Beneficiaries:

- 1. Individuals who are not enrolled in the Core Medical Plan the day before the Qualifying Event (as defined in A.2. above) except those described in A.1.b. above. However, eligible Family Members who are not considered Qualified Beneficiaries may be added during an Open Enrollment.
- 2. Individuals who were enrolled in the Core Medical Plan but were not eligible.
- 3. Employees whose employment terminates for gross misconduct.
- 4. A Family Member whose University medical plan is cancelled for reasons other than those listed in A.2. above.

**C. Loss of Eligibility** – Eligibility for continued coverage ends upon the first of the following to occur:

- 1. The individual enrolls in another group medical plan (unless the plan has an exclusion or limitation which applies to the individual for preexisting conditions which were covered by the University-sponsored plan).
- 2. The individual fails to pay premiums due.
- 3. For a Family Member, when the individual ceases to meet any one of the eligibility requirements for Family Members described in 1002.B. or Part I, Section 3.C.

4. The University-sponsored group Core Medical Plan is cancelled.

After COBRA continuation coverage ends, the individual may be eligible for conversion to an individual plan (see Section 1011.) or optional months of continuation to a combined maximum of 36 months under California law.

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## 1010. Termination of Coverage

**A. During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time; or
- the end of two years.

Sabbatical leaves or qualified leaves for professional renewal are exempt from any continuing eligibility requirements.

**B. All Other Circumstances** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time;
- the last day of the month in which the individual is eligible for coverage as a Family Member or in the case of an adult dependent relative, the day the individual becomes entitled to Medicare (the first of the month in which the individual becomes age 65, or the first of the prior month if the birthday is on the first of the month) if earlier;
- the last day of the month in which a form to cancel/opt out of coverage or delete a Family Member is received in the local Benefits or Accounting Office; or
- the day the group contract between the University and the carrier is terminated.

Under certain circumstances, coverage may be continued as a Retiree (Part III).

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

Employees with other group medical coverage may cancel Core Medical Plan coverage at any time by submitting an opt out form.

Employees may delete a Family Member from the plan at any time by submitting a cancellation or change form.

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## 1011. Conversion

When coverage ends because of retirement, termination of employment, end of the continued group coverage period, or other loss of eligibility, it may be converted to an individual plan offered by the carrier. The terms regarding availability of an individual plan are determined by each medical plan and may not be available in all cases. The Employee or Family Members must apply for conversion. A medical examination is not required. The carrier must receive the conversion application and the required premium within 31 days of the date the group coverage ends.

# 1100. MEDICAL PLANS

These regulations also apply when an Employee is transferring from Core Medical to the Medical benefit packages.

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## 1101. Definition

The University-sponsored group Medical Plans provide coverage for eligible Employees and their eligible Family Members. (See Section Part III for Retiree eligibility.)

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## 1102. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12-month period , or
- 100% time for 3 months or more, or
- A person appointed at least 50% time with the notation: “ending date for funding purposes only; intent of employment is indefinite (for more than one year).”

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Employees participating in the Phased Retirement Program are eligible provided they meet the continuing requirements in 2. below.

2. **Continuing Requirements** – To remain eligible, Employees must maintain an Average Regular Paid Time of at least 17.5 hours per week and maintain an appointment in an eligible category.

Appointment types listed in Part 1, Section 3.A “Ineligible Categories” will not be considered in determining continuing benefits eligibility.

(See Administrative Supplement No. 3 for Qualified Status situations.)



Employees who do not meet the continuing requirements must be disenrolled.

3. **Special Categories** – Nonimmigrant Aliens must have UC or non-UC medical insurance and provide proof of coverage according to University policy. If eligible as described in 1. above, they may enroll in a Medical Plan.
4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

- B. **Family Members** – The Family Member eligibility requirements are set forth in Part I, Section 3.C of these Regulations. **1103. Period of Initial Eligibility (PIE)**

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## 1103. Period of Initial Eligibility (PIE)

- A. **Definition** – A period of initial eligibility (PIE) is a period during which an eligible Employee may enroll him/herself and/or his/her eligible Family Members in a Medical Plan as described in this Section (Section 1103). Employees must remain eligible for coverage as described in Section 1102.A and enrollment in some Medical Plans may be subject to certain “service area” restrictions.

If an Employee contribution is required and is made on a pre-tax basis, see TIP Group Insurance Regulations (Section 5100) for possible forfeiture implications.

- B. **Length** – The PIE begins on the day the eligible Employee and/or the eligible Family Member first becomes eligible as described in Section 1102 or on a later date as described in D. below.

If an Employee’s appointment is retroactive, the PIE begins on the date the department chair or hiring authority signs a written statement that the appointment was approved retroactively.

The PIE ends 31 calendar days from the date it begins, except that for enrollment under D.6.c. and D.14, below, the PIE period is 60 days. Note that in determining the end of the 31-day or 60-day period, the date the PIE starts should be counted as the first day. Example: Employee’s hire date is March 1; PIE ends on March 31. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms.

- C. **Extensions for Illness/Accident** – Chief Human Resources Officers may grant an extension to Employees unable to enroll during their PIE due to illness or accident. The extension begins on the first day after the PIE ends. The extension ends 31 calendar days later as described in B. above.

Extensions cannot be granted to Employees only because they failed to obtain information about their PIE. Employees must be eligible for coverage as described in Part 1, Section 3.A.

- D. **Added Period of Initial Eligibility** – Under the following circumstances there is an additional PIE. It begins as described below and ends as described in B. above. Employees and Family Members must remain eligible for coverage as described in Section 1102 and enrollment in some Medical Plans may be subject to certain “service area” restrictions. Other enrollment opportunities may apply, including Open Enrollment and 90-day waiting periods as described in Section 1104.A.2

1. **Faculty** – Newly appointed Faculty members may have an additional PIE if they do not enroll during their first PIE. The second PIE begins on the first day of classes (see campus calendar for class schedule) for the quarter/semester in which the appointment starts or the first day of arrival at the campus, whichever occurs first.
2. **Nonimmigrant Aliens and Other Employees** whose eligible Family Member(s) arrive in the United States after the Employee's PIE have a new PIE to enroll them. The PIE begins the day the Family Member(s) arrives in the United States.
3. **Leave without Pay** – Employees who do not continue coverage during an approved leave without pay have a new PIE beginning with the date of return to Pay Status in an eligible position.

The plan reenrollment depends on the length of the approved leave, and there may be no charge for the first full or partial month's coverage (See Section 1107).

- a. **Leave is Less than 120 Days and Return in the Same Plan Year** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when the leave started. However, Employees may add Family Members who became eligible during the leave without pay.
- b. **Leave is 120 Days or More or Return in New Plan Year** – Employees are treated as newly eligible Employees.

4. **Furlough/Temporary Layoff** – Employees who do not continue coverage during a Furlough or temporary Layoff have a PIE beginning on the date of Rehire in an eligible position.

The plan reenrollment depends on the length of the Furlough or Layoff.

- a. **Furlough/Layoff is Less than 120 Days and Return in Same Plan Year** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) at the time of Furlough or Layoff. However, Employees may add Family Members who became eligible during the Furlough or Layoff period. If CORE Medical is selected as a COBRA benefit, the Employee is eligible to continue CORE Medical benefits.
- b. **Furlough/Layoff is 120 Days or More or Return in New Plan Year** – Employees are treated as newly eligible Employees.
5. **Layoff** – There is a new PIE to change a Medical Plan to Core Medical if the Employee is subject to layoff from a University position and is eligible for COBRA continuation coverage. The PIE is the same as the enrollment period allowed by the COBRA administrator.
6. **Rehire** – Employees who are Rehired have a new PIE beginning on the date of Rehire in an eligible position.

The plan reenrollment depends on the length of the Break in Service.

- a. **Rehire Occurs in Less than 120 Days After Separation and in Same Plan Year** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) at the time of termination. However, Employees may add Family Members who became eligible during the termination period.
- b. **Rehire Occurs in 120 Days or More After Separation or in New Plan Year** – Employees are treated as newly eligible Employees.
7. **Involuntary Loss of Coverage (ILOC)** – An Employee will have a new PIE if, during the time of the prior PIE the Employee and/or Family Member(s) were enrolled in another group or individual medical plan and the Employee and/or Family Member(s) lose that coverage involuntarily for any of the reasons below. The PIE begins on the date following the date the other group or individual coverage ends. Example: Other group or individual coverage ends on March 31; the PIE begins on April 1:

- a. the coverage was medical plan coverage (other than coverage under b. and c. below) and eligibility for the coverage was lost or employer contributions for the coverage were terminated.
- b. the coverage was provided under COBRA and the entire COBRA coverage period was exhausted \*; or
- c. the coverage was under Medicaid or a State children's health insurance program (CHIP) and eligibility for the coverage was lost.

Involuntary loss of eligibility for coverage includes, but may not be limited to: loss of eligibility as a result of legal separation, divorce or termination of domestic partnership, cessation of dependent status (such as attaining maximum age for dependent child status), death, termination of employment, or reduction in hours of employment. Loss of eligibility does not include loss due to the failure to pay premiums on a timely basis or for cause (such as making a fraudulent claim or intentionally misrepresenting a material fact in connection with the coverage provided). Coverage that may be lost involuntarily includes, but may not be limited to: coverage under group plans, medical providers, individual direct pay plans, Medicare, Medicaid, CHIP plans, and foreign socialized medical plans.

An Employee eligible to enroll under these ILOC provisions may enroll him/herself and eligible Family Members in any University-sponsored plan. If already enrolled in a University-sponsored plan, the Employee may add eligible Family Members to that plan or enroll him/herself and eligible Family Members in a different University-sponsored plan. The enrollment form must be accompanied by the appropriate form certifying loss of the other group or individual coverage and, if necessary, a form to cancel any opt out election.

- \* Exhaustion of COBRA coverage means that an individual's COBRA coverage ceases for any reason other than the failure to pay premiums on a timely basis or for cause (such as making a fraudulent claim or intentionally misrepresenting a material fact in connection with the coverage provided). Voluntary termination of COBRA coverage is not considered exhaustion of such coverage.

- 8. **Coverage as a Family Member While on Leave** – An Employee going on an approved leave of absence is given a new PIE to be covered as a Family Member under another eligible Employee who is the Employee's spouse or domestic partner.
- 9. **Disruption of Primary Medical Group** – An Employee may be given a new PIE to change to another medical plan if/when their current primary medical group's contract the Medical plan is terminated. Such PIE is available only if the Employee:
  - a. is not participating in the Tax Savings on Insurance Premiums (TIP) plan; or

- b. the Employee is participating in the TIP plan and the change meets the election change requirements under the terms of the plan and Section 125 of the Internal Revenue Code, as determined by the Plan Administrator.

If an Employee enrolled in the affected Medical plan is requesting a medical plan transfer and the Office of the President Human Resources has **not** made a system-wide announcement, they must submit a copy of the medical group termination letter which indicates the effective date of the termination, with the their plan enrollment. The PIE, if permitted, begins with the date of the announcement/letter or the effective date of the medical group termination, if later. The effective date of the transfer is the first day of the month following enrollment, subject to payroll processing deadlines.

- 10. Appointment Change** – An Employee will have a PIE to enroll in coverage if the Employee's appointment changes from an ineligible position to a position eligible for coverage by satisfying the employment requirements described in Part I, Section 3.A. If there is a break in service before the appointment change, see "Rehire" under Section D.6 above..

An Employee who was provided a PIE when they were appointed as a BELI 2 or BELI 3 and is reappointed as a BELI 1 (as described in Administrative Supplement No. 2), will have an added PIE to transfer from Core Medical to a Medical Plan, or to enroll in medical coverage if the Employee previously opted out of medical coverage. If the Employee is already enrolled in a Medical Plan, a PIE (e.g., to transfer to another Medical Plan) is not allowed.

- 11. Return after a Period of Ineligibility** – An Employee who loses eligibility for coverage, thus requiring disenrollment from coverage, and subsequently returns to eligibility in the circumstances below by satisfying the employment requirements described in Part 1, Section 3.A, will have a new PIE as follows:

- a. **Change in Appointment** - If an Employee's appointment is changed from an ineligible position to a position eligible for benefits, the PIE begins with the effective date of the reappointment.
- b. **Change in Average Regular Paid Time** – If coverage lapsed due to insufficient Average Regular Paid Time and the Employee returns to sufficient Average Regular Paid Time without a change in appointment, the PIE begins with the date of return to the required 17.5 Average Regular Paid Time per week.

- c. **Change in Earnings** – If coverage lapsed due to insufficient earnings and there has been no Break in Service, the PIE begins with the date of return to Pay Status of sufficient earnings in an eligible position.

The plan reenrollment depends on the length of the period of ineligibility:

- a. **Less than 120 Days and Return to Eligibility in Same Plan Year** Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when coverage lapsed. However, Employees may add Family Members who became eligible during the insufficient earnings period.
- b. **120 Days or More or Return to Eligibility in New Plan Year** – Employees are treated as newly eligible Employees.

**12. Move Out of/Return to Plan Service Area – HMO Service Area Restrictions –**

- a. **University-Sponsored HMO** – An Employee and/or eligible Family Member who moves or is transferred out of the service area of a University-sponsored HMO (see Definitions), or other arrangement, that does not provide benefits to individuals who no longer reside, live or work in the service area, or who will be away from the HMO service area for more than two months, may enroll him/herself and eligible Family Members in another University-sponsored plan available in the Employee's or eligible Family Member's new location. The PIE begins with the effective date of loss of coverage because of the move or transfer.

Upon return to the service area, the Employee will have a PIE to reenroll him/herself and eligible Family Members in the same HMO, or other arrangement, he/she had at the time of the move out of area. The PIE begins with the effective date of the return to the service area.

- b. **Non-University-Sponsored HMO** – If an Employee and/or his/her Family Members are enrolled in a non-University-sponsored HMO, or other arrangement, in the individual plan market that does not provide benefits to individuals who no longer reside, live or work in the service area, and coverage is lost because the enrolled individuals no longer reside, live or work in the plan's service area, the Employee may enroll him/herself and/or eligible Family Members in any University-sponsored plan. If already enrolled in a University-sponsored plan, the Employee may add eligible Family Members to that plan or enroll him/herself and eligible Family Members in a different University-sponsored plan.

If the coverage is lost under an HMO, or other arrangement, in the group plan market, enrollment in a University-sponsored plan as described above is available only if the sponsor of the group plan makes no other benefit package available to the individual(s) losing coverage.

- 13. Acquisition of Eligible Family Member** – Upon the acquisition of a newly eligible Family Member, an eligible Employee may enroll him/herself, the newly eligible Family Member and any other eligible Family Members in any University-sponsored plan for which they are eligible. If already enrolled in a University-sponsored plan, the Employee may add the newly eligible Family Member, and any other eligible Family Members not already enrolled, to that plan or enroll him/herself and all eligible Family Members in a different University-sponsored plan.

The PIE begins with the date the Family Member first meets the eligibility requirements described in Part I, Section 3.C.

If a legally adopted child is not enrolled during the PIE beginning with the date of the child being placed for adoption with the Employee, or the date the Employee or the Employee's spouse/domestic partner has the legal right to control the child's health care, there is a second PIE beginning with the date the adoption is final.

- 14. Eligibility for Medicaid or CHIP Premium Assistance Program** – If an eligible Employee and/or his/her eligible Family Member(s) who are not enrolled in a University-sponsored medical plan become eligible for premium assistance under a Medicaid or CHIP premium assistance program, the Employee may enroll him/herself and/or eligible Family Members in any University-sponsored plan.

- 15. Loss of UC Coverage Due to Misuse of Plan** – There is a new PIE if the Employee and/or Family Member(s) were disenrolled due to Misuse of the Plan as described in Section 1104.B.2. In this case, reenrollment is subject to plan approval. The PIE begins on the date following 12 months of disenrollment. The plan reenrollment is described below and depends on whether the individual continued coverage on a "restricted direct-pay basis" as described in Section 1104.B.2 under "Restricted Direct-Pay Continuance"

- a. Coverage was Continued on a Restricted Direct-Pay Basis** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when coverage lapsed. However, Employees may add Family Members who became eligible but were not added during the time covered on a restricted direct-pay basis.

**b. Coverage was not Continued on a Restricted Direct-Pay Basis**

– Employees are treated as newly eligible Employees. A Family Member with individual restricted Direct-Pay basis coverage must enroll in the same plan as the Employee.

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## 1104. Enrollment/ Deenrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

### **A. Enrollment**

#### **1. Automatic Enrollment/Opting Out of or Into a Medical Plan**

- a. Eligible Employees who do not enroll in a Medical Plan will be enrolled automatically in single-party coverage in the Core Medical Plan (Section 1000).
- b. Eligible Employees who cancel their Medical Plan and take no other action will be enrolled automatically the next January 1 in single-party coverage in the Core Medical Plan (Section 1000). Such cancellation is only permitted:
  - at Open Enrollment;
  - if the Employee is not participating in the TIP plan; or
  - if the Employee is participating in the TIP plan and the election to cancel coverage meets the election change requirements under the terms of the plan and Section 125 of the Internal Revenue Code, as determined by the Plan Administrator.
- c. Employees may opt out of the automatic Core Medical Plan if:
  - they are already covered by another group medical plan at least equivalent to the Core Medical Plan, including a University-sponsored plan, or
  - for religious reasons.
- d. Employees who are eligible for a Medical Plan and have canceled or opted out may opt back in, and Employees with automatic Core Medical may opt back into a Medical Plan, if one of the situations in 2. below occurs. The Employee and all eligible Family Members may be enrolled by completing the appropriate enrollment transaction. However, Employees who opted out because of duplicate University-sponsored coverage may not enroll in a Medical Plan.



**2. Enrolling** – Employees may enroll themselves and/or eligible Family Members or cancel an election to opt out of coverage:

- a.** During a Period of Initial Eligibility as described in Section 1103. Once the enrollment transaction is processed (see Definitions), changes cannot be made:
- until there is a new PIE (Section 1103.D.) or there is an Open Enrollment Period (b. below), or
  - application is made under the process described in c. below.

During a PIE for a newly acquired Family Member, an Employee may enroll the newly acquired Family Member plus any other eligible Family Member who is not enrolled.

If the Employee is not enrolled in any Medical Plan the Employee must enroll at the same time as the Family Member(s).

An enrolled Employee whose child(ren) are also enrolled under the plan may add additional children at any time after their PIE with coverage effective as described in Section 1105, provided that such children may be added at a time other than Open Enrollment or at a time described in Section 1103.D only if the addition of such child(ren) does not change the cost to Employee for medical plan coverage. The 90-day Waiting Period described in c. below does not apply. However, retroactive coverage is limited to a maximum of 60 days preceding the date the enrollment form is received by the local Benefits or Accounting Office, or the date the children became eligible, whichever is most recent.

- b.** During the annual **Open Enrollment Period** (OEP) announced by the Plan Administrator, Office of the President. An OEP may allow Employees to enroll for the first time or to add eligible Family Members. It also may allow Employees to transfer between Medical Plans or cancel an opt out election.
- c.** In the following situations an Employee may enroll in a Medical Plan subject to a **90-Day Waiting Period** before coverage begins. The 90-Day Waiting Period begins on the date the enrollment form is received by the local Benefits or Accounting Office and ends 90 consecutive calendar days from the date it begins.
- An Employee is not enrolled in any Medical Plan because a PIE or OEP was missed.
  - An Employee opted out or cancelled coverage in a Medical Plan and subsequently missed a PIE or OEP opportunity to enroll or re-enroll in a Medical Plan.

- An Employee missed a PIE or OEP and was defaulted into the Core Medical plan with single-party coverage.
- An Employee is enrolled in non-family coverage and missed a PIE or an OEP and wants to add an eligible Family Member.

If an Employee is enrolled in family or adult with child(ren) Medical Plan coverage and wants to add an eligible Family Member, the 90-Day Waiting Period would not apply; the Employee may add the child at any time as described in Section 1105 with coverage retroactive to a maximum of 60 days.

**3. Enrollment in Duplicate University Sponsored Coverage is not allowed.**

**a.** If both husband, wife, or domestic partner are eligible to enroll in a Medical Plan including Core Medical as either an Employee or a Retiree:

- Each may enroll separately, or
- One may enroll and cover the other as a Family Member. If the one to be covered as a Family Member is an Employee or Retiree, that person must submit the appropriate form to opt out of coverage as an Employee, or suspend coverage as a Retiree.

If they enroll separately,

- Neither may cover the other as a Family Member, and
- Their eligible Family Members may be covered on one plan, but not on both.

**b.** Children who are eligible to be covered as Family Members and who also are eligible Employees may:

- Enroll separately, or
- Be covered by one parent's plan as a Family Member, but not on both parents' plans. The child also must submit the appropriate form to opt out of coverage as an Employee.

**c.** Individuals eligible in more than one category (e.g., as an Employee and as a Retiree, as an Employee's Family Member and as a Retiree's Family Member) may be covered as one or the other, but not both.

An Employee with two or more appointments, one of which is a student appointment in an ineligible category and one or more of which is an eligible category (as specified in Part I, Section 1.A ), is not restricted from enrollment by virtue of their ineligible position, as long as the eligible appointment(s) qualify the Employee for benefits through meeting the requirements specified in Part I.

- d. Where duplicate coverage occurred, benefits will be paid under the Medical Plan with the earlier effective date.

**B. Deenrollment**

**1. Ineligibility**

- a. Ineligible individuals must be deenrolled.
- b. The Plan Administrator reserves the right to permanently deenroll ineligible individuals.
- c. Ineligible individuals include but are not limited to:
  - an individual with duplicate University coverage both as an Employee or a Retiree and as a Family Member (may only have one or the other),
  - an ineligible Employee and any enrolled Family Members,
  - an ineligible Family Member,
  - an enrolled Family Member for whom the Employee fails to provide, upon request by the Plan Administrator or insurance carrier, documentation that is determined by the Plan Administrator to be sufficient to verify that the enrolled individual is eligible for Plan coverage.
  - Employees who have been on leave with pay for more than two years. These individuals must cancel or opt out of coverage effective the first day of the 25th month of the leave.
- d. The Plan Administrator, Office of the President, will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.
- e. Ineligible individuals are not entitled to COBRA continuation rights.

2. **Misuse of the Plan** – The Plan Administrator reserves the right to disenroll individuals who misuse the plan.

Misuse of the Plan is defined in the Definitions and Abbreviations section (Part I, Section 2) and includes intentionally enrolling individuals who are ineligible. In case of Misuse of the Plan, individuals may be disenrolled as follows:

- An eligible Employee who misuses the plan, plus any of the Employee's eligible enrolled Family Members, will be disenrolled for 12 months. If the Misuse is the Employee's intentional enrollment of individuals who are not eligible Family Members, the ineligible individuals will be permanently disenrolled.
- An eligible Family Member who misuses the plan will be disenrolled for 12 months. If the Employee is aware of, or participates in, the Misuse, the Employee and any eligible Family Members will also be disenrolled for 12 months.

The Plan Administrator, Office of the President, will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.

**Restricted Direct-Pay Continuance** - Eligible Employees who are disenrolled for 12 months may continue coverage for themselves and any eligible Family Members on a direct-pay basis subject to the following restrictions:

- The continuance of coverage is subject to Plan approval, and,
- The employee is required to directly pay for coverage at the rate that would be charged if the Employee elected coverage under COBRA, and
- The payment must be made directly through the third party Administrator selected by the University, and
- The Employee's eligible Family Member(s) may not separately elect this continued coverage.

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## 1105. Effective Date

Coverage begins on the date listed below provided the Employee is on Pay Status as an eligible Employee (see Part I, Section 2.A). Coverage cannot begin before the first day of eligibility for the Plan and requires that the appropriate Enrollment Transaction is processed during the PIE (unless automatic enrollment in Core Medical applies as specified in Section

1004.A.1). The effective date of coverage is subject to exceptions in E. below.

- A. During a **Period of Initial Eligibility** – If the appropriate enrollment transaction is processed during the PIE (see Definitions), coverage is effective the date the PIE began.

A form to cancel/opt out of or delete a Family Member from coverage is effective the last day of the pay period in which the local Benefits or Accounting Office receives it.

During an **Open Enrollment Period** – The date announced by the Plan Administrator, Office of the President. In this case, the requirement that an Employee must be on Pay Status does not apply (see Section 1105.E below).

- B. At any other time upon completion of the **90-day Waiting Period** – The 91<sup>st</sup> consecutive calendar day after the enrollment form is received by the local Benefits or Accounting Office. (See 1104.A.2.c)
- C. **Deferred Effective Date** – Employees may defer the normal effective date of coverage for up to 6 months for themselves and/or any Family Member. A written request specifying the deferred effective date must be submitted. A request for a deferred effective date may not be revoked. Nonimmigrant Aliens may not defer the effective date of coverage.
- D. **Exceptions** – If any of the exceptions below applies, the effective date of coverage for the Employee and all Family Members is deferred as noted.
1. **Leave for Health Reasons** – Does not apply.
  2. **Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage is deferred until the Employee is placed on normal Pay Status for that appointment.
  3. **Hospitalized Family Members** – Does not apply.
  4. **Open Enrollment Period Action by Employee on a Leave without Pay** – The effective date of coverage is deferred until the Employee is placed on normal Pay Status in an eligible appointment

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## 1106. University Contribution

The University contributes toward the Medical Plan premium. The Plan Administrator, Office of the President, sets the amount of the contribution. The amount may increase or decrease at any time. The Employee is responsible for any Net Premium amount.

The University contribution will continue during an approved leave without pay under the provisions of the Federal Family and Medical Leave Act (FMLA) for up to 12 workweeks for the Employee and any enrolled Family Members provided the Employee was enrolled in a Medical Plan at the beginning of the leave. See Section 1108 for other actions which may affect the University contribution.

When more than one Family Member is eligible and each enrolls separately, each receives a contribution. If Family Members are enrolled under a single Medical Plan, one contribution is made. An individual who is eligible in more than one category (e.g., as an Employee and a Family Member, as an Employee and a Retiree, etc.) may receive only one contribution for medical coverage. (Also see Section 1104.A.3.)

The University complies with federal and state income tax rules in administering its group insurance programs for faculty and staff and their eligible Family Members, which includes requirements for the treatment of the University/employer contribution for insurance coverage. Requirements may include laws mandating that the employer contribution for coverage provided to certain Family Members be treated as imputed income to the Employee. California state income tax rules currently conform to the changes in federal income tax rules enacted as part of health care reform legislation, which provided tax-favored treatment of health benefits for children through the end of the year in which they attain age 26 (implemented 3/30/10). These laws are subject to change. Information may be available on At Your Service online. Employees should be referred to their tax advisor for additional information.

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## 1107. Premiums

- A. Payment** – Premiums are paid in advance by payroll deduction or salary reduction. There is no charge for the first full or partial month's coverage as a result of an Employee's PIE or for the first full or partial month's premium difference, if any, when a Family Member is added to the plan. This provision does not apply to Open Enrollment transfers between plans or when an Employee enrolled in Core Medical becomes eligible for Medical under Part 1, Section 3.A.

There is no charge for the first full or partial month's premium when an Employee reenrolls during an added PIE (Section 1103.D) provided there has been a lapse in coverage of more than one month.

Premiums will not be refunded retroactively if the Employee should have filed a form to cancel coverage or delete a Family Member.

When the plan is canceled, a Family Member is deleted or a transfer between plans is made, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.

If an Employee contribution is required and is made on a pre-tax basis, see TIP Group Insurance Regulations Sections 5107 for possible forfeiture implications.

- B. Rate Changes** are made when the contract is renewed, when required by contract amendments.

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## 1108. Actions Which Affect Coverage

The following situations will result in a loss or termination of coverage as described in Section 1110, if an Employee does not continue group coverage as provided below or in Sections 1109 and 1111). Different rules may apply to specified groups. See Administrative Supplement No. 2.

- A. Leave without Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.
- 1. Approved Leave** – Coverage may be continued during an approved leave of absence without pay of up to two years. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee off Pay Status without an approved leave of absence may not make direct premium payments.

If any part of this two-year period is an approved leave without pay under the provisions of the Federal Family and Medical Leave Act (FMLA), the University contribution will be provided for up to 12 workweeks as described in Section 1106. An Employee on a FMLA leave must arrange continuation and direct payment of any Net Premiums through the local Benefits or Accounting Office. Payment must be made in advance of each premium month.

**Unapproved Leave** - An Employee who is not on Pay Status and does not have an approved leave of absence may not pay premiums

directly to the local Benefits or Payroll Office to continue coverage. A strike is considered to be a type of unapproved Leave. Coverage is terminated as described in Section 1110.B. A Break in Service occurs after 4 consecutive months of unapproved Leave.

2. **While Receiving Short-Term Disability Insurance Benefits (Section 3000)** – Employees continue to receive the University contribution for Medical Plan coverage for up to six months provided their University employment is not terminated. These Employees must arrange direct payment of any Net Premiums through the local Benefits or Accounting Office. Payment must be made in advance of each premium month.

Otherwise, see 1. above and B., E., K. and L. below as applicable.

**Military Leave** – Coverage may be continued during an approved military leave of up to six months. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee off Pay Status without an approved leave of absence may not make direct premium payments

4. **While Receiving Temporary Disability Payments Under Workers' Compensation** – Medical Plan coverage for an Employee may be continued while the Employee is receiving workers' compensation temporary disability benefits in connection with University employment, provided that their University employment is not terminated. The Medical Plan Contingency Fund may be used in specified situations to reimburse departments for the Gross Premium for the Employee's Medical Plan. See Administrative Supplement No. 20.

- B. **Leave with Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.

1. **General** – Coverage may be continued for up to two years as long as the Employee's Average Regular Paid Time is at least 17.5 hours per week and provided that earnings are sufficient to cover minimum deductions.

Employees who will continue on paid leave beyond two years must complete a cancellation or opt out form to be effective the first day of the 25<sup>th</sup> month of the leave.



**2. Sabbatical Leave/Qualified Leave for Professional Renewal –**

Coverage may be continued for up to two years as long as earnings cover required deductions, if any. (See Section A.1. for the effect of a Leave without Pay.)

Employees who will continue on paid leave beyond two years must complete a cancellation or opt out form to be effective the first day of the 25<sup>th</sup> month of the leave.

- C. Furlough or Temporary Layoff** – Coverage may continue for up to four calendar months after the month the Furlough or Temporary Layoff begins. The University contribution continues for up to three months in a calendar year. The three-month period begins after the last University paycheck with a Medical Plan contribution. In no case will the University contribution continue past the fourth month after the Furlough or Layoff. The Employee must arrange continuation and direct payment of any Net Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the Furlough or Layoff period. Payment must be made in advance of each premium month.

Employees who are eligible for continued group coverage (COBRA) may continue their current medical plan (under Section 1109) or elect the CORE Medical Plan for COBRA benefits at the time of Layoff.

- D. Indefinite Layoff** – Indefinite Layoff is treated as termination of employment. See Sections 1103.D, 1108.L and 1109 for options for continued coverage (e.g., for COBRA) that may apply. Employees are eligible to enroll at the time of layoff in the CORE Medical Plan for COBRA benefits.

- E. Insufficient Earnings** – If Gross Premiums cannot be taken from pay for two consecutive months, coverage lapses retroactively to the first day of the first month for which a premium was missed.

If coverage lapses due to insufficient earnings, individuals cannot reenroll in a Medical Plan until they return to Pay Status as eligible Employees (Part 1, Section 3.A.). If these Employees do not reenroll themselves or their eligible Family Members, automatic single-party Core Medical Plan coverage begins on the first day of return to Pay Status in an eligible position (Sections 1004.A.1 and 1104.A.1.).

- F. Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week** – After two consecutive months of insufficient Average Regular Paid Time, the individual must be disenrolled from coverage effective the first day of the following month.

If disenrolled due to insufficient Average Regular Paid Time, individuals cannot reenroll in a Medical Plan until they return to sufficient Average Regular Paid Time (17.5 hours) in an eligible position (Part 1, Section 3.A.).

If these Employees do not reenroll or if they return in a status eligible for Core Medical Plan coverage only and do not reenroll their Family Members, automatic single-party Core Medical Plan coverage begins on the first day of return to Pay Status in a eligible position (Sections 1004.A.1. and 1104.A.1.)

- G. Break in Service of 120 Days or More** – If Rehired, Employees are treated as new Employees. If the Employee meets the Initial Employment Requirements in Section 1102.A.1, the Employee and eligible Family Members may be enrolled in any Medical plan.
- H. Transfer to an Ineligible Position** – treated as termination of employment.
- I. Retirement** – An Employee eligible for a University-sponsored Medical Plan as a Retiree may continue in the group plan (Part III). Otherwise, retirement is treated as termination of employment.
- J. Loss of Eligible Family Member Status** – The Employee may not continue to cover a Family Member who loses eligibility. The Employee must delete the Family Member from the plan within 60 days of ineligibility. The University may recover from the Employee any cost incurred due to enrollment of ineligible individuals subject to the terms in Section 1104.B.

Family Members eligible for Medical coverage, including Core Medical, as Employees have a PIE (as described in Sections 1003.D.6. and 1103.D.6.). Family Members eligible as Retirees or survivor Retirees also have a PIE (Section 6003.D.2.). Otherwise, Family Members may elect to continue group coverage (Section 1109) or may be eligible to convert to individual plans (Section 1111).

Family Member eligibility stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements described in Section 1102.B. and Part I, Section 3.C.

- 1. Divorce/Legal Separation/Annulment** – Eligibility stops at the end of the month in which the divorce/legal separation/annulment is final.
- 2. Ineligible Adult Dependent Relative/Domestic Partner** – Eligibility stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements (described in Section 1102.B. and Part I, Section , Section 3 .) or in the case of an adult dependent relative, the day the individual becomes entitled to Medicare (the first of the month in which the individual becomes age 65, or the first of the prior month if the birthday is on the first of the month if earlier).
- 3. Overage/Ineligible Child or Grandchild or Step Grandchild** – Eligibility stops at the end of the month in which the child reaches age 26 (18 for a Legal Ward), or ceases to meet any one of the eligibility

4. requirements described in Section 1102.B. and Part I, Section 3.  
This age provision does not apply to qualifying disabled children.
  5. **Marriage of Eligible Child or Grandchild or Step Grandchild or Declaration of Emancipation by a Minor Child** – Eligibility stops at the end of the month in which the child marries or a declaration of emancipation becomes effective.
- K. Pending Disability Retirement** – from a University-sponsored defined benefit plan. Coverage continues for an eligible Employee under the following circumstances:
- the Employee has applied for disability income from a University-sponsored Defined Benefit Plan and the application is in process; and
  - Short-term Disability benefits are exhausted; and
  - the Employee is either on leave without pay or has been terminated from University employment.
- Payment must be made in advance of each premium month. The Employee may arrange direct payment of Gross Premiums through the appropriate unit in Office of the President.
- Otherwise, see A.1., B., E. and L. as applicable.
- L. Termination of Employment** – Coverage ends on the last day of the last eligible pay period for which premiums are paid through the University, unless the Employee or Family Member elects continued group coverage (Section 1109) or converts to an individual plan (Section 1111).
- M. Cancellation of Coverage/Salary Reduction Agreement** – Coverage ends on the last day of the month in which a form to cancel/opt out of coverage or delete a Family Member is received in the local Benefits or Accounting Office.

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## 1109. Continued Group Coverage (COBRA)

Under certain circumstances, group coverage may be continued for specified periods of time.

- Except for termination and reduction in Average Regular Paid Time, the Employee and/or Family Members must notify the local Benefits Office of the Qualifying Event within the legally required time period.
- The Employee and/or eligible Family Members may separately elect continued coverage.

- There is no University contribution during the period of continued group coverage unless required by law.
- The continuation period begins on the date coverage ends in the University-sponsored plan or the last day of leave without pay, whichever is earlier.
- In addition to those eligible individuals described below, individuals disenrolled from group coverage due to Misuse of the Plan may continue coverage under this Section subject to plan approval. In this case, the Employee and/or eligible Family Members may not separately elect continued coverage. When continuation coverage ends, these individuals may be eligible for a PIE under the terms of Section 1103.D.11.
- Eligible domestic partners and eligible adult dependent relatives are eligible only for COBRA under A. below.
- Employees who are eligible for COBRA due to a Layoff, at the time of Layoff, an Employee may select the Medical plan they are enrolled in or change to the CORE Medical plan for COBRA benefits at the time of the Layoff.

**Changes in COBRA Laws** – The provisions in this Section are subject to change due to revisions in COBRA related law.

**A. Eligibility** – Eligibility for continued group coverage begins on the date of the earliest Qualifying Event (divorce, marriage, termination, death, etc.), as described in 2. below.

**1. Eligible Employees and/or Family Members who are Qualified Beneficiaries (see Definitions) and are Eligible for Continuation Coverage** are:

- a. Employees and/or eligible Family Members who are enrolled in a Medical Plan the day before a Qualifying Event as defined in 2. below.
- b. Children born to or adopted by the Employee during the 18-month continuation period described in 2.a.i. below.

**2. Qualifying Event** – Continuation coverage is as follows for each type of Qualifying Event.

a. **Termination**

- i. **General** – Employees whose employment terminates may continue coverage for themselves and eligible Family Members for up to 18 months (except for gross misconduct – see B.3. below). \*

- ii. **Disabled Individuals** – Employees or Family Members who meet the Social Security definition of disability under Titles II or XVI of the Social Security Act at the time of the Qualifying Event in i. above or b. below or at any time during the first 60 days of the 18-month continuation period may continue coverage for the disabled individual and any enrolled Family Members for up to 29 months. \*\*
- b. **Reduction in Average Regular Paid Time** – Employees whose Average Regular Paid Time falls below 17.5 hours per week may continue coverage for themselves and eligible Family Members for up to 18 months. \*
- c. **Layoff of Employee** – An Employee who is on temporary or permanent layoff status may continue coverage for themselves and eligible Family Members for up to 18 months.

\*\* Employees are eligible to enroll at the time of layoff in the CORE Medical Plan for COBRA benefits.
- d. **Death of Employee** – Eligible Family Members may continue coverage for up to 36 months.
- e. **Divorce/Legal Separation/Annulment** – Eligible Family Members may continue coverage for up to 36 months.
- f. **Ineligible Adult Dependent Relative/Domestic Partner** – The ineligible adult dependent relative/domestic partner and any enrolled child/grandchild of the domestic partner may continue coverage for up to 36 months.
- g. **Overage/Ineligible Children or Grandchildren or Step Grandchildren** – may continue coverage for up to 36 months.
- h. **A Married Grandchild, or Step Grandchild Under Age 26 or an Emancipated Minor Child** – may continue coverage for up to 36 months.

\* Once federal COBRA has expired, Employees may continue coverage under CalCOBRA for an additional 18 months.

\*\*Once federal COBRA has expired, Employees may continue coverage under CalCOBRA for up to a total of 36 months for all continuation.

### 3. **Multiple Qualifying Events**

- a. If a Family Member has continued coverage due to a Qualifying Event in 2 a.i. or 2 b. above and there is a second Qualifying

Event, the Family Member is entitled to an extension of the continuation period.

The maximum continuation period begins with the earliest event and ends 18, 29 or 36 months from the month of that event.

- b. If an Employee becomes entitled to Medicare due to age within 18 months before his or her Qualifying Event, any Family Members with continued coverage are entitled to an extension of the continuation period up to a maximum of 36 months beginning on the date the Employee became entitled to Medicare.

**B. Ineligibility** – The following individuals are not considered Qualified Beneficiaries:

1. Individuals who are not enrolled in a Medical Plan the day before the Qualifying Event (as defined in A.2. above) except those described in A.1.b. above. However, eligible Family Members who are not considered Qualified Beneficiaries may be added during an Open Enrollment.
2. Individuals who were enrolled in a Medical Plan but were not eligible.
3. Employees whose employment terminates for gross misconduct.
4. A Family Member whose University Medical Plan is cancelled for reasons other than those listed in A.2. above.

**C. Loss of Eligibility – Eligibility for continued coverage ends upon the first of the following to occur:**

1. The individual enrolls in another group medical plan (unless the plan has an exclusion or limitation which applies to the individual for preexisting conditions which were covered by the University-sponsored plan).
2. The individual fails to pay premiums due.
3. For a Family Member, when the individual ceases to meet any one of the eligibility requirements for Family Members described in 1102.B. and Part I, Section 3 .
4. The University-sponsored group Medical Plans are canceled.

After COBRA continuation coverage ends, the individual may be eligible for conversion to an individual plan (see Section 1111) or optional months of continuation to a combined maximum of 36 months under California law (AB 1401).

## 1110. Termination of Coverage

**A. During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the second month following the month in which the Employee last meets the minimum required Average Regular Paid Time; or
- the end of two years.

Sabbatical leaves or qualified leaves for professional renewal are exempt from any continuing eligibility requirements.

**B. All Other Circumstances** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the second month following the month in which the Employee last meets the minimum required Average Regular Paid Time;
- the last day of the month in which the individual is eligible for coverage as a Family Member or in the case of an adult dependent relative, the day the individual becomes entitled to Medicare (the first of the month in which the individual becomes age 65, or the first of the prior month if the birthday is on the first of the month) if earlier;
- the last day of the month in which a form to cancel/opt out of coverage or delete a Family Member is received in the local Benefits or Accounting Office; or
- the day the group contract between the University and the carrier is terminated.

Under certain circumstances, coverage may be continued as a Retiree (Part III).

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

Employees may cancel a Medical Plan or delete a Family Member from the plan at any time by submitting a cancellation or change form.

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## **1111. Conversion**

When coverage ends because of retirement, termination of employment, end of the continued group coverage period, or other loss of eligibility, it may be converted to an individual plan offered by the carrier. The terms regarding availability of an individual plan are determined by each Medical Plan and may not be available in all cases. The Employee or Family Members must apply for conversion. A medical examination is not required. The carrier must receive the conversion application and the required premium within 31 days of the date the group coverage ends.



# 1200. DENTAL PLANS

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## 1201. Definition

The University-sponsored group Dental Plans provide dental coverage for eligible Employees and their eligible Family Members. (See Part III for Retiree eligibility.)

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## 1202. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12-month period , or
- A person appointed at least 50% time with the following notation: “ending date for funding purposes only; intent of employment is indefinite (for more than one year).”

Membership in a defined benefit plan to which the University contributes is a requirement for participation in the Dental Plans.

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Employees participating in the Phased Retirement Program are eligible provided they meet the continuing requirements in 2. below.

2. **Continuing Requirements** – To remain eligible, Employees must maintain an average regular paid time of at least 17.5 hours per week and maintain an appointment in an eligible category.

Appointment types listed in Part I, Section 3.A “Ineligible Categories” will not be considered in determining continuing benefits eligibility.

(See Administrative Supplement No. 3 for Qualified Status situations.)

Employees who do not meet the continuing requirements must be disenrolled.

3. **Special Categories** – Nonimmigrant Aliens are treated as any other Employee.
  4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.
- B. **Family Members** – The Family Member eligibility requirements are set forth in Part I, Section 3.B. of these GIRs.

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## 1203. Period of Initial Eligibility (PIE)

- A. **Definition** – A period of initial eligibility (PIE) is a period during which an eligible Employee may enroll him/herself and/or his/her eligible Family Members in a Dental Plan as described in this Section (Section 1203). Employees must remain eligible for coverage as described in Section 1202.A and enrollment in some Dental Plans may be subject to certain “service area” restrictions.

If an Employee contribution is required and is made on a pre-tax basis, see TIP Group Insurance Regulations (Section 5100) for possible forfeiture implications.

- B. **Length** – The PIE begins on the day the eligible Employee and/or the eligible Family Member first becomes eligible as described in Section 1202 or on a later date as described in D. below.

If an Employee’s appointment is retroactive, the PIE begins on the date the department chair or hiring authority signs a written statement that the appointment was approved retroactively.

The PIE ends 31 calendar days from the date it begins, except that for enrollment under D.6.c. and D.14, below, the PIE period is 60 days. . Note that in determining the end of the 31-day or 60-day period, the date the PIE starts should be counted as the first day. Example: Employee’s hire date is March 1; PIE ends on March 31. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms.

- C. **Extensions for Illness/Accident** – Chief Human Resource Officers may grant an extension to Employees unable to enroll during their PIE due to illness or accident. The extension begins on the first day after the PIE ends. The extension ends 31 calendar days later as described in B. above.

Extensions cannot be granted to Employees only because they failed to obtain information about their PIE. Employees must be eligible for coverage as described in Section 1202.A.

- D. **Added Period of Initial Eligibility** – Under the following circumstances there is an additional PIE. It begins as described below and ends as described in B. above. Employees and Family Members must remain eligible for coverage as described in Section 1202.
1. **Faculty** – Newly appointed Faculty members may have an additional PIE if they do not enroll during their first PIE. The second PIE begins on the first day of classes (see campus calendar for class schedule) for the quarter/semester in which the appointment starts or the first day of arrival at the campus, whichever occurs first.
  2. **Nonimmigrant Aliens and Other Employees** whose eligible Family Member(s) arrive in the United States after the Employee's PIE have a new PIE to enroll them. The PIE begins the day the Family Member(s) arrive in the United States.
  3. **Leave without Pay** – Employees who do not continue coverage during an approved leave without pay have a new PIE beginning with the date of return to Pay Status in an eligible position.

The plan reenrollment depends on the length of the approved leave, and there may be no charge for the first full or partial month's coverage (See Section 1207).

- a. **Leave is Less than 120 Days** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when the leave started. However, Employees may add Family Members who became eligible during the leave without pay.
  - b. **Leave is 120 Days or More** – Employees are treated as newly eligible Employees.
4. **Furlough/Temporary Layoff** – Employees who do not continue coverage during a furlough or temporary layoff have a PIE beginning on the date of rehire in an eligible position.

The plan reenrollment depends on the length of the furlough or layoff.

- a. **Furlough/Layoff is Less than 120 Days** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) at the time of furlough or layoff. However, Employees may add Family Members who became eligible during the furlough or layoff period.
- b. **Furlough or Layoff is 120 Days or More** – Employees are treated as newly eligible Employees.

5. **Rehire** – Employees who are rehired have a new PIE beginning on the date of rehire in an eligible position.

The plan reenrollment depends on the length of the Break in Service.

- a. **Rehire Occurs Less than 120 Days** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) at the time of termination. However, Employees may add Family Members who became eligible during the termination period.
- b. **Rehire Occurs 120 Days or More** – Employees are treated as newly eligible Employees.

6. **Involuntary Loss of Coverage (ILOC) –Involuntary Loss of Coverage (ILOC)** – An Employee will have a new PIE if, during the time of the prior PIE the Employee and/or Family Member(s) were enrolled in another group or individual medical plan and the Employee and/or Family Member(s) lose that coverage involuntarily for any of the reasons below. The PIE begins on the date following the date the other group or individual coverage ends. Example: Other group or individual coverage ends on March 31; the PIE begins on April 1:

- a. the coverage was medical plan coverage (other than coverage under b. and c. below) and eligibility for the coverage was lost or employer contributions for the coverage were terminated.
- b. the coverage was provided under COBRA and the entire COBRA coverage period was exhausted \*; or
- c. the coverage was under Medicaid or a State children's health insurance program (CHIP) and eligibility for the coverage was lost.

Involuntary loss of eligibility for coverage includes, but may not be limited to: loss of eligibility as a result of legal separation, divorce or termination of domestic partnership, cessation of dependent status (such as attaining maximum age for dependent child status), death, termination of employment, or reduction in hours of employment. Loss of eligibility does not include loss due to the failure to pay premiums on a timely basis or for cause (such as making a fraudulent claim or intentionally misrepresenting a material fact in connection with the coverage provided). Coverage that may be lost involuntarily includes, but may not be limited to: coverage under group plans, medical providers, individual direct pay plans, Medicare, Medicaid, CHIP plans, and foreign socialized medical plans.

An Employee eligible to enroll under these ILOC provisions may enroll him/herself and eligible Family Members in any University-sponsored plan.

If already enrolled in a University-sponsored plan, the Employee may add eligible Family Members to that plan or enroll him/herself and eligible Family Members in a different University-sponsored plan. The enrollment form must be accompanied by the appropriate form certifying loss of the other group or individual coverage and, if necessary, a form to cancel any opt out election.

\* Exhaustion of COBRA coverage means that an individual's COBRA coverage ceases for any reason other than the failure to pay premiums on a timely basis or for cause (such as making a fraudulent claim or intentionally misrepresenting a material fact in connection with the coverage provided). Voluntary termination of COBRA coverage is not considered exhaustion of such coverage.

7. **Coverage as a Family Member While on Leave** – An Employee going on an approved leave of absence is given a new PIE to be covered as a Family Member under another eligible Employee who is the Employee's spouse or domestic partner.
8. **Return after a Period of Ineligibility** – An Employee who loses eligibility for coverage, thus requiring disenrollment from coverage, and subsequently returns to eligibility in the circumstances below by satisfying the employment requirements described in Part 1, Section 3.A, will have a new PIE as follows:
  - a. **Change in Appointment** - If an Employee's appointment is changed from an ineligible position to a position eligible for benefits, the PIE begins with the effective date of the reappointment.
  - b. **Change in Average Regular Paid Time** – If coverage lapsed due to insufficient Average Regular Paid Time and the Employee returns to sufficient Average Regular Paid Time without a change in appointment, the PIE begins with the date of return to the required 17.5 Average Regular Paid Time per week.
  - c. **Change in Earnings** – If coverage lapsed due to insufficient earnings and there has been no Break in Service, the PIE begins with the date of return to Pay Status of sufficient earnings in an eligible position.

The plan reenrollment depends on the length of the period of ineligibility:

- a. **Less than 120 Days and Return to Eligibility in Same Plan Year** Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when coverage lapsed. However, Employees may add Family Members who became eligible during the insufficient earnings period.

**b. 120 Days or More or Return to Eligibility in New Plan Year** – Employees are treated as newly eligible Employees.

9. **Move out of /Return to Plan Service Area** – Employees who move or are transferred out of the service area of a prepaid Dental Plan (see Definitions), or who will be away from the prepaid Dental Plan service area for more than two months, must transfer into another Dental Plan within the University's contract service area. The PIE begins with the effective date of the move or the date the Employee leaves the service area.

Upon return to the pre-paid Dental Plan service area, these Employees have a PIE to reenroll in the same prepaid Dental Plan they had at the time of the move out of area. The PIE begins with the effective date of the return to the plan service area.

10. **Acquisition of Eligible Family Member** – Upon the acquisition of a newly eligible Family Member, an eligible Employee may enroll him/herself, the newly eligible Family Member and any other eligible Family Members in any University-sponsored plan. If already enrolled in a University-sponsored plan, the Employee may add the newly eligible Family Member, and any other eligible Family Members not already enrolled, to that plan or enroll him/herself and all eligible Family Members in a different University-sponsored plan.

The PIE begins with the date the Family Member first meets the eligibility requirements described in Part I, Section 3.C.

If a legally adopted child is not enrolled during the PIE beginning with the date physical custody starts or the date the Employee or Employee's spouse/domestic partner has the legal right to control the child's health care, there is a second PIE beginning with the date the adoption is final.

11. **Eligibility for Medicaid or CHIP Premium Assistance Program** – If an eligible Employee and/or his/her eligible Family Member(s) who are not enrolled in a University-sponsored medical plan become eligible for premium assistance under a Medicaid or CHIP premium assistance program, the Employee may enroll him/herself and/or eligible Family Members in any University-sponsored plan.

12. **Appointment Change** – An Employee will have a new PIE to enroll in (or increase) coverage if the Employee's appointment changes from an ineligible position to a position eligible for coverage by satisfying the employment requirements described in Part I, Section 3.A. If there is a break in service before the appointment change, see "Rehire" under Section D.6 above.

An Employee who was provided a PIE when they were appointed as a BELI 2 or BELI 3 and is reappointed as a BELI 1 (as described in Administrative Supplement No. 2) will have an added PIE to enroll in the Plan.

- 13. Loss of UC Coverage Due to Misuse of Plan** – There is a new PIE if the Employee and/or Family Member(s) were disenrolled due to Misuse of the plan as described in Section 1204. B. 2. In this case, reenrollment is subject to plan approval. The PIE begins on the date following 12 months of disenrollment. The plan reenrollment is described below and depends on whether the individual continued coverage on a “restricted direct-pay basis”, as described in 1204. B. 2.
- a. Coverage was Continued on a restricted Direct-Pay Basis**– Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when coverage lapsed. However, Employees may add Family Members who became eligible but were not added during the time covered under COBRA.
  - b. Coverage was not Continued on a restricted Direct-Pay Basis**– Employees are treated as newly eligible Employees. A Family Member with individual COBRA coverage must enroll in the same plan as the Employee.

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## 1204. Enrollment/De-enrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

### **A. Enrollment**

#### **1. Automatic Enrollment/Opting Out of or Into a Dental Plan**

- a.** Eligible Employees who do not enroll in a Dental Plan will be enrolled automatically in the single-party indemnity Dental Plan.
- b.** Eligible Employees who cancel their Dental Plan and take no other action will be enrolled automatically the next January 1 in the single-party Indemnity Dental Plan.
- c.** Employees may opt out of the automatic single-party Indemnity Dental Plan if:
  - they are already covered by another group dental plan, including a University-sponsored plan, or
  - for religious reasons

- d. Employees who are eligible for a Dental Plan and have canceled or opted out may opt back into a Dental Plan, if one of the situations in 2. below occurs. The Employee and all eligible Family Members may be enrolled by completing the appropriate enrollment transaction. However, Employees who opted out because of duplicate University-sponsored coverage may not enroll in a Dental Plan.
2. **Enrolling** – Employees may enroll themselves and/or eligible Family Members or cancel an election to opt out of coverage.
- a. During a **Period of Initial Eligibility** as described in Section 1203. Once the enrollment transaction is processed (see Definitions), changes cannot be made:
    - until there is a new PIE (Section 1203. D.) or
    - there is an Open Enrollment Period (b. below)

An Employee already enrolled in Employee and child(ren) or family coverage may add additional children at any time after their PIE with coverage effective as described in Section 1205. However, retroactive coverage is limited to a maximum of 60 days preceding the date the enrollment form is received by the local Benefits or Accounting Office, or the date the children became eligible, whichever is most recent.
  - b. During the annual **Open Enrollment Period** (OEP) announced by the Plan Administrator, Office of the President. An OEP may allow Employees to enroll for the first time or to add eligible Family Members. It also may allow Employees to transfer between Dental Plans or cancel an opt out election.
  - c. There is no provision for late enrollment with a **90-day Waiting Period** for Dental Plans.
3. **Enrollment in Duplicate University-Sponsored Coverage** is not allowed:
- a. If both husband, wife, or domestic partner are eligible to enroll in a Dental Plan as either an Employee or a Retiree:
    - each may enroll separately, or
    - one may enroll and cover the other as a Family Member. If the one to be covered as a Family Member is an Employee, that person must submit the appropriate form to opt out of coverage as an Employee.



If they enroll separately,

- neither may cover the other as a Family Member, and
  - their eligible Family Members may be covered on one plan, but not on both
- b. Children who are eligible to be covered as Family Members and who also are eligible Employees may:
- enroll separately, or
  - be covered by one parent's plan as a Family Member, but not on both parents' plans. The child also must submit the appropriate form to opt out of coverage as an Employee.
- c. Individuals eligible in more than one category (e.g., as an Employee and as a Retiree, as an Employee's Family Member and as a Retiree's Family Member) may be covered as one or the other, but not both.

An Employees with two or more appointments, one of which is a student appointment in an ineligible category and one or more of which is an eligible category (as specified in Part I, Section 1.A ), is not restricted from enrollment by virtue of their ineligible position, as long as the eligible appointment(s) qualify the Employee for benefits through meeting the requirements specified in Part I.

- d. Where duplicate coverage occurred, benefits will be paid under the Dental Plan with the earlier effective date.

## **B. Deenrollment**

### **1. Ineligibility**

- a. Ineligible individuals must be deenrolled.
- b. The Plan Administrator reserves the right to permanently deenroll ineligible individuals.
- c. Ineligible individuals include but are not limited to:
- an individual with duplicate University coverage both as an Employee or a Retiree, and as a Family Member (may only have one or the other),
  - an ineligible Employee and any enrolled Family Members,

- an enrolled Family Member for whom the Employee fails to provide, upon request by the Plan Administrator or insurance carrier, documentation that is determined by the Plan Administrator to be sufficient to verify that the enrolled individual is eligible for Plan coverage.
  - an ineligible Family Member,
  - Employees who have been on leave with pay for more than two years. These individuals must cancel or opt out of coverage effective the first day of the 25<sup>th</sup> month of the leave.
- d. The Plan Administrator, Office of the President, will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.
- e. Ineligible individuals are not entitled to COBRA continuation rights.

## **2. Misuse of the Plan**

The Plan Administrator reserves the right to deenroll individuals who misuse the plan.

Misuse of the Plan is defined in the Definitions and Abbreviations section (Part I, Section 2) and includes intentionally enrolling individuals who are ineligible. In case of Misuse of the Plan, individuals may be deenrolled as follows:

- An eligible Employee who misuses the plan, plus any of the Employee's eligible enrolled Family Members, will be deenrolled for 12 months. If the Misuse is the Employee's intentional enrollment of individuals who are not eligible Family Members, the ineligible individuals will be permanently deenrolled.
- An eligible Family Member who misuses the plan will be permanently deenrolled for 12 months. If the Employee is aware of, or participates in, the Misuse, the Employee and any eligible Family Members will also be deenrolled for 12 months.

The Plan Administrator, Office of the President, will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.

**Restricted Direct-Pay Continuance** - Eligible Employees who are deenrolled for 12 months may continue coverage for themselves and any eligible Family Members on a direct-pay basis subject to the following restrictions:

- The continuance of coverage is subject to Plan approval, and,
- The employee is required to directly pay for coverage at the rate that would be charged if the Employee elected coverage under COBRA, and
- The payment must be made directly through the third party Administrator selected by the University, and
- The Employee's eligible Family Member(s) may not separately elect this continued coverage.

The Plan Administrator, Office of the President, will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.

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## 1205. Effective Date

Automatic coverage begins the first day on Pay Status as an eligible Employee (Section 1204. A.1). Otherwise, coverage begins on the date listed below provided the Employee is on Pay Status as an eligible Employee. Coverage cannot begin before the first day of eligibility for the plans. Except for automatic enrollment (Section 1204. A.1), coverage cannot begin unless the appropriate enrollment transaction is processed during the PIE (see Definitions). The effective date of any coverage is subject to the exceptions in E. below.

- A. During a **Period of Initial Eligibility** – If the appropriate enrollment transaction is processed during the PIE (see Definitions), coverage is effective the date the PIE began.

A form to cancel/opt out of or delete a Family Member from coverage is effective the last day of the pay period in which the local Benefits or Accounting Office receives it.

- B. During an **Open Enrollment Period** – The date announced by the Plan Administrator, Office of the President. In this case, the requirement that an Employee must be on Pay Status does not apply (see Section 1205.E below).

- C. There is no provision for late enrollment with a **90-day Waiting Period** for Dental Plans.

**Deferred Effective Date** – Employees may defer the normal effective date of coverage for up to six months for themselves and/or any Family Member being enrolled. A written request specifying the deferred effective date must be submitted. A request for a deferred effective date may not be revoked. Nonimmigrant aliens may not defer the effective date of coverage.

**D. Exceptions** – If any of the exceptions below applies, the effective date of coverage for the Employee and all Family Members is deferred as noted.

1. **Leave for Health Reasons** – Does not apply.
2. **Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage is deferred until the Employee is placed on normal Pay Status for that appointment.
3. **Hospitalized Family Members** – Does not apply.
4. **Open Enrollment Period Action by Employee on a Leave without Pay** – The effective date of coverage is deferred until the Employee is placed on normal Pay Status in an eligible appointment.

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## 1206. University Contribution

The University contributes toward the Dental Plan premium. The Plan Administrator, Office of the President, sets the amount of the contribution. The amount may increase or decrease at any time. The Employee is responsible for any Net Premium amount.

The University contribution will continue during an approved leave without pay under the provisions of the Federal Family and Medical Leave Act (FMLA) for up to 12 workweeks for the Employee and any enrolled Family Members, provided the Employee was enrolled in a Dental Plan at the beginning of the leave. See Section 1208 for other actions which may affect the University's contribution.

When more than one Family Member is eligible and each enrolls separately, each receives a contribution. If Family Members are enrolled under a single Dental Plan, one contribution is made. An individual who is eligible in more than one category (e.g., as an Employee and a Family Member, as an Employee and a Retiree, etc.) may receive only one contribution for dental coverage. (Also see Section 1204.A.3.)

The University complies with federal and state income tax rules in administering its group insurance programs for faculty and staff and their eligible Family Members, which includes requirements for the treatment of the University/employer contribution for insurance coverage. Requirements may include laws mandating that the employer contribution for coverage provided to certain Family Members be treated as imputed income to the Employee. California state income tax rules currently conform to the changes in federal income tax rules enacted as part of health care reform legislation, which provided tax-favored treatment of health benefits for children through the end of the year in which they attain age 26 (implemented 3/30/10). These laws are subject to change. Information may be available on At Your Service online. Employees should be referred to their tax advisor for additional information.

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## 1207. Premiums

- A. Payment** – Premiums are paid in advance by payroll deduction or salary reduction. There is no charge for the first full or partial month's coverage as a result of an Employee's PIE or the first full or partial month's premium difference, if any, when a Family Member is added to the plan. This provision does not apply to open enrollment transfers between plans. There is no charge for the first full or partial month's premium when an Employee reenrolls during an added PIE (Section 1203. D) provided there has been a lapse in coverage of more than one month.

Premiums will not be refunded retroactively if the Employee should have filed a form to cancel coverage or delete a Family Member.

When the plan is canceled, a Family Member is deleted or a transfer between plans is made, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.

If an Employee contribution is required, and is made on a pre-tax basis, see TIP Group Insurance Regulations Section 5100 for possible forfeiture implications.

- B. Rate Changes** are made when the contract is renewed, when required by contract amendments or when the Employee makes changes in coverage.

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## 1208. Actions Which Affect Coverage

The following situations will result in a loss or termination of coverage as described in Section 1209, if an Employee does not continue group coverage as provided below or in Sections 1209 and 1211). Different rules may apply to specified groups. See Administrative Supplement No. 2.

**A. Leave without Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.

1. **Approved Leave** – Coverage may be continued during an approved leave of absence without pay of up to two years. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee off Pay Status without an approved leave of absence may not make direct premium payments.

If any part of this two-year period is an approved leave without pay under the provisions of the Federal Family and Medical Leave Act (FMLA), the University contribution will be provided for up to 12 workweeks as described in Section 1206. An Employee on an FMLA leave must arrange continuation and direct payment of any Net Premiums through the local Benefits or Accounting Office. Payment must be made in advance of each premium month.

A strike is considered to be a type of unapproved Leave. Coverage is terminated as described in Section 1110.B. A Break in Service occurs after 4 consecutive months of unapproved Leave.

2. **While Receiving Short-Term Disability Insurance Benefits (Section 3000)** – See 1. above and B., E., K. and L. below, as applicable.
3. **Military Leave** – Coverage may be continued during an approved military leave of up to six months. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee off Pay Status without an approved leave of absence may not make direct premium payments.

**B. Leave with Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.

1. **General** – Coverage may be continued for up to two years as long as the Employee's average regular paid time is at least 17.5 hours per week.  
The Employee's earnings must be covered by a University-sponsored defined benefit plan and be sufficient to cover any required deductions.

Employees who will continue on paid leave beyond two years must complete a cancellation or an opt-out form to be effective the first day of the 25<sup>th</sup> month of the leave.

**2. Sabbatical Leave/Qualified Leave for Professional Renewal –**

Coverage may be continued for up to two years as long as earnings cover required deductions, if any, and earnings are covered by a University-sponsored defined benefit plan. (See Section A.1. for the effect of a Leave without Pay.)

Employees who will continue on paid leave beyond two years must complete a cancellation or an opt-out form to be effective the first day of the 25<sup>th</sup> month of the leave.

**C. Furlough or Temporary Layoff -** Coverage may continue for up to four calendar months after the month the furlough or temporary layoff begins. The University contribution continues for up to three months in a calendar year. The three-month period begins after the last University paycheck with a Dental Plan contribution.

In no case will the University contribution continue past the fourth month after the furlough or layoff. The Employee must arrange continuation and direct payment of any Net Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the furlough or layoff period. Payment must be made in advance of each premium month.

**D. Indefinite Layoff –** Indefinite layoff is treated as termination of employment. (See Section 1208.L.) See Sections 1203.D.5, 1208.L and 1209 for options for continued coverage (e.g., for COBRA) that may apply.

**E. Insufficient Earnings –** If Gross Premiums cannot be taken from pay for two consecutive months, coverage lapses retroactively to the first day of the first month for which a premium was missed.

If coverage lapses due to insufficient earnings, individuals cannot reenroll in a Dental Plan until they return to Pay Status as eligible Employees (Part I, Section 3.A.). If these Employees do not reenroll themselves or their eligible Family Members, automatic single-party indemnity coverage begins on the first day of return to Pay Status in an eligible position (Section 1204.A.1.).

**F. Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week –** After two consecutive months of insufficient average regular paid time, the individual must be disenrolled from coverage effective the first day of the following month.

If disenrolled due to insufficient average regular paid time, individuals cannot reenroll in a Dental Plan until they return to sufficient average regular paid time (17.5 hours) in an eligible position (Part I, Section 3.A.). If these Employees do not reenroll themselves or their eligible Family Members, automatic single-party indemnity coverage begins on the first day of return to Pay Status in an eligible position (Section 1204.A.1.).

- G. Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 1202.A.1., the Employee and eligible Family Members may be enrolled in any Dental plan according to Section 1203.A.
- H. Transfer to an Ineligible Position** – treated as termination of employment. (See Section 1208.L.)
- I. Retirement**- An Employee eligible for a Dental Plan as a Retiree may continue in the group plan (Part III.). Otherwise, retirement is treated as termination of employment. (See Section 1208.L.)
- J. Loss of Eligible Family Member Status** – The Employee may not continue to cover a Family Member who loses eligibility. The Employee must delete the Family Member from the plan within 60 days of ineligibility. The University may recover from the Employee any cost incurred due to enrollment of ineligible individuals subject to the terms in Section 1204. B.

Family members eligible for Dental Plan coverage as Employees have a PIE as described in Section 1203. D. 6. Family members eligible as Retirees or survivor Retirees also have a PIE (Section 6003. D. 2.) Otherwise Family Members may elect to continue group coverage (Section 1209.).

Family member eligibility stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements described in Section 1202. B. and Part I, Section 3.C.

- 1. Divorce/Legal Separation/Annulment** – Eligibility stops at the end of the month in which the divorce/legal separation/annulment is final.
- 2. Ineligible Adult Dependent Relative/Domestic Partner** – Eligibility stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements in Section 1202. B and Part I, Section 3.C, or in the case of an adult dependent relative, the day the individual becomes entitled to Medicare (the first of the month in which the individual becomes age 65, or the first of the prior month if the birthday is on the first of the month if earlier).
- 3. Overage/Ineligible Child or Grandchild or Step Grandchild** – Eligibility stops at the end of the month in which the child reaches age 26 (18 for a Legal Ward), or ceases to meet any one of the eligibility requirements described in Section 1202. B. and Part I, Section 3.C. This age provision does not apply to qualifying disabled children.
- 4. Marriage of Eligible Child or Grandchild or Step Grandchild or Declaration of Emancipation by a Minor Child** – Eligibility stops at



the end of the month in which the child marries or a declaration of emancipation becomes effective.

- K. Pending Disability Retirement** – from a University-sponsored defined benefit plan. If the following circumstances apply, the Employee may arrange direct payment of Gross Premiums through the appropriate unit in the Office of the President:
- the Employee has applied for disability income from a University-sponsored defined benefit plan and the application is in process; and
  - the Employee is either on leave without pay or has been terminated from University employment.
- Payment must be made in advance of each premium month. Otherwise, see A. 1., B., E. and L. as applicable.
- L. Termination of Employment** – Coverage ends on the last day of the last eligible pay period for which premiums are paid through the University, unless the Employee or Family Member elects continued group coverage (Section 1209.).
- M. Cancellation of Coverage/Salary Reduction Agreement** – Coverage ends on the last day of the month in which a form to cancel/opt out of coverage or delete a Family Member is received in the local Benefits or Accounting Office.

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## 1209. Continued Group Coverage (COBRA)

Under certain circumstances, group coverage may be continued for specified periods of time.

- Except for termination and reduction in average regular paid time, the Employee and/or Family Members must notify the local Benefits Office of the Qualifying Event within the legally required time period.
- The Employee and/or eligible Family Members may separately elect continued coverage.
- There is no University contribution during the period of continued group coverage unless required by law.
- The continuation period begins on the date coverage ends in the University-sponsored plan or the last day of leave without pay, whichever is earlier.
- In addition to those eligible individuals described below, individuals deenrolled from group coverage due to Misuse of the plan may continue coverage under this Section subject to plan approval. In this case, the Employee and/or eligible Family Members may not separately elect continued coverage.

When continuation coverage ends, these individuals may be eligible for a PIE under the terms of Section 1203. D. 11.

- Eligible domestic partners and adult dependent relatives are eligible for COBRA under A below.

**Changes in COBRA Laws** – The provisions in this Section are subject to change due to revisions in COBRA related law.

A. **Eligibility** – Eligibility for continued group coverage begins on the date of the earliest Qualifying Event (divorce, marriage, termination, death, etc.), as described in 2. below.

1. **Eligible Employees and/or Family Members who are Qualified Beneficiaries (see Definitions) and are Eligible for Continuation Coverage are:**

- a. Employees and/or eligible Family Members who are enrolled in a Dental Plan the day before a Qualifying Event as defined in 2. below.
- b. Children born to or adopted by the Employee during the 18-month continuation period described in 2.a.i. below.

2. **Qualifying Event** – Continuation coverage is as follows for each type of Qualifying Event:

a. **Termination**

- i. **General** – Employees whose employment terminates may continue coverage for themselves and eligible Family Members for up to 18 months (except for gross misconduct – see B.3. below).
- ii. **Disabled Individuals** – Employees or Family Members who meet the Social Security definition of disability under Titles II or XVI of the Social Security Act at the time of the Qualifying Event in i. above or b. below or at any time during the first 60 days of the 18-month continuation period may continue coverage for the disabled individual and any enrolled Family Members for up to 29 months.

b. **Reduction in Average Regular Paid Time** – Employees whose Average Regular Paid Time falls below 17.5 hours per week may continue coverage for themselves and eligible Family Members for up to 18 months. \*

- c. **Layoff of Employee** – An Employee who is on temporary or permanent layoff status may continue coverage for themselves and eligible Family Members for up to 18 months. \*\*

\* Once federal COBRA has expired, Employees may continue coverage under CalCOBRA for a total of 18 months.

\*\*Once federal COBRA has expired, Employees may continue coverage under CalCOBRA for up to a total of 36 months for all continuation

- d. **Death of Employee** – Eligible Family Members may continue coverage for up to 36 months.

- e. **Divorce/Legal Separation/Annulment** – Eligible Family Members may continue coverage for up to 36 months.

- f. **Ineligible Adult Dependent Relative/Domestic Partner** – The ineligible adult dependent relative/domestic partner and any enrolled child/grandchild of the domestic partner may continue coverage for up to 36 months.

- g. **Overage/Ineligible Children or Grandchildren or Step Grandchildren** may continue coverage for up to 36 months.

- h. **A Married Child or Grandchild or Step-Grandchild Under Age 26 or an Emancipated Minor Child** may continue coverage for up to 36 months.

### 3. **Multiple Qualifying Events**

- a. If a Family Member has continued coverage due to a Qualifying Event in 2.a. i. or b. above and there is a second Qualifying Event, the Family Member is entitled to an extension of the continuation period. The maximum continuation period begins with the earliest event and ends 18, 29 or 36 months from the month of that event.
- b. If an Employee becomes entitled to Medicare due to age within 18 month before his or her Qualifying Event, this entitles any Family Members with continued coverage to an extension of the continuation period up to a maximum of 36 months beginning on the date the Employee became entitled to Medicare.

### B. **Ineligibility** – The following individuals are not considered Qualified Beneficiaries:

1. Individuals who are not enrolled in a Dental Plan the day before the Qualifying Event (as defined in A. 2. above) except those described in A. 1. b. above. However, eligible Family Members who are not considered Qualified Beneficiaries may be added during an Open Enrollment.

2. Individuals who were enrolled in a Dental Plan but were not eligible.
3. Employees whose employment terminates for gross misconduct.
4. A Family Member whose University Dental Plan is canceled for reasons other than those listed in A. 2. above.

**C. Loss of Eligibility** – Eligibility for continued coverage ends upon the first of the following to occur:

1. The individual enrolls in another group dental plan (unless the plan has an exclusion or limitation which applies to the individual for preexisting conditions which were covered by the University-sponsored plan).
2. The individual fails to pay premiums due.
3. The individual becomes entitled to Medicare.
4. For a Family Member, when the individual ceases to meet any one of the eligibility requirements for Family Members described in 1202. B. or Part I, Section 3.C.
5. The University-sponsored group Dental Plans are canceled.

After continued coverage ends, there is no conversion option available for the Dental Plan (see Section 1211.).

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## **1210. Termination of Coverage**

**A. During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time; or
- the end of two years.

Sabbatical leaves or qualified leaves for professional renewal are exempt from any continuing eligibility requirements.

**B. All Other Circumstances** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time;
- the last day of the month in which the individual is eligible for coverage as a Family Member, or in the case of an adult dependent relative, the day the individual becomes entitled to Medicare (the first of the month in which the individual becomes age 65, or the first of the prior month if the birthday is on the first of the month) if earlier;
- the last day of the month in which a form to cancel/opt out of coverage or delete a Family Member is received in the local Benefits or Accounting Office; or
- the day the group contract between the University and the carrier is terminated.

Under certain circumstances, coverage may be continued as a Retiree (Part III.).

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

Employees may cancel a Dental Plan or delete a Family Member from the plan at any time by submitting a cancellation or change form.

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## 1211. Conversion

There is no conversion option for the Dental Plans.

# 1300. VISION PLAN

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## 1301. Definition

The University-sponsored group Vision Plan provides coverage for eligible Employees and their eligible Family Members.

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## 1302. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12-month period , or
- A person appointed at least 50% time with the following notation: “Ending date for funding purposes only; intent of employment is indefinite (for more than one year).”

Membership in a defined benefit plan to which the University contributes is a requirement for participation in the Vision Plan.

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Employees participating in the Phased Retirement Program are eligible provided they meet the continuing requirements in 2. below.

2. **Continuing Requirements** – To remain eligible, Employees must maintain an average regular paid time of at least 17.5 hours per week and maintain an appointment in an eligible category.

Appointment types listed in Part I, Section 3.A “Ineligible Categories” will not be considered in determining continuing benefits eligibility.

(See Administrative Supplement No. 3 for Qualified Status situations.)

Employees who do not meet the continuing requirements must be disenrolled.

3. **Special Categories** – Nonimmigrant Aliens are treated as any other Employee.
  4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.
- B. **Family Members** – The Family Member eligibility requirements are set forth in Part I, Section 3.B. of these GIRs.
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## 1303. Period of Initial Eligibility (PIE)

- B. **Definition** – A period of initial eligibility (PIE) is a period during which an eligible Employee may enroll him/herself and/or his/her eligible Family Members in a Vision Plan as described in this Section (Section 1303). Employees must remain eligible for coverage as described in Section 1302.A and enrollment in some Dental Plans may be subject to certain “service area” restrictions.

If an Employee contribution is required and is made on a pre-tax basis, see TIP Group Insurance Regulations (Section 5100) for possible forfeiture implications.

- B. **Length** – The PIE begins on the day the eligible Employee and/or the eligible Family Member first becomes eligible as described in Section 1302 or on a later date as described in D. below.

If an Employee's appointment is retroactive, the PIE begins on the date the department chair or hiring authority signs a written statement that the appointment was approved retroactively.

The PIE ends 31 calendar days from the date it begins, except that for enrollment under D.6.c. and D.14, below, the PIE period is 60 days. Note that in determining the end of the 31-day or 60-day period, the date the PIE starts should be counted as the first day. Example: Employee's hire date is March 1; PIE ends on March 31. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms.

- C. **Extensions for Illness/Accident** – Chief Human Resource Officers may grant an extension to Employees unable to enroll during their PIE due to illness or accident. The extension begins on the first day after the PIE ends. The extension ends 31 calendar days later as described in B. above.

Extensions cannot be granted to Employees only because they failed to obtain information about their PIE. Employees must be eligible for coverage as described in Section 1302.A.

**Added Period of Initial Eligibility** – Under the following circumstances there is an additional PIE. It begins as described below and ends as described in B. above. Employees and Family Members must remain eligible for coverage as described in Section 1302.

2. **Faculty** – Newly appointed Faculty members may have an additional PIE if they do not enroll during their first PIE. The second PIE begins on the first day of classes (see campus calendar for class schedule) for the quarter/semester in which the appointment starts or the first day of arrival at the campus, whichever occurs first.

3. **Nonimmigrant Aliens and Other Employees** whose eligible Family Member(s) arrive in the United States after the Employee's PIE have a new PIE to enroll them. The PIE begins the day the Family Member(s) arrive in the United States.

4. **Leave without Pay** – Employees who do not continue coverage during an approved leave without pay have a new PIE beginning with the date of return to Pay Status in an eligible position.

The plan reenrollment depends on the length of the approved leave, and there may be no charge for the first full or partial month's coverage (See Section 1307).

a. **Leave is Less than 120 Days** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when the leave started. However, Employees may add Family Members who became eligible during the leave without pay.

b. **Leave is 120 Days or More** – Employees are treated as newly eligible Employees.

4. **Furlough/Temporary Layoff** – Employees who do not continue coverage during a furlough or temporary layoff have a PIE beginning on the date of rehire in an eligible position.

The plan reenrollment depends on the length of the furlough or layoff.

a. **Furlough/Layoff is Less than 120 Days** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) at the time of furlough or layoff. However, Employees may add Family Members who became eligible during the furlough or layoff period.



b. **Furlough or Layoff is 120 Days or More** – Employees are treated as newly eligible Employees.

5. **Rehire** – Employees who are rehired have a new PIE beginning on the date of rehire in an eligible position.

The plan reenrollment depends on the length of the Break in Service.

a. **Rehire Occurs Less than 120 Days** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) at the time of termination. However, Employees may add Family Members who became eligible during the termination period.

b. **Rehire Occurs 120 Days or More** – Employees are treated as newly eligible Employees.

6. **Involuntary Loss of Coverage (ILOC) –Involuntary Loss of Coverage (ILOC)** – An Employee will have a new PIE if, during the time of the prior PIE the Employee and/or Family Member(s) were enrolled in another group or individual medical plan and the Employee and/or Family Member(s) lose that coverage involuntarily for any of the reasons below. The PIE begins on the date following the date the other group or individual coverage ends. Example: Other group or individual coverage ends on March 31; the PIE begins on April 1:

- a. the coverage was medical plan coverage (other than coverage under b. and c. below) and eligibility for the coverage was lost or employer contributions for the coverage were terminated.
- b. the coverage was provided under COBRA and the entire COBRA coverage period was exhausted \*; or
- c. the coverage was under Medicaid or a State children's health insurance program (CHIP) and eligibility for the coverage was lost.

Involuntary loss of eligibility for coverage includes, but may not limited to: loss of eligibility as a result of legal separation, divorce or termination of domestic partnership, cessation of dependent status (such as attaining maximum age for dependent child status), death, termination of employment, or reduction in hours of employment. Loss of eligibility does not include loss due to the failure to pay premiums on a timely basis or for cause (such as making a fraudulent claim or intentionally misrepresenting a material fact in connection with the coverage provided).

Coverage that may be lost involuntarily includes, but may not be limited to: coverage under group plans, medical providers, individual direct pay plans, Medicare, Medicaid, CHIP plans, and foreign socialized medical plans.

An Employee eligible to enroll under these ILOC provisions may enroll him/herself and eligible Family Members in any University-sponsored plan. If already enrolled in a University-sponsored plan, the Employee may add eligible Family Members to that plan or enroll him/herself and eligible Family Members in a different University-sponsored plan. The enrollment form must be accompanied by the appropriate form certifying loss of the other group or individual coverage and, if necessary, a form to cancel any opt out election.

\* Exhaustion of COBRA coverage means that an individual's COBRA coverage ceases for any reason other than the failure to pay premiums on a timely basis or for cause (such as making a fraudulent claim or intentionally misrepresenting a material fact in connection with the coverage provided). Voluntary termination of COBRA coverage is not considered exhaustion of such coverage.

7. **Coverage as a Family Member While on Leave** – An Employee going on an approved leave of absence is given a PIE to be covered as a Family Member under another eligible Employee who is the Employee's spouse or domestic partner.
8. **Return after a Period of Ineligibility** – An Employee who loses eligibility for coverage, thus requiring disenrollment from coverage, and subsequently returns to eligibility in the circumstances below by satisfying the employment requirements described in Part 1, Section 3.A, will have a new PIE as follows:
  - a. **Change in Appointment** - If an Employee's appointment is changed from an ineligible position to a position eligible for benefits, the PIE begins with the effective date of the reappointment.
  - b. **Change in Average Regular Paid Time** – If coverage lapsed due to insufficient Average Regular Paid Time and the Employee returns to sufficient Average Regular Paid Time without a change in appointment, the PIE begins with the date of return to the required 17.5 Average Regular Paid Time per week.
  - c. **Change in Earnings** – If coverage lapsed due to insufficient earnings and there has been no Break in Service, the PIE begins with the date of return to Pay Status of sufficient earnings in an eligible position.

The plan reenrollment depends on the length of the period of ineligibility:

- a. **Less than 120 Days and Return to Eligibility in Same Plan Year** Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when coverage lapsed. However, Employees may add Family Members who became eligible during the insufficient earnings period.
- b. **120 Days or More or Return to Eligibility in New Plan Year** – Employees are treated as newly eligible Employees.

- 9. **Move out of /Return to Plan Service Area** – Does not apply.
- 10. **Acquisition of Eligible Family Member** –Upon the acquisition of a newly eligible Family Member, an eligible Employee may enroll him/herself, the newly eligible Family Member and any other eligible Family Members in any University-sponsored plan. If already enrolled in a University-sponsored plan, the Employee may add the newly eligible Family Member, and any other eligible Family Members not already enrolled, to that plan or enroll him/herself and all eligible Family Members in a different University-sponsored plan.

The PIE begins with the date the Family Member first meets the eligibility requirements described in Part I, Section 3.C.

If a legally adopted child is not enrolled during the PIE beginning with the date physical custody starts or the date the Employee or Employee's spouse/domestic partner has the legal right to control the child's health care, there is a second PIE beginning with the date the adoption is final.

- 11. **Eligibility for Medicaid or CHIP Premium Assistance Program** – If an eligible Employee and/or his/her eligible Family Member(s) who are not enrolled in a University-sponsored medical plan become eligible for premium assistance under a Medicaid or CHIP premium assistance program, the Employee may enroll him/herself and/or eligible Family Members in any University-sponsored plan.
- 12. **Appointment Change** – An Employee will have a PIE to enroll (or increase) coverage if the Employee's appointment changes from an ineligible position to a position eligible for coverage by satisfying the employment requirements described in Part I, Section 3.A. If there is a break in service before the appointment change, see "Rehire" under Section D.6 above.

An Employee who was provided a PIE when they were appointed as a BELI 2 or BELI 3 and is reappointed as a BELI 1 (as described in

Administrative Supplement No. 2) will have an added PIE to enroll in the Plan.

- 13. Loss of UC Coverage Due to Misuse of Plan** – There is a new PIE if the Employee and/or Family Member(s) were disenrolled due to Misuse of the plan as described in Section 1304. B. 2. In this case, reenrollment is subject to plan approval. The PIE begins on the date following 12 months of disenrollment.

The plan reenrollment is described below and depends on whether the individual continued coverage on a “restricted direct-pay basis”, as described in 1304. B. 2.

- a. **Coverage was Continued on a restricted Direct-Pay Basis**– Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when coverage lapsed. However, Employees may add Family Members who became eligible but were not added during the time covered under COBRA.
- b. **Coverage was not Continued on a restricted Direct-Pay Basis**– Employees are treated as newly eligible Employees. A Family Member with individual COBRA coverage must enroll in the same plan as the Employee.

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## 1304. Enrollment/Deenrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

### A. **Enrollment**

#### 1. **Automatic Enrollment/Opting Out of or Into a Vision Plan**

- a. Eligible Employees who do not enroll in a Vision Plan will be enrolled automatically in the single-party indemnity Vision Plan.
- b. Eligible Employees who cancel their Vision Plan and take no other action will be enrolled automatically the next January 1 in the single-party Indemnity Vision Plan.
- c. Employees may opt out of the automatic single-party Indemnity Vision Plan if:
  - they are already covered by another group Vision plan, including a University-sponsored plan, or
  - for religious reasons
- d. Employees who are eligible for a Vision Plan and have canceled or opted out may opt back into a Vision Plan, if one of the situations in 2. below occurs.

The Employee and all eligible Family Members may be enrolled by completing the appropriate enrollment transaction. However, Employees who opted out because of duplicate University-sponsored coverage may not enroll in a Vision Plan.

2. **Enrolling** – Employees may enroll themselves and/or eligible Family Members or cancel an election to opt out of coverage.
- a. During a **Period of Initial Eligibility** as described in Section 1303. Once the enrollment transaction is processed (see Definitions), changes cannot be made:
- until there is a new PIE (Section 1303. D.) or
  - there is an Open Enrollment Period (b. below)

An Employee already enrolled in Employee and child(ren) or family coverage may add additional children at any time after their PIE with coverage effective as described in Section 1305.

However, retroactive coverage is limited to a maximum of 60 days preceding the date the enrollment form is received by the local Benefits or Accounting Office, or the date the children became eligible, whichever is most recent.

- b. During the annual **Open Enrollment Period** (OEP) announced by the Plan Administrator, Office of the President. An OEP may allow Employees to enroll for the first time or to add eligible Family Members. It also may allow Employees to cancel an opt out election.
- c. There is no provision for late enrollment with a **90-day Waiting Period** for Vision Plans.
3. **Enrollment in Duplicate University-Sponsored Coverage** is not allowed:
- a. If both husband, wife, or domestic partner are eligible to enroll in a Vision Plan as either an Employee or a Retiree:
- each may enroll separately, or
  - one may enroll and cover the other as a Family Member. If the one to be covered as a Family Member is an Employee, that person must submit the appropriate form to opt out of coverage as an Employee.

If they enroll separately,

- neither may cover the other as a Family Member, and
- their eligible Family Members may be covered on one plan, but not on both

- b.** Children who are eligible to be covered as Family Members and who also are eligible Employees may:
- enroll separately, or
  - be covered by one parent's plan as a Family Member, but not on both parents' plans. The child also must submit the appropriate form to opt out of coverage as an Employee.
- c.** Individuals eligible in more than one category (e.g., as an Employee and as a Retiree, as an Employee's Family Member and as a Retiree's Family Member) may be covered as one or the other, but not both.

An Employees with two or more appointments, one of which is a student appointment in an ineligible category and one or more of which is an eligible category (as specified in Part I, Section 1.A ), is not restricted from enrollment by virtue of their ineligible position, as long as the eligible appointment(s) qualify the Employee for benefits through meeting the requirements specified in Part I.

- d.** Where duplicate coverage occurred, benefits will be paid under the Vision Plan with the earlier effective date.

## **B. De-enrollment**

### **1. Ineligibility**

- a.** Ineligible individuals must be deenrolled.
- b.** The Plan Administrator reserves the right to permanently deenroll ineligible individuals.
- c.** Ineligible individuals include but are not limited to:
- an individual with duplicate University coverage both as an Employee or a Retiree, and as a Family Member (may only have one or the other),
  - an ineligible Employee and any enrolled Family Members,
  - an enrolled Family Member for whom the Employee fails to provide, upon request by the Plan Administrator or insurance carrier, documentation that is determined by the Plan Administrator to be sufficient to verify that the enrolled individual is eligible for Plan coverage.
  - an ineligible Family Member,

- Employees who have been on leave with pay for more than two years. These individuals must cancel or opt out of coverage effective the first day of the 25<sup>th</sup> month of the leave.
- d. The Plan Administrator, Office of the President, will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.
- e. Ineligible individuals are not entitled to COBRA continuation rights.

## **2. Misuse of the Plan –**

The Plan Administrator reserves the right to deenroll individuals who misuse the plan.

Misuse of the Plan is defined in the Definitions and Abbreviations section (Part I, Section 2) and includes intentionally enrolling individuals who are ineligible. In case of Misuse of the Plan, individuals may be deenrolled as follows:

- An eligible Employee who misuses the plan, plus any of the Employee's eligible enrolled Family Members, will be deenrolled for 12 months. If the Misuse is the Employee's intentional enrollment of individuals who are not eligible Family Members, the ineligible individuals will be permanently deenrolled.
- An eligible Family Member who misuses the plan will be permanently deenrolled for 12 months. If the Employee is aware of, or participates in, the Misuse, the Employee and any eligible Family Members will also be deenrolled for 12 months.

The Plan Administrator, Office of the President, will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.

**Restricted Direct-Pay Continuance** - Eligible Employees who are deenrolled for 12 months may continue coverage for themselves and any eligible Family Members on a direct-pay basis subject to the following restrictions:

- The continuance of coverage is subject to Plan approval, and,
- The employee is required to directly pay for coverage at the rate that would be charged if the Employee elected coverage under COBRA, and
- The payment must be made directly through the third party Administrator selected by the University, and The Employee's



eligible Family Member(s) may not separately elect this continued coverage.

The Plan Administrator, Office of the President, will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.

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## 1305. Effective Date

Automatic coverage begins the first day on Pay Status as an eligible Employee (Section 1304. A.1). Otherwise, coverage begins on the date listed below provided the Employee is on Pay Status as an eligible Employee. Coverage cannot begin before the first day of eligibility for the plans. Except for automatic enrollment (Section 1304. A.1), coverage cannot begin unless the appropriate enrollment transaction is processed during the PIE (see Definitions). The effective date of any coverage is subject to the exceptions in E. below.

- A. During a **Period of Initial Eligibility** – If the appropriate enrollment transaction is processed during the PIE (see Definitions), coverage is effective the date the PIE began.

A form to cancel/opt out of or delete a Family Member from coverage is effective the last day of the pay period in which the local Benefits or Accounting Office receives it.

- B. During an **Open Enrollment Period** – The date announced by the Plan Administrator, Office of the President. In this case, the requirement that an Employee must be on Pay Status does not apply (see Section 1305.E below).
- C. There is no provision for late enrollment with a **90-day Waiting Period** for Vision Plan.
- D. **Deferred Effective Date** – Employees may defer the normal effective date of coverage for up to six months for themselves and/or any Family Member being enrolled. A written request specifying the deferred effective date must be submitted. A request for a deferred effective date may not be revoked. Nonimmigrant aliens may not defer the effective date of coverage.
- E. **Exceptions** – If any of the exceptions below applies, the effective date of coverage for the Employee and all Family Members is deferred as noted.
1. **Leave for Health Reasons** – Does not apply.
  2. **Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the

effective date of coverage is deferred until the Employee is placed on normal Pay Status for that appointment.

3. **Hospitalized Family Members** – Does not apply.
5. **Open Enrollment Period Action by Employee on a Leave without Pay** – The effective date of coverage is deferred until the Employee is placed on normal Pay Status in an eligible appointment.

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## 1306. University Contribution

The University contributes toward the Vision Plan premiums. The Plan Administrator, Office of the President, sets the amount of the contribution. The amount may increase or decrease at any time. The Employee is responsible for any Net Premium amount.

The University contribution will continue during an approved leave without pay under the provisions of the Federal Family and Medical Leave Act (FMLA) for up to 12 workweeks for the Employee and any enrolled Family Members, provided the Employee was enrolled in a Vision Plan at the beginning of the leave. See Section 1308 for other actions which may affect the University's contribution.

When more than one Family Member is eligible and each enrolls separately, each receives a contribution. If Family Members are enrolled under a single Vision Plan, one contribution is made. An individual who is eligible in more than one category (e.g., as an Employee and a Family Member, as an Employee and a Retiree, etc.) may receive only one contribution for vision coverage. (Also see Section 1304.A.3.)

The University complies with federal and state income tax rules in administering its group insurance programs for faculty and staff and their eligible Family Members, which includes requirements for the treatment of the University/employer contribution for insurance coverage. Requirements may include laws mandating that the employer contribution for coverage provided to certain Family Members be treated as imputed income to the Employee. California state income tax rules currently conform to the changes in federal income tax rules enacted as part of health care reform legislation, which provided tax-favored treatment of health benefits for children through the end

of the year in which they attain age 26 (implemented 3/30/10). These laws are subject to change. Information may be available on At Your Service online. Employees should be referred to their tax advisor for additional information.

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## 1307. Premiums

- A. **Payment** – Premiums are paid in advance by payroll deduction or salary reduction. There is no charge for the first full or partial month's coverage as a result of an Employee's PIE or the first full or partial month's premium difference, if any, when a Family Member is added to the plan. This provision does not apply to open enrollment transfers between plans. There is no charge for the first full or partial month's premium when an Employee reenrolls during an added PIE (Section 1203. D) provided there has been a lapse in coverage of more than one month.

Premiums will not be refunded retroactively if the Employee should have filed a form to cancel coverage or delete a Family Member.

When the plan is canceled, a Family Member is deleted or a transfer between plans is made, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.

If an Employee contribution is required, and is made on a pre-tax basis, see TIP Group Insurance Regulations Section 5100 for possible forfeiture implications.

- B. **Rate Changes** are made when the contract is renewed, when required by contract amendments or when the Employee makes changes in coverage.

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## 1308. Actions Which Affect Coverage

The following situations will result in a loss or termination of coverage as described in Section 1309, if an Employee does not continue group coverage as provided below or in Sections 1309 and 1311).

- A. **Leave without Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.
1. **Approved Leave** – Coverage may be continued during an approved leave of absence without pay of up to two years. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month.

An Employee off Pay Status without an approved leave of absence may not make direct premium payments.

If any part of this two-year period is an approved leave without pay under the provisions of the Federal Family and Medical Leave Act (FMLA), the University contribution will be provided for up to 12 workweeks as described in Section 1306.

An Employee on an FMLA leave must arrange continuation and direct payment of any Net Premiums through the local Benefits or Accounting Office. Payment must be made in advance of each premium month.

2. Coverage is terminated as described in Section 1310.B. **While Receiving Short-Term Disability Insurance Benefits (Section 3000)** – See 1. above and B., E., K. and L. below, as applicable.
3. **Military Leave** – Coverage may be continued during an approved military leave of up to six months. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee off Pay Status without an approved leave of absence may not make direct premium payments.

**B. Leave with Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.

1. **General** – Coverage may be continued for up to two years as long as the Employee's average regular paid time is at least 17.5 hours per week. The Employee's earnings must be covered by a University-sponsored defined benefit plan and be sufficient to cover any required deductions.

Employees who will continue on paid leave beyond two years must complete a cancellation or an opt-out form to be effective the first day of the 25<sup>th</sup> month of the leave.

2. **Sabbatical Leave/Qualified Leave for Professional Renewal** – Coverage may be continued for up to two years as long as earnings cover required deductions, if any, and earnings are covered by a University-sponsored defined benefit plan. (See Section A.1. for the effect of a Leave without Pay.)

Employees who will continue on paid leave beyond two years must complete a cancellation or an opt-out form to be effective the first day of the 25<sup>th</sup> month of the leave.

**C. Furlough or Temporary Layoff** - Coverage may continue for up to four calendar months after the month the furlough or temporary layoff begins.

The University contribution continues for up to three months in a calendar year. The three-month period begins after the last University paycheck with a Vision Plan contribution. In no case will the University contribution continue past the fourth month after the furlough or layoff.

The Employee must arrange continuation and direct payment of any Net Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the furlough or layoff period. Payment must be made in advance of each premium month.

- D. Indefinite Layoff** – Indefinite layoff is treated as termination of employment. (See Section 1308.L.) See Sections 1303.D.5, 1308.L and 1309 for options for continued coverage (e.g., for COBRA) that may apply.
- E. Insufficient Earnings** – If Gross Premiums cannot be taken from pay for two consecutive months, coverage lapses retroactively to the first day of the first month for which a premium was missed.
- If coverage lapses due to insufficient earnings, individuals cannot reenroll in a Vision Plan until they return to Pay Status as eligible Employees (Part I, Section 3.A). If these Employees do not reenroll themselves or their eligible Family Members, automatic single-party indemnity coverage begins on the first day of return to Pay Status in an eligible position (Section 1304.A.1.).
- F. Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week** – After two consecutive months of insufficient average regular paid time, the individual must be disenrolled from coverage effective the first day of the following month.
- If disenrolled due to insufficient average regular paid time, individuals cannot reenroll in a Vision Plan until they return to sufficient average regular paid time (17.5 hours) in an eligible position (Part I, Section 3.A). If these Employees do not reenroll themselves or their eligible Family Members, automatic single-party indemnity coverage begins on the first day of return to Pay Status in an eligible position (Section 1304.A.1.).
- G. Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 1302.A.1., the Employee and eligible Family Members may be enrolled in any Vision plan according to Section 1303.A.
- H. Transfer to an Ineligible Position** – treated as termination of employment. (See Section 1308.L.)
- I. Retirement**– An Employee eligible for a Vision Plan as a Retiree may continue in the group plan (Part III.). Otherwise, retirement is treated as termination of employment. (See Section 1308.L.)

- J. Loss of Eligible Family Member Status** – The Employee may not continue to cover a Family Member who loses eligibility.

The Employee must delete the Family Member from the plan within 60 days of ineligibility. The University may recover from the Employee any cost incurred due to enrollment of ineligible individuals subject to the terms in Section 1304. B.

Family members eligible for Vision Plan coverage as Employees have a PIE as described in Section 1303. D. 6. Family members eligible as Retirees or survivor Retirees also have a PIE (Section 6003. D. 2.) Otherwise Family Members may elect to continue group coverage (Section 1309.).

Family member eligibility stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements described in Section 1302. B. and Part I, Section 3.C.

1. **Divorce/Legal Separation/Annulment** – Eligibility stops at the end of the month in which the divorce/legal separation/annulment is final.
  2. **Ineligible Adult Dependent Relative/Domestic Partner** – Eligibility stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements in Section 1302. B and Part I, Section 3.C, or in the case of an adult dependent relative, the day the individual becomes entitled to Medicare (the first of the month in which the individual becomes age 65, or the first of the prior month if the birthday is on the first of the month if earlier).
  3. **Overage/Ineligible Child or Grandchild or Step Grandchild** – Eligibility stops at the end of the month in which the child reaches age 26 (18 for a Legal Ward), or ceases to meet any one of the eligibility requirements described in Section 1302. B. and Part I, Section 3.C. This age provision does not apply to qualifying disabled children.
  4. **Marriage of Eligible Child or Grandchild or Step Grandchild or Declaration of Emancipation by a Minor Child** – Eligibility stops at the end of the month in which the child marries or a declaration of emancipation becomes effective.
- K. Pending Disability** – From a University-sponsored defined benefit plan. See A.1.,B.,E. and L. as applicable.
- L. Termination of Employment** – Coverage ends on the last day of the last eligible pay period for which premiums are paid through the University, unless the Employee or Family Member elects continued group coverage (Section 1309.).

- M. Cancellation of Coverage/Salary Reduction Agreement** – Coverage ends on the last day of the month in which a form to cancel/opt out of coverage or delete a Family Member is received in the local Benefits or Accounting Office.

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## 1309. Continued Group Coverage (COBRA)

Under certain circumstances, group coverage may be continued for specified periods of time.

- Except for termination and reduction in average regular paid time, the Employee and/or Family Members must notify the local Benefits Office of the Qualifying Event within the legally required time period.
- The Employee and/or eligible Family Members may separately elect continued coverage.
- There is no University contribution during the period of continued group coverage unless required by law.
- The continuation period begins on the date coverage ends in the University-sponsored plan or the last day of leave without pay, whichever is earlier.
- In addition to those eligible individuals described below, individuals disenrolled from group coverage due to Misuse of the plan may continue coverage under this Section subject to plan approval. In this case, the Employee and/or eligible Family Members may not separately elect continued coverage. When continuation coverage ends, these individuals may be eligible for a PIE under the terms of Section 1303. D.11.
- Eligible domestic partners and adult dependent relatives are eligible for COBRA under A below.

**Changes in COBRA Laws** – The provisions in this Section are subject to change due to revisions in COBRA related law.

- A. Eligibility** – Eligibility for continued group coverage begins on the date of the earliest Qualifying Event (divorce, marriage, termination, death, etc.), as described in 2. below.

- 1. Eligible Employees and/or Family Members who are Qualified Beneficiaries (see Definitions) and are Eligible for Continuation Coverage are:**

- a. Employees and/or eligible Family Members who are enrolled in a Dental Plan the day before a Qualifying Event as defined in 2. below.
  - b. Children born to or adopted by the Employee during the 18-month continuation period described in 2.a.i. below.
2. **Qualifying Event** – Continuation coverage is as follows for each type of Qualifying Event:
- a. **Termination**
    - i. **General** – Employees whose employment terminates may continue coverage for themselves and eligible Family Members for up to 18 months (except for gross misconduct – see B.3. below).
    - ii. **Disabled Individuals** – Employees or Family Members who meet the Social Security definition of disability under Titles II or XVI of the Social Security Act at the time of the Qualifying Event in i. above or b. below or at any time during the first 60 days of the 18-month continuation period may continue coverage for the disabled individual and any enrolled Family Members for up to 29 months.
  - b. **Reduction in Average Regular Paid Time** – Employees whose Average Regular Paid Time falls below 17.5 hours per week may continue coverage for themselves and eligible Family Members for up to 18 months. \*
  - c. **Layoff of Employee** – An Employee who is on temporary or permanent layoff status may continue coverage for themselves and eligible Family Members for up to 18 months. \*\*
- \* Once federal COBRA has expired, Employees may continue coverage under CalCOBRA for a total of 18 months.
- \*\*Once federal COBRA has expired, Employees may continue coverage under CalCOBRA for up to a total of 36 months for all continuation
- d. **Death of Employee** – Eligible Family Members may continue coverage for up to 36 months.
  - e. **Divorce/Legal Separation/Annulment** – Eligible Family Members may continue coverage for up to 36 months.
  - f. **Ineligible Adult Dependent Relative/Domestic Partner** – The ineligible adult dependent relative/domestic partner and any



enrolled child/grandchild of the domestic partner may continue coverage for up to 36 months.

- g. **Overage/Ineligible Children or Grandchildren or Step Grandchildren** may continue coverage for up to 36 months.
- h. **A Married Child or Grandchild or Step-Grandchild Under Age 23 or an Emancipated Minor Child** may continue coverage for up to 36 months.

**3. Multiple Qualifying Events**

- a. If a Family Member has continued coverage due to a Qualifying Event in 2.a. i. or b. above and there is a second Qualifying Event, the Family Member is entitled to an extension of the continuation period. The maximum continuation period begins with the earliest event and ends 18, 29 or 36 months from the month of that event.
- b. If an Employee becomes entitled to Medicare due to age within 18 month before his or her Qualifying Event, this entitles any Family Members with continued coverage to an extension of the continuation period up to a maximum of 36 months beginning on the date the Employee became entitled to Medicare.

**B. Ineligibility** – The following individuals are not considered Qualified Beneficiaries:

- 1. Individuals who are not enrolled in a Vision Plan the day before the Qualifying Event (as defined in A. 2. above) except those described in A. 1. b. above. However, eligible Family Members who are not considered Qualified Beneficiaries may be added during an Open Enrollment.
- 2. Individuals who were enrolled in a Vision Plan but were not eligible.
- 3. Employees whose employment terminates for gross misconduct.
- 4. A Family Member whose University Vision Plan is canceled for reasons other than those listed in A. 2. above.

**C. Loss of Eligibility** – Eligibility for continued coverage ends upon the first of the following to occur:

- 1. The individual enrolls in another group dental plan (unless the plan has an exclusion or limitation which applies to the individual for preexisting conditions which were covered by the University-sponsored plan).
- 2. The individual fails to pay premiums due.

The individual becomes entitled to Medicare.

3. For a Family Member, when the individual ceases to meet any one of the eligibility requirements for Family Members described in 1302. B. or Part I, Section 3.C.
4. The University-sponsored group Vision Plan are canceled.

After continued coverage ends, there is no conversion option available for the Vision Plan (see Section 1311.).

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## 1310. Termination of Coverage

**A. During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time; or
- the end of two years.

Sabbatical leaves or qualified leaves for professional renewal are exempt from any continuing eligibility requirements.

**B. All Other Circumstances** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time;
- the last day of the month in which the individual is eligible for coverage as a Family Member, or in the case of an adult dependent relative, the day the individual becomes entitled to Medicare (the first of the month in which the individual becomes age 65, or the first of the prior month if the birthday is on the first of the month) if earlier;
- the last day of the month in which a form to cancel/opt out of coverage or delete a Family Member is received in the local Benefits or Accounting Office; or

the day the group contract between the University and the carrier is terminated.

Clerical error, by itself, is not the basis for an extension of coverage past the date it would otherwise end.

Employees may cancel Vision Plan coverage or delete a Family Member from the plan at any time by submitting a cancellation or change form.

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## 1311. Conversion

There is no conversion option for the Vision Plan.

# 2000. SENIOR MANAGEMENT LIFE INSURANCE

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## 2001. Definition

University-sponsored and University-paid Senior Management Life Insurance provides group term life insurance for eligible Employees. It is in addition to the Basic Life Insurance program, Supplemental Life Insurance program, benefits from the University of California Retirement Plan (UCRP), or any other death benefit for which a University Employee may qualify.

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## 2002. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Members of Senior Management with full-time (100%) permanent appointments who are members of a University-sponsored defined benefit plan are eligible.

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

2. **Continuing Requirements** – To remain eligible for coverage, the Employee must retain a 100% full-time Senior Management appointment and remain in a University-sponsored defined benefit plan.

Appointment types listed in Part I, Section 3.A “Ineligible Categories” will not be considered in determining continuing benefits eligibility.

Employees who do not meet the continuing requirements will not be covered and must be disenrolled.

3. **Special Categories** – do not apply.
4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

- B. **Family Members** are not covered. (See Section 2300 – Dependent Life Insurance.)

## 2003. Period of Initial Eligibility (PIE)

Does not apply. University-paid Senior Management Life Insurance begins automatically the day Senior Managers become eligible.

Note: Employees may terminate their Supplemental Life Insurance upon enrolling in the University-paid Senior Management Life Insurance.

Employees who terminate Supplemental Life Insurance and subsequently transfer to an appointment that does not satisfy the eligibility requirements described in Section 2002. A. have a new PIE to reinstate Supplemental Life Insurance. (See Supplemental Life, Section 2203. D.12.)

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## 2004. Enrollment/De-enrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

### A. Enrollment

1. Enrollment is automatic.
2. Employees may decline the University-paid Senior Management Life Insurance by completing the proper University form and submitting it to their local Benefits or Accounting Office.

Individuals who decline coverage may reapply for the University-paid Senior Management Life Insurance by providing a Statement of Health. The Employee must provide the information required by the carrier. The carrier may approve or deny the Statement of Health.

### B. Deenrollment

#### 1. Ineligibility

- a. Ineligible individuals must be deenrolled.
- b. The University reserves the right to permanently deenroll ineligible individuals.
- c. The Plan Administrator will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.

**2. Misuse of the Plan**

- a. The University reserves the right to disenroll Employees for 12 months based on Misuse of the plan.
- b. Misuse of the plan is defined in the Definitions and Abbreviations section (Part I, Section 2).

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**2005. Effective Date**

Coverage begins the first day on Pay Status as an eligible Employee (Section 2002. A.) unless one of the exceptions in part E. below applies. Coverage cannot begin before the first day of eligibility for the plans.

- A. During a **Period of Initial Eligibility** - does not apply.
- B. During an **Open Enrollment Period** - does not apply.
- C. With a **Statement of Health** – Provided the carrier approves the application, if the appropriate enrollment transaction is processed within 31 days of the carrier's approval of the Statement of Health, coverage is effective the date of the approval. The carrier is under no obligation to accept enrollments processed more than 31 days after approval of the Statement of Health.
- D. **Deferred Effective Date** does not apply.
- E. **Exceptions** – If any of the exceptions below applies, the effective date of coverage for the Employee is deferred as noted.
  - 1. **Leave for Health Reasons** – New or increased coverage for an Employee on paid or unpaid leave for health reasons on the normal effective date begins on the day following the first full day actively-at-work, based on the Employee's normally scheduled work day. Paid leave includes, but is not limited to, sick pay, vacation pay, salary continuance, etc.  
  
This rule also applies to newly hired Employees who have not yet reported to work for health reasons.
  - 2. **Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of new or increased coverage is deferred until the Employee is placed on normal Pay Status for that appointment.
  - 3. **Hospitalized Family Members** – does not apply.

## 2006. University Contribution

The University pays the cost of the plan if the Employee is on eligible Pay Status.

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## 2007. Premiums

- A. Payment** – Premiums are paid in advance by the University each pay period. The Employee must have earnings covered by a University-sponsored defined benefit plan and meet the eligibility requirements as described in Section 2002.A. There is no charge for the first full or partial month's coverage. There is no charge for the first full or partial month's premium when an Employee is reenrolled provided there has been a lapse in coverage of more than one month.

Premiums are paid for a full pay period even if coverage stops before the end of the period.

When the plan is cancelled or coverage terminates, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.

- B. Rate Changes** are made when the contract is renewed or when required by contract amendments.
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## 2008. Actions Which Affect Coverage

The following situations will result in a loss or termination of coverage as described in Section 2010, if an Employee does not continue group coverage as provided below and Section 2011. Different rules may apply to specified groups. See Administrative Supplement No. 2. The effective date of automatic coverage is subject to the exceptions in 2005. E.

**A. Leave without Pay**

- 1. Approved Leave** – Coverage continues for up to four calendar months after the month an approved leave without pay begins.
- 2. Unapproved Leave** - An Employee who is not on Pay Status and does not have an approved leave of absence does not qualify for continued coverage under the plan. A strike is considered to be a type of unapproved Leave. Coverage is terminated as described in Section 2010.B. A Break in Service occurs after 4 consecutive months of unapproved Leave.

3. **While Receiving Short-Term Disability Insurance Benefits (Section 3000)** – See 1. Above and B., E. and M. below, as applicable
  4. **Military Leave** – see A.1. above.
- B. **Leave With Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.
1. **General** – Coverage continues for up to two years as long as the Senior Management appointment is at least 100% and the Employee has earnings covered by a University-sponsored defined benefit plan.
  2. **Sabbatical Leave/Qualified Leave for Profession Renewal** – See B.1. above.
- C. **Furlough or Temporary Layoff** - Coverage continues for up to four calendar months after the month the furlough or temporary layoff begins.
- D. **Indefinite Layoff** is treated the same as termination of employment.
- E. **Insufficient Earnings** – Coverage ends on the last day of the pay period before a period without earnings covered by a University-sponsored defined benefit plan. Coverage resumes on the first day of return to Pay Status as an eligible Employee (Part I, Section 3.A) in a pay period with earnings covered by a University-sponsored defined benefit plan.
- F. **Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week** – does not apply.
- G. **Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 2002.A.1., the Employee is automatically enrolled in Senior Management Life Insurance coverage as noted.
- H. **Transfer to an Ineligible Position** – treated as termination of employment.
- I. **Reduction in Senior Management Appointment Below 100%** - A reduction in appointment below 100% time without a Break in Service ends an Employee's coverage as of the last day of the pay period in which the Employee had an eligible appointment. These Employees will not be covered again until they return to Pay Status as eligible Employees (Section 2002. A.)
- J. **Retirement** is treated the same as termination of employment.
- K. **Loss of Eligible Family Member Status** – does not apply



- L. Pending Disability Retirement** - from a University-sponsored defined benefit plan. See A. 1., B., E. and M. as applicable.
- M. Termination of Employment or Senior Management Appointment** – Coverage ends on the last day of the last eligible pay period for which premiums are paid through the University, unless the Employee converts to an individual plan (Section 2011.).
- N. Cancellation of Coverage/Salary Reduction Agreement** – Coverage ends on the last day of the pay period in which a form to cancel/opt out of coverage is received in the local Benefits or Accounting Office.

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## 2009. Continued Group Coverage (COBRA)

Does not apply.

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## 2010. Termination of Coverage

- A. During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:
- The last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
  - The last day of the pay period in which the Employee has an eligible Senior Management appointment; or
  - The end of two years.
- B. All Other Circumstances** – Coverage ends on the earliest of the following dates:
- The last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
  - The last day of the pay period in which the Employee has an eligible Senior Management appointment;
  - The last day of the pay period in which a form to opt out of coverage is received in the local Benefits or Accounting Office; or
  - The day the group contract between the University and the carrier is terminated.

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

## 2011. Conversion

When coverage ends because of retirement, termination of employment, or other loss of eligibility, it may be converted to an individual plan offered by the carrier. Employees must apply for conversion of coverage. A medical examination is not required. The carrier must receive the conversion application and the required premium within 31 days of the date the group coverage ends.

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## 2012. Coverage

A. The **amount** of coverage is two times the Employee's annual covered salary rate up to the plan maximum. Each year's amount for a continuing member is based on the salary rate and percent time appointment in effect on January 1 of that year. The amount for a new enrollee is based on the salary rate and percent time appointment in effect when the Employee becomes eligible for coverage.

B. **Adjustments** which increase the covered salary rate are made each January 1 for Employees on Pay Status on that date and who also were on Pay Status on the last regularly scheduled working day of December.

However, adjustments for Employees on paid or unpaid leave for health reasons on the last regularly scheduled working day of December will be effective the day after their first full day actively-at-work, based upon their normal work schedule. Paid leave includes, but is not limited to, sick pay, vacation pay, salary continuance, etc.

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## 2013. Beneficiaries

Employees may name their beneficiaries at any time online (AtYourService.ucop.edu) or by completing the proper University form. If no beneficiary is named, benefits are payable to the person(s) in the first of the following categories with a survivor – the Employee's:

- A. legal spouse or eligible domestic partner\*;
- B. natural or adopted children or children for whom the Employee is legal guardian (in equal shares);
- C. parents (in equal shares);
- D. brothers and sisters (in equal shares); or
- E. estate.

- \* For the sole purpose of Section 2013 of Senior Management Life, an eligible domestic partner” is defined as in Article 2.18 of the UCRS Plan Document, however without any requirement for a specified duration of the partnership prior to eligibility.

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## 2014. Assignment

At any time, Employees may assign their rights in the University-paid Senior Management Life Insurance to another person or trustee or a viatical settlement company. Assignments are limited to gift or value assignments and, once made, are irrevocable. Collateral assignments are excluded.

# 2100. BASIC AND CORE LIFE INSURANCE

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## 2101. Definition

University-sponsored and University-paid Basic and Core Life Insurance provides group term life insurance for eligible Employees. It is in addition to the Supplemental Life Insurance program, benefits from the University of California Retirement Plan (UCRP), or any other death benefit for which a University Employee may qualify.

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## 2102. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months or more, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12-month period, or
- A person appointed at least 50% time with the notation: “ending date for funding purposes only; intent of employment is indefinite (for more than one year).”

Membership in a defined benefit plan to which the University contributes is a requirement for participation in the Basic Life Insurance Plan.

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Persons appointed at least 43.75% time who are not eligible for Basic Life Insurance coverage are eligible for Core Life Insurance coverage (except for PERS members who receive this level of coverage from PERS).

Employees participating in the Phased Retirement Program are eligible provided they meet the continuing requirements in 2. below.

2. **Continuing Requirements** – To remain eligible for Basic Life Insurance coverage, an Employee must maintain an average regular paid time of at least 17.5 hours per week and maintain an appointment in an eligible category.

To remain eligible for Core Life Insurance coverage, an Employee must maintain an average regular paid time of at least 17.5 hours per week and maintain an appointment in an eligible category.

Appointment types listed in Part I, Section 3.A “Ineligible Categories” will not be considered in determining continuing benefits eligibility for either Basic Life or Core Life Insurance.

(See Administrative Supplement No. 3 for Qualified Status situations.)

Employees who do not meet the continuing requirements will not be covered.

3. **Special Categories** – Does not apply
4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

PERS members are not eligible for Core Life Insurance coverage since they receive this level of coverage from PERS.

- B. **Family Members** are not covered. (See Section 2300. – Dependent Life Insurance.)

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## 2103. Period of Initial Eligibility (PIE)

Does not apply. Basic and Core Life Insurance begins automatically the day the Employee becomes eligible, unless one of the exceptions in Section 2105. E. applies.

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## 2104. Enrollment/De-enrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

A. **Enrollment**

Enrollment is automatic.

B. **Deenrollment**

1. **Ineligibility**

- a. Ineligible individuals must be disenrolled.
- b. The University reserves the right to permanently disenroll ineligible individuals.
- c. The Plan Administrator, Office of the President, will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.

**2. Misuse of the Plan**

- a. The University reserves the right to disenroll Employees for 12 months based on Misuse of the plan.
- b. Misuse of the plan is defined in the Definitions and Abbreviations section (Part I, Section 2).

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## 2105. Effective Date

Coverage begins on the first day on Pay Status as an eligible Employee (Section 2102. A.), unless one of the exceptions in E. below applies. Coverage cannot begin before the first day of eligibility for the plans.

- A. During a **Period of Initial Eligibility** – Does not apply
- B. During an **Open Enrollment Period** – Does not apply.
- C. With a **Statement of Health** – Does not apply.
- D. **Deferred Effective Date** – Does not apply.
- E. **Exceptions** – If either of the exceptions in 1. or 2. below applies, the effective date of coverage is deferred as noted.
  - 1. **Leave for Health Reasons** – New or increased coverage for an Employee on paid or unpaid leave for health reasons on the normal effective date begins on the day following the first full day actively-at-work, based on the Employee's normally scheduled work day. Paid leave includes, but is not limited to, sick pay, vacation pay, salary continuance, etc.  
  
This rule also applies to newly hired Employees who have not yet reported to work for health reasons.
  - 2. **Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage is deferred until the Employee is placed on normal Pay Status for that appointment.

3. **Hospitalized Family Members** – Does not apply.

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## 2106. University Contribution

The University pays the cost of the plan if the Employee is on eligible Pay Status.

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## 2107. Premiums

A. **Payment** – Premiums are paid in advance by the University each pay period.

There is no charge for the first full or partial month's coverage. There is no charge for the first full or partial month's premium when an Employee is reenrolled provided there has been a lapse in coverage of more than one month.

Premiums are paid for a full pay period, even if coverage stops before the end of the period.

When coverage terminates, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.

B. **Rate Changes** are made when the contract is renewed or when required by contract amendments.

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## 2108. Actions Which Affect Coverage

The following situations will result in a loss or termination of coverage as described in Section 2110, if an Employee does not continue group coverage as provided below and Section 2111. Different rules may apply to specified groups. See Administrative Supplement No. 2. The effective date of automatic coverage is subject to the exceptions in Section 2105. E.

A. **Leave without Pay**

1. **Approved Leave** – Coverage continues for up to four calendar months after the month an approved leave without pay begins.

**Unapproved Leave** - An Employee who is not on Pay Status and does not have an approved leave of absence does not qualify for continued coverage under the plan. A strike is considered to be a type of unapproved Leave.

Coverage is terminated as described in Section 2110.B. A Break in Service occurs after 4 consecutive months of unapproved Leave.

2. **While receiving Short-Term Disability Insurance Benefits (Section 3000)** – See 1. above and B., E. and L. below, as applicable.

3. **Military Leave** – see A.1. above.

- B. **Leave with Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.

1. **General** – Basic Life Insurance coverage continues for up to two years as long as the Employee's average regular paid time is at least 17.5 hours per week, and the Employee has any earnings covered by a University-sponsored defined benefit plan.

Core Life Insurance coverage continues for up to two years as long as the Employee's average regular paid time is at least 17.5 hours per week.

The maximum continuation period is two years for any combination of Basic and Core Life Insurance coverage.

2. **Sabbatical Leave/Qualified for Professional Renewal** – Coverage in effect at the beginning of the leave may be continued for up to two years. (See Section A. 1. for the effect of a Leave without Pay.) Continuation of Basic Life Insurance coverage also requires that earnings be covered by a University-sponsored defined benefit plan.

- C. **Furlough or Temporary Layoff** - Coverage continues for up to four calendar months after the month the furlough or temporary layoff begins.

- D. **Indefinite Layoff** is treated the same as termination of employment.

- E. **Insufficient Earnings** – Basic Life Insurance coverage ends on the last day of the pay period before a pay period without earnings covered by a University-sponsored defined benefit plan. (See F. below for the effect of reduction in average regular paid time.) Basic Life Insurance coverage resumes on the first day of return to Pay Status as an eligible Employee (Part I, Section 3.A) in a pay period with earnings covered by a University-sponsored defined benefit plan.

Following two consecutive months with insufficient average regular paid time and without an approved leave of absence, Core Life Insurance coverage lapses retroactively to the first day of the first month without sufficient average regular paid time. Core Life Insurance coverage resumes on the first day of return to Pay Status as a Core eligible Employee (Part I, Section 3.A) with sufficient average regular paid time.



- F. Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week** – After two consecutive months of average regular paid time less than 17.5 hours per week, the individual must be disenrolled from all coverage effective the first of the following month.

After two consecutive months of no earnings covered by a University-sponsored defined benefit plan but at least 17.5 hours per week, the individual must be disenrolled from Basic Life Insurance coverage and transferred to Core Life Insurance coverage effective the first of the following month.

- G. Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 2102.A.1., the Employee is automatically enrolled in either Basic or Core Life Insurance coverage as noted.
- H. Transfer to an Ineligible Position** – treated as termination of employment.
- I. Retirement** is treated as termination of employment.
- J. Loss of Eligible Family Member Status** does not apply
- K. Pending Disability Retirement** - from a University-sponsored defined benefit plan. See A. 1., B., E. and L. as applicable
- L. Termination of Employment** – Coverage ends on the last day of the last eligible pay period for which premiums are paid through the University, unless the Employee converts to an individual plan (Section 2111.).
- M. Cancellation of Coverage/Salary Reduction Agreement** – does not apply

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## 2109. Continued Group Coverage (COBRA)

Does not apply.

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## 2110. Termination of Coverage

- A. During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:
- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid ;
  - the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time; or

- the end of two years.

Sabbatical leaves or qualified leaves for professional renewal are exempt from any continuing eligibility requirements.

**B. All Other Circumstances** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time;
- the day the group contract between the University and the carrier is terminated.

Clerical error by itself is not the basis for extension of coverage past the date it would otherwise end.

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## 2111. Conversion

When coverage ends because of retirement, termination of employment or other loss of eligibility, it may be converted to an individual plan offered by the carrier. Employees must apply for conversion of coverage. If the coverage is reduced because the Employee moves from Basic Life Insurance to Core Life Insurance, the difference in amount may be converted. A medical examination is not required. The carrier must receive the conversion application and the required premium within 31 days of the date the group coverage ends.

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## 2112. Coverage

- A.** The amount of Basic Life Insurance coverage is one times the Employee's annual covered salary rate, multiplied by the percent time of the Employee's appointment, to a maximum of \$50,000. Each year's amount for a continuing member is based on the salary rate and percent time appointment in effect on January 1 of that year. The amount for a new enrollee is based on the salary rate and percent time appointment in effect when the Employee becomes eligible for coverage.

PERS members are covered for this amount minus the PERS \$5,000 death benefit. The amount of Core Life Insurance is \$5,000. (PERS members are not covered since they already receive this level of coverage from PERS.)

- B.** Adjustments which increase the covered salary rate are made each January 1 for Employees on Pay Status on that date and who also were on Pay Status on the last regularly scheduled working day of December. However, adjustments for Employees on paid or unpaid leave for health reasons on the last regularly scheduled working day of December will be effective up on their first day actively-at-work, based on their normally scheduled work day.

(Also see Administrative Supplement No. 9)

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## 2113. Beneficiaries

Employees may name their beneficiaries at any time online (AtYourService.ucop.edu) or by completing the proper University form. If no beneficiary is named, benefits are payable to the person(s) in the first of the following categories with a survivor – the Employee's:

- A.** legal spouse or eligible domestic partner\*;
- B.** natural or adopted children or children for whom the Employee is legal guardian (in equal shares);
- C.** parents (in equal shares);
- D.** brothers and sisters (in equal shares); or
- E.** estate.

\* For the sole purpose of Section 2113 of Basic and Core Life Insurance, an "eligible domestic partner" is defined as in Article 2.18 of the UCRS Plan Document, however without any requirement for a specified duration of the partnership prior to eligibility.

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## 2114. Assignment

At any time, Employees may assign their rights in the Basic and Core Life Insurance to another person or trustee or a viatical settlement company. Assignments are limited to gift and value assignments and, once made, are irrevocable. Collateral assignments are excluded.

# 2200. SUPPLEMENTAL LIFE INSURANCE

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## 2201. Definition

University-sponsored and Employee-paid Supplemental Life Insurance provides group term life insurance for eligible Employees. It is in addition to the University-paid Life Insurance plans, benefits from the University of California Retirement Plan (UCRP), or any other death benefit for which a University Employee may qualify.

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## 2202. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months or more, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12-month period, or
- 100% time for 3 months or more
- A person appointed at least 50% time with the notation: “ending date for funding purposes only; intent of employment is indefinite (for more than one year).”

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Employees participating in the Phased Retirement Program are eligible.

2. **Continuing Requirements** – Does not apply, except as noted in Section 2208.
3. **Special Categories** – Does not apply.
4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

- B. Family Members** are not covered. (See Section 2300. – Dependent Life Insurance.)

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## 2203. Period of Initial Eligibility (PIE)

- A. Definition** – The period of initial eligibility (PIE) allows enrollment in Supplemental Life Insurance without proof of insurability when an Employee is first eligible and under other circumstances as described in D. below.
- B. Length** – The PIE begins the day the Employee becomes eligible as described in Section 2202.A. If an Employee's appointment is retroactive, the PIE begins on the date the department chair or hiring authority signs a written statement that the appointment was approved retroactively.

The PIE ends 31 calendar days from the date it begins. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Note that in determining the end of the 31-day period, the date the PIE starts should be counted as the first day. Example: Employee's hire date is March 1; PIE ends on March 31.

- C. Extensions for Illness/Accident** – Chief Human Resource Officers may grant an extension to Employees unable to enroll during their PIE due to illness or accident. The extension begins on the first day after the PIE ends. The extension ends 31 calendar days later as described in B. above.

Extensions cannot be granted to Employees only because they failed to obtain information about their PIE. Employees must be eligible for coverage as described in Section 2202.A.

- D. Added Period of Initial Eligibility** – Under the following circumstances, there is an additional PIE. It begins as described below and ends 31 calendar days later. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Employees must remain eligible for coverage as described in Section 2202. A.

- 1. Faculty** – Newly appointed Faculty members may have an additional PIE if they do not enroll during their first PIE. The second PIE begins on the first day of classes (see campus calendar for class schedule) for the quarter/semester in which the appointment starts or the first day of arrival at the campus, whichever occurs first.
- 2. Nonimmigrant Aliens** are treated as any other Employee.

3. **Leave without Pay** – Employees who do not continue coverage during approved leave without pay have a new PIE beginning with the date of return to Pay Status in an eligible position.

The plan reenrollment depends on the length of the approved leave, and there may be no charge for the first full or partial month's coverage (See Section 2200).

- a. **Leave is Less than 120 Days** – Enrollment is limited to the specific plan in effect when the leave started.
- b. **Leave is 120 Days or More** – Employees are treated as newly eligible Employees.

4. **Furlough/Temporary Layoff** – Employees who do not continue coverage during a furlough or temporary layoff have a PIE beginning on the date of rehire in an eligible position.

The plan reenrollment depends on the length of the furlough or layoff.

- a. **Furlough/Layoff is Less than 120 Days** – Enrollment is limited to the specific plan in effect at the time of furlough or layoff.
- b. **Furlough/Layoff is 120 Days or More** – Employees are treated as newly eligible Employees.

5. **Rehire** – Employees who are rehired have a new PIE beginning on the date of rehire in an eligible position.

The plan enrollment depends on the length of the Break in Service.

- a. **Rehire Occurs Less than 120 Days** – Enrollment is limited to the specific plan in effect at the time of termination.
- b. **Rehire Occurs 120 Days or More** – Employees are treated as newly eligible Employees.

6. **Involuntary Loss of Coverage (ILOC)** – In the following situation there is a new PIE:

- the Employee and/or Family Member(s) are enrolled in a UC group life insurance plan; and
- the Employee and/or Family Member(s) lose the other UC group life insurance coverage involuntarily for reasons such as termination of employment, loss of eligibility, death, or divorce.

The PIE begins on the date the other UC group life insurance coverage ends.

See Administrative Supplement No. 10, "Periods of Initial Eligibility" regarding PIEs for related UC Employees.

Note: Involuntary loss of non-UC coverage will not create a PIE.

7. **Return after Period of Insufficient Earnings** – If coverage lapsed due to insufficient earnings and there has been no Break in Service, the Employee has a new PIE beginning with the date of return to Pay Status of sufficient earnings in an eligible position.

The plan enrollment depends on the length of the insufficient earnings period.

- a. **Less than 120 Days** – Enrollment is limited to the specific plan in effect when coverage lapsed.
- b. **120 Days or More** – Employees are treated as newly eligible Employees.
8. **Return to 17.5 Hours Average Regular Paid Time Per Week Following a Period of Insufficient Average Regular Paid Time** – Does not apply.
9. **Move Out of/Return to Plan Service Area** – Does not apply.
10. **Acquisition of Eligible Family Member**– Upon the acquisition of a newly eligible Family Member, an eligible Employee has a new PIE to enroll in or increase Supplemental Life Insurance. The PIE begins with the date the Family Member(s) first meets the eligibility requirements described in Part I, Section 3.C.
11. **Loss of UC Coverage Due to Misuse of Plan** – There is no PIE if the Employee is disenrolled due to his/her or a Family Member's Misuse of the plan.
12. **Transfer Out of a Senior Management Appointment** – Employees covered by Senior Management Life Insurance (Section 2000.) who transfer to appointments not eligible for Senior Management Life Insurance have a PIE to enroll in or add up to 2 times Supplemental Life Insurance to their current coverage without evidence of insurability. The PIE begins with the date of the first appointment ineligible for Senior Management Life Insurance.

In no event will the individual be able to add Supplemental Life Insurance such that it would exceed plan limits. (E.g., if the individual is already enrolled in the 3 times Supplemental Life Insurance plan, only one additional multiple could be allowed due to the maximum plan multiple of 4 times salary).

A Statement of Health (evidence of insurability) is required for coverage amounts in excess of that provided by the PIE.

The dollar amount of coverage will be based on the salary rate in effect at the beginning of this PIE.

Appointment Change from a Benefits Eligibility Indicator Level (BELI) 2 or 3 to a BELI 1 – An Employee who was provided a PIE when they were appointed as a BELI 2 or BELI 3 and is reappointed as a BELI 1 (as described in Administrative Supplement No. 2), will have an added PIE to enroll in Supplemental Life.

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## 2204. Enrollment/De-enrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

### A. Enrollment

1. **Enrolling** – Eligible Employees may apply for Supplemental Life Insurance:
  - a. During a **Period of Initial Eligibility** as described in Section 2203. Once the enrollment transaction is processed (see Definitions), changes to increase coverage cannot be made:
    - until there is a new PIE (Section 2203. D.) or there is an Open Enrollment Period (b. below); or
    - a Statement of Health is approved (c. below).
  - b. During a special **Open Enrollment Period** (OEP) announced by the Plan Administrator. An OEP may allow Employees to enroll for the first time or increase coverage. OEPs for life insurance plans are not held annually.
  - c. At any time with a **Statement of Health**. The Employee must provide the information required by the carrier. The carrier may approve or deny the statement of health.
2. **Reducing Coverage**  
Once enrolled in Supplemental Life Insurance, an Employee may transfer to a plan with lower benefits at any time.
3. **Enrollment in Duplicate University-Sponsored Coverage** is not allowed.
  - a. If both husband, wife or domestic partner are eligible to enroll in Supplemental Life Insurance:



**Supplemental Life Insurance  
Section 2204  
Enrollment/De-enrollment**

- each may enroll in Supplemental Life Insurance separately, or
- one may enroll in Supplemental Life Insurance and cover the other as a Family Member under a dependent life plan.

If they enroll separately, neither may cover the other as a Family Member under dependent life insurance.

- b. Children who are eligible to be covered as Family Members under the dependent life plan and who also are eligible Employees may:
  - enroll in the Supplemental Life Insurance separately, or
  - be covered on one parent's dependent life plan as a Family Member, but not on both parents' plans.
- c. Individuals eligible in more than one category (e.g., as an Employee and as an Employee's Family Member) may be covered as one or the other, but not both. An Employees with two or more appointments, one of which is a student appointment in an ineligible category and one or more of which is an eligible category (as specified in Part I, Section 1.A ), is not restricted from enrollment by virtue of their ineligible position, as long as the eligible appointment(s) qualify the Employee for benefits through meeting the requirements specified in Part I.
- d. Where duplicate coverage has occurred, benefits will be paid under the plan with the earlier effective date.

(Also, see Administrative Supplement No. 10, "Family Eligibility Requirements for Life Insurance").

**B. Deenrollment**

An Employee may deenroll at any time. An Employee who deenrolls from coverage may reenroll only during a new PIE or at other times as described in Section 2204.A.

**1. Ineligibility**

- a. Ineligible individuals must be deenrolled.
- b. The University reserves the right to permanently deenroll ineligible individuals.
- c. Ineligible individuals include but are not limited to:
  - those with duplicate coverage as described in 2204 A. 3. above.

- an ineligible Employee
  - Employees who have been on leave with pay for more than two years. These individuals must cancel coverage effective the first day of the 25<sup>th</sup> month of the leave.
- d. The Plan Administrator will work with the University campus or lab location and the carrier to recover any plan benefits provided due to enrollment of ineligible individuals.

**2. Misuse of the Plan**

- a. The University reserves the right to disenroll individuals who misuse the plan.
- b. Misuse of the plan is defined in the Definitions and Abbreviations section (Part I, Section 2).
- c. Employees who misuse the plan will be disenrolled for 12 months.

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## 2205. Effective Date

Coverage begins on the date listed below, provided the Employee is on Pay Status as an eligible Employee. Coverage cannot begin before the first day of eligibility for the plans. Coverage cannot begin unless the appropriate enrollment transaction is processed during the PIE (see Definitions). The effective date of any coverage is subject to the exceptions in E. below.

- A. During a **Period of Initial Eligibility** – If the appropriate enrollment transaction is processed during the PIE, coverage is effective the date the PIE began.

A form to cancel coverage is effective the last day of the pay period in which the local Benefits or Accounting Office receives it.

- B. During an **Open Enrollment Period** – The date announced by the Plan Administrator, Office of the President. In this case, the requirement that an Employee must be on Pay Status does not apply.
- C. With a **Statement of Health** – Provided the carrier approves the application, if the appropriate enrollment transaction is processed within 31 days of the carrier's approval of the Statement of Health, coverage is effective the date of the approval. The carrier is under no obligation to accept enrollments processed more than 31 days after approval of the Statement of Health.
- D. **Deferred Effective Date** – Employees may defer the normal effective date of coverage for up to six months. Application must be made during the PIE or an OEP, or with an approved Statement of Health.

A written request specifying the deferred effective date must be submitted. A request for a deferred effective date may not be revoked. Any dependent life insurance coverage (Section 2300.) also will be deferred until the effective date requested by the Employee.

**E. Exceptions** – If any of the exceptions below applies, the effective date of coverage for the Employee is deferred as noted.

1. **Leave for Health Reasons** – New or increased coverage for an Employee on paid or unpaid leave for health reasons on the normal effective date begins on the day following the first full day actively-at-work, based on the Employee's normally scheduled work day. Paid leave includes, but is not limited to, sick pay, vacation pay, salary continuance, etc.

This rule also applies to newly hired Employees who have not yet reported to work for health reasons.

2. **Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage is deferred until the Employee is placed on normal Pay Status for that appointment.

3. **Hospitalized Family Members** – Does not apply.

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## 2206. University Contribution

There is no University contribution.

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## 2207. Premiums

- A. Payment** – Premiums are paid in advance by payroll deduction. There is no charge for the first full or partial month's coverage as a result of an Employee's PIE or the first partial month's premium difference when an Employee increases coverage.

There is no change for the first full or partial month's premiums when an Employee enrolls during an added PIE (Section 2203.D.3., 4., 5., 6., or 7) provided there has been a lapse in coverage of more than one month.

Premiums will not be refunded retroactively if the Employee should have filed a form to cancel coverage.

When the plan is cancelled or coverage is reduced, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.

- B. Rate Changes** are made when the contract is renewed, when required by contract amendments or when the Employee makes changes in coverage. Individual premiums also are adjusted each January 1 (Section 2212.)

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## 2208. Actions Which Affect Coverage

The following situations will result in a loss or termination of coverage as described in Section 2210, if an Employee does not continue group coverage as provided below and Section 2211. Different rules may apply to specified groups. See Administrative Supplement No. 2.

- A. Leave without Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.
1. **Approved Leave**– Coverage may be continued during an approved leave of absence without pay of up to two years. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month.  
  
**Unapproved Leave** - An Employee who is not on Pay Status and does not have an approved leave of absence may not pay premiums directly to the local Benefits or Payroll Office to continue coverage. A strike is considered to be a type of unapproved Leave. Coverage is terminated as described in Section 2210.B. A Break in Service occurs after 4 consecutive months of unapproved Leave.
  2. **While Receiving Short Term Disability Insurance Benefits (Section 3000)** – See 1. above and B., E., K. and L. below, as applicable.
  3. **Military Leave** – Coverage may be continued during an approved military leave of up to six months. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee on Pay Status without an approved leave of absence may not make direct premium payments.
- B. Leave with Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.
1. **General** - Coverage may be continued for up to two years as long as the Employee's earnings are sufficient to cover required deductions.

Employees who will continue on paid leave beyond two years must complete a cancellation form to be effective the first day of the 25<sup>th</sup> month of the leave.

2. **Sabbatical Leave /Qualified Leave for Professional Renewal** - Coverage may be continued for up to two years as long as the Employee's earnings are sufficient to cover required deductions.

Employees who will continue on paid leave beyond two years must complete a cancellation form to be effective the first day of the 25<sup>th</sup> month of the leave.

- C. **Furlough or Temporary Layoff** – Coverage may continue for up to four calendar months after the month the furlough or temporary layoff begins. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the furlough or layoff period. Payment must be made in advance of each premium month.
- D. **Indefinite Layoff** – Coverage may continue for up to four calendar months after the month the layoff begins. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the layoff period. Payment must be made in advance of each premium month.
- E. **Insufficient Earnings** – If premiums cannot be taken from pay for two consecutive months, coverage lapses retroactively to the first day of the first month for which a premium was missed. If coverage lapses due to insufficient earnings, individuals cannot reenroll in Supplemental Life Insurance until they return to Pay Status as eligible Employees (Section 2202. A.).
- F. **Insufficient Average Regular Paid Time Below 17.5 Hours Average Paid Time Per Week** – Does not apply.
- G. **Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 2202.A.1., the Employee may enroll in any level of Supplemental Life Insurance coverage.
- H. **Transfer to an Ineligible Position** – treated as termination of employment.
- I. **Retirement** is treated as termination of employment.
- J. **Loss of Eligible Family Member Status** – Does not apply.
- K. **Pending Disability Retirement** – from a University-sponsored defined benefit plan.

Coverage may be continued by the Employee under the following circumstances. The Employee must arrange direct payment of Gross Premiums for up to six months through the local Benefits or Accounting Office:

- when the Employee has filed a claim with the carrier for a premium waiver on the Supplemental Life Insurance plan and the claim is in process; and
- the Employee has been terminated from University employment.

Payment must be made in advance of each premium month.

Otherwise, see A.1., B., E. and L. as applicable.

- L. Termination of Employment** – Coverage ends on the last day of the last eligible pay period for which premiums are paid through the University, unless the Employee converts to an individual plan (Section 2211.).
- M. Cancellation of Coverage/Salary Reduction Agreement** – Coverage ends on the last day of the pay period in which a form to cancel coverage is received in the local Benefits or Accounting office.

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## 2209. Continued Group Coverage (COBRA)

Does not apply.

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## 2210. Termination of Coverage

- A. During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:
  - the last day of the pay period for which the Employee was eligible for benefits and premiums are paid.
  - the end of two years.
- B. All Other Circumstances** – Coverage ends on the earliest of the following dates:
  - the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
  - the last day of the month in which a form to cancel coverage is received in the local Benefits or Accounting Office; or
  - the day the group contract between the University and the carrier is terminated.

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

Employees may cancel Supplemental Life Insurance or reduce the amount of coverage at any time by submitting a cancellation or change form.

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## 2211. Conversion

When coverage ends because of retirement, termination of employment, or other loss of eligibility, it may be converted to an individual plan offered by the carrier. Employees must apply for conversion of coverage. A medical examination is not required. The carrier must receive the conversion application and the required premium within 31 days of the date the group coverage ends, or if the Employee was making direct premium payments to the local Benefits or Accounting Office, the date an application for premium waiver is denied.

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## 2212. Coverage

- A. The **amount** of coverage is based on the Employee's annual covered full-time salary rate and the Supplemental Life plan selected by the Employee at enrollment, even if the Employee is appointed part-time. Plan maximums apply. Each year's amount for a continuing member is based on the salary rate in effect on January 1 of that year. The amount for a new enrollee is based on the salary rate in effect when the Employee becomes eligible for coverage.

Coverage will not be reduced automatically if the Employee's full-time salary rate is reduced. The Employee may write to the local Benefits or Accounting Office to request a prospective reduction in coverage based on the reduced salary rate.

- B. **Adjustments** which increase the covered salary rate are made each January 1 for Employees on Pay Status on that date and who also were on Pay Status on the last regularly scheduled working day of December. However, adjustments for Employees on paid or unpaid leave for health reasons on the last regularly scheduled working day of December will be effective upon their first day actively-at-work, based on their normally scheduled work day. University-wide plan premium rate changes may apply automatically on the announced effective date, regardless of the Employee's pay or health status.

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## 2213. Beneficiaries

Employees may name their beneficiaries at any time online (AtYourService.ucop.edu) or by completing the proper University form. If no beneficiary is named, benefits are payable to the person(s) in the first of the following categories with a survivor – the Employee's:

- A.** legal spouse or eligible domestic partner\*;
- B.** natural or adopted children or children for whom the Employee is legal guardian (in equal shares);
- C.** parents (in equal shares);
- D.** brothers and sisters (in equal shares); or
- E.** estate.

\* For the sole purpose of Section 2213 of Supplemental Life Insurance, an “eligible domestic partner” is defined as in Article 2.18 of the UCRS Plan Document, however without any requirement for a specified duration of the partnership prior to eligibility.

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## 2214. Assignment

At any time, Employees may assign their rights in the Supplemental Life Insurance to another person or trustee or a viatical settlement company. Assignments are limited to gift and value assignments and, once made, are irrevocable. Collateral assignments are excluded.



# 2300. DEPENDENT LIFE INSURANCE

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## 2301. Definition

The University-sponsored Dependent Life Insurance plans provide group term life insurance for eligible Family Members of eligible Employees. Eligible Employees may elect the Basic Dependent Life Insurance plan or the Expanded Dependent Life Insurance plan, but not both.

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## 2302. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Employees enrolled in Supplemental Life Insurance (Section 2200.) are eligible for either the Basic Dependent Life Insurance or Expanded Dependent Life Insurance plan.

Employees covered by Senior Management Life Insurance (Section 2000.) are eligible for either the Basic Dependent Life Insurance or Expanded Dependent Life Insurance plan.

Employees covered only by Basic Life Insurance (Section 2100.) are eligible for the Basic Dependent Life Insurance plan.

The person also must be appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

2. **Continuing Requirements** – For the Basic Dependent Life Insurance plan, Employees must maintain Supplemental Life Insurance or Basic Life Insurance. (See Sections 2000., 2208. and 2308. for the effects of employment actions on coverage.) For the Expanded Dependent Life Insurance plan, Employees must maintain Supplemental Life Insurance or Senior Management Life Insurance.

Appointment types listed in Part I, Section 3.A “Ineligible Categories” will not be considered in determining continuing benefits eligibility.

3. **Special Categories** – Does not apply.
4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

- B. Family Members** – The Family Member eligibility requirements are set forth in Part I, Section 3.C of these Regulations.

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## 2303. Period Of Initial Eligibility (PIE)

- A. Definition** – The period of initial eligibility (PIE) allows enrollment in dependent life insurance when an Employee and/or Family Member is first eligible, and under other circumstances described in D. below.
- B. Length** – The PIE begins the day the Employee or the Family Member becomes eligible as described in Section 2302. A. and/or Part I, Section 3.C. (e.g., on date of hire, marriage, birth, adoption, etc.), whichever is later.

If an Employee's appointment is retroactive, the PIE begins on the date the department chair or hiring authority signs a written statement that the appointment was approved retroactively.

The PIE ends 31 calendar days from the date it begins. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Note that in determining the end of the 31-day period, the date the PIE starts should be counted as the first day. Examples: a) Employee's hire date is March 1; PIE ends on March 31. b) Eligible child is born June 1; PIE ends on July 1.

- C. Extensions for Illness/Accident** – Chief Human Resources Officers may grant an extension to Employees unable to enroll during their PIE due to illness or accident. The extension begins on the first day after the PIE ends. The extension ends 31 calendar days later. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms.

Extensions cannot be granted to Employees only because they failed to obtain information about their PIE. Employees must be eligible for coverage as described in Section 2302.A.

- D. Added Period of Initial Eligibility** – Under the following circumstances, there is an additional PIE. It begins as described below and ends 31 calendar days later. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Employees must remain eligible for coverage as described in Section 2302.A. or be eligible for and enroll in Supplemental Life Insurance (Section 2202.A.) during this added PIE.
- 1. Faculty** – Newly appointed Faculty members may have an additional PIE if they do not enroll during their first PIE.

The second PIE begins on the first day of classes (see campus calendar for class schedule) for the quarter/semester in which the appointment starts or the first day of arrival at the campus, whichever occurs first.

2. **Nonimmigrant Aliens** are treated as any other Employee.
3. **Leave without Pay** – Employees who do not continue coverage during approved leave without pay have a new PIE beginning with the date of return to Pay Status in an eligible position.

The plan reenrollment depends on the length of the approved leave, and there may be no charge for the first full or partial month's coverage (See Section 2307).

- a. **Leave is Less than 120 Days** – Enrollment is limited to the specific plan in effect when the leave started.
  - b. **Leave is 120 Days or More** – Employees are treated as newly eligible Employees.
4. **Furlough/Temporary Layoff** – Employees who do not continue coverage during a furlough or temporary layoff have a PIE beginning on the date of rehire in an eligible position.

The plan reenrollment depends on the length of the furlough or layoff.

- a. **Furlough/Layoff is Less than 120 Days** – Enrollment is limited to the specific plan in effect at the time of furlough or layoff.
  - b. **Furlough/Layoff is 120 Days or More** – Employees are treated as newly eligible Employees.
5. **Rehire** – Employees who are rehired have a new PIE beginning on the date of rehire in an eligible position.

The plan enrollment depends on the length of the Break in Service.

- a. **Rehire Occurs Less than 120 Days** – Enrollment is limited to the specific plan in effect at the time of termination.
  - b. **Rehire Occurs 120 Days or More** – Employees are treated as newly eligible Employees.
6. **Involuntary Loss of Coverage (ILOC)** – In the following situation, there is a new PIE:

- the Employee and/or Family Member(s) are enrolled in a UC group life insurance plan; and

- the Employee and/or Family Member(s) lose the other UC group life insurance coverage involuntarily for reasons such as termination of employment, loss of eligibility, death, or divorce.

The PIE begins on the date the other UC group life insurance coverage ends.

See Administrative Supplement No. 10, "Periods of Initial Eligibility" regarding PIEs for related UC Employees.

There is no PIE if the Family Member or Employee cancels the other UC group life insurance plan.

NOTE: Only involuntary loss of UC Employee-paid Supplemental Life Insurance coverage will create a PIE. Involuntary loss of Basic or Core Life Insurance or loss of non-UC life insurance will not create a PIE to enroll in dependent life insurance.

7. **Return after Period of Insufficient Earnings** – If coverage lapsed due to insufficient earnings and there has been no Break in Service, the Employee has a new PIE beginning with the date of return to Pay Status of sufficient earnings in an eligible position.

The plan enrollment depends on the length of the insufficient earnings period.

- a. **Less than 120 Days** – Enrollment is limited to the specific plan in effect when coverage lapsed.
- b. **120 Days or More** – Employees are treated as newly eligible Employees.

8. **Return to 17.5 Hours Average Regular Paid Time Per Week Following a Period of Insufficient Average Regular Paid Time** – Does not apply.

9. **Move Out of/Return to Plan Service Area** – Does not apply.

10. **Acquisition of Eligible Family Member**– Upon the acquisition of a newly eligible Family Member, an eligible Employee has a PIE beginning with the date a spouse or the first child meets the eligibility requirements described in Part I, Section 3.C.

The plan enrollment depends on the Family Member who is eligible and whether the Employee has already enrolled in a dependent life plan.

**Marriage/Newly Acquired Domestic Partner** – Employees who are not enrolled: When the spouse/domestic partner is the first eligible Family Member, Employees may select the Basic Dependent Life

Insurance plan or the Expanded Dependent Life Insurance plan applicable to the number of eligible Family Members acquired on the date of the marriage/domestic partnership. If the spouse/domestic partner is not the first eligible Family Member, Employees may select the Expanded Dependent Life Insurance plan for spouse/domestic partner only. If the spouse/domestic partner is not enrolled during the PIE, a Statement of Health may be required by the carrier in order to enroll the spouse/domestic partner at a later date.

Employees who are enrolled in the Expanded Dependent Life Insurance plan covering child(ren) only may transfer to the plan covering spouse/domestic partner and child(ren).

Employees who are enrolled in the Basic Dependent Life Insurance plan do not have a PIE since additional eligible Family Members are automatically covered.

**Acquisition of First Eligible Child** – Upon acquisition of a newly eligible Family member, an eligible employee may have a PIE as described below. The PIE begins with the date the Family Member first meets the eligibility requirements described in Part I, Section 3.C.

Employees who are not enrolled: When the child is the first eligible Family Member, Employees may select the Basic Dependent Life Insurance plan or the Expanded Dependent Life Insurance plan for children only. If a spouse/domestic partner was eligible on an earlier date but was not enrolled, Employees may select the Expanded Dependent Life Insurance plan for children only. If the first eligible child is not enrolled during the PIE, the Employee must wait until a special Open Enrollment Period is announced by the Plan Administrator to enroll the child. No Statement of Health will be required to enroll the dependent child during the OEP.

Employees who are enrolled in the Expanded Dependent Life Insurance plan covering child(ren) only may transfer to the plan covering spouse/domestic partner and child(ren).

Employees who are enrolled in the Basic Dependent Life Insurance plan do not have a PIE since additional eligible Family Members are automatically covered.

If the first eligible child is a legally adopted child not enrolled during the PIE beginning with the date physical custody starts or the date the Employee or the Employee's spouse/domestic partner has the legal right to control the child's health care, there is a second PIE beginning the date the adoption is final.

11. **Loss of UC Coverage Due to Misuse of Plan** – There is no PIE if the Employee or Family Member is deenrolled due to Misuse of the plan.
12. **Appointment Change** – An Employee will have a PIE to enroll in coverage if the Employee's appointment changes from an ineligible position to a position eligible for coverage by satisfying the employment requirements described in Part I, Section 3.A. If there is a break in service before the appointment change, see "Rehire" under Section D.6 above. An Employee who was provided a PIE when they were appointed as a BELI 2 or BELI 3 and is reappointed as a BELI 1 (as described in Administrative Supplement No. 2), will have an added PIE to enroll in the Plan.

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## 2304. Enrollment/De-enrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

### A. **Enrollment**

1. **Enrolling** - Eligible Employees may apply for dependent life insurance:
  - a. During a **Period of Initial Eligibility** as described in Section 2303. Once the enrollment transaction is processed (see Definitions) by the local Accounting Office, changes to increase coverage cannot be made:
    - until there is a new PIE (Section 2303.D.) or there is an Open Enrollment Period (b. below); or
    - a Statement of Health is approved (c. below.)
  - b. During a special **Open Enrollment Period** (OEP) announced by the Plan Administrator. An OEP may allow Employees to enroll for the first time or transfer to higher level of coverage. OEPs for dependent life insurance plans are not held annually. A Statement of Health will not be required to enroll a dependent child(ren) during the OEP.
  - c. At any time with a **Statement of Health**. The Employee must provide the information required by the carrier. The application must include all eligible Family Members. The carrier may approve or deny the Statement of Health. (Also, see Administrative Supplement No. 10, "Movement Between Dependent Life Programs.")

**2. Reducing Coverage**

Once enrolled in Expanded Dependent Life Insurance, an Employee may transfer to Basic Dependent Life Insurance at any time.

**3. Enrollment in Duplicate University-Sponsored Coverage is not allowed.**

- a. If both husband and wife/domestic partner are eligible to enroll in dependent life insurance:
  - each may enroll in Supplemental Life Insurance separately, or
  - one may enroll in Supplemental Life Insurance and cover the other as a Family Member under one of the dependent life insurance plans,
  - if they enroll separately, neither may cover the other as a Family Member under dependent life insurance, and
  - their eligible children may be covered on one parent's plan, but not on both parents' plans.
- b. Children who are eligible to be covered as Family Members under a dependent life plan and who also are eligible Employees may:
  - enroll in Supplemental Life Insurance separately, or
  - be covered on one parent's dependent life insurance plan as a Family Member, but not on both parents' plans.
- c. Where duplicate coverage has occurred, benefits will be paid under the plan with the earliest effective date.

(Also, see Administrative Supplement No. 10, "Family Eligibility Requirements for Life Insurance").

**B. Deenrollment**

An Employee may deenroll at any time. An Employee who deenrolls from coverage may reenroll only during a new PIE or at other times as described in Section 2304.A.

**1. Ineligibility**

- a. Ineligible individuals must be deenrolled.
- b. The University reserves the right to permanently deenroll ineligible individuals.

c. Ineligible individuals include but are not limited to:

- those with duplicate University coverage as described in 2304.A.3. above,
- an ineligible Employee and any enrolled Family Members,
- an ineligible Family Member,
- Employees who have been on leave with pay for more than two years. These individuals must cancel coverage effective the first day of the 25<sup>th</sup> month of the leave.

d. The Plan Administrator will work with the University campus or lab location and the carrier to recover any plan benefits provided due to enrollment of ineligible individuals.

## **2. Misuse of the Plan**

- a. The University reserves the right to disenroll Employees for 12 months based on Misuse of the plan.
- b. Misuse of the plan is defined in the Definitions and Abbreviations section (Part I, Section 2) and includes intentionally enrolling individuals who are ineligible.

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## **2305. Effective Date**

Coverage begins on the date listed below, provided the Employee is on Pay Status as an eligible Employee. Coverage cannot begin before the first day of eligibility for the plans. Coverage for the first eligible Family Member cannot begin unless the appropriate enrollment transactions are processed during the PIE (see Definitions). The effective date of any coverage is subject to the exceptions in E. below.

Once the Employee has enrolled in the Basic Dependent Life Insurance plan or the Expanded Dependent Life Insurance plan with coverage for spouse/ domestic partner and child(ren), new Family Members are covered automatically on the date they become eligible as described in Section 2302. B.

- A. During a **Period of Initial Eligibility** – If the appropriate enrollment transaction is processed during the PIE, coverage is effective the date the PIE began.

A form to cancel coverage is effective the last day of the pay period in which the local Benefits or Accounting Office receives it.



- B. During an Open Enrollment Period** – The date announced by the plan Administrator. In this case the requirement that the Employee must be on Pay Status does not apply.
- C. With a Statement of Health** – Provided the carrier approves the application, if the appropriate enrollment transaction is processed within 31 days of the carrier's approval of the Statement of Health, coverage is effective the date of the approval. The carrier is under no obligation to accept enrollments processed more than 31 days after approval of the Statement of Health.
- D. Deferred Effective Date** – Employees may defer the normal effective date of coverage for up to six months. Application must be made during the PIE or an OEP, or with an approved Statement of Health. A written request specifying the deferred effective date must be submitted. A request for a deferred effective date may not be revoked.
- E. Exceptions** – If any of the exceptions below applies, the effective date of coverage for all the Employee's Family Members is deferred as noted.
- 1. Leave for Health Reasons** – New or increased coverage for an Employee on paid or unpaid leave for health reasons on the normal effective date begins on the day following the first full day actively-at-work, based on the Employee's normally scheduled work day. Paid leave includes, but is not limited to, sick pay, vacation pay, salary continuance, etc.  
  
This rule also applies to newly hired Employees who have not yet reported to work for health reasons.
  - 2. Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage is deferred until the Employee is placed on normal Pay Status for that appointment.
  - 3. Hospitalized Family Members** – The Employee's newborn, natural or adopted, is covered at birth, provided the Employee is enrolled in a plan covering children and the child's coverage effective date is not earlier than the Employee's coverage effective date. New or increased coverage for any other Family Member who is hospitalized on the normal effective date begins on the day after the Family Member is discharged from the hospital.

If an Employee is hospitalized on the normal effective date, coverage for the Employee and all Family Members will begin the day after the Employee is discharged from the hospital.

## 2306. University Contribution

There is no University contribution.

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## 2307. Premiums

- A. **Payment** – Premiums are paid in advance by payroll deduction. There is no charge for the first full or partial month's coverage as a result of an Employee's PIE or the first partial month's premium difference when there is a transfer from Basic Dependent Life Insurance to Expanded Dependent Life Insurance coverage. There is no charge for the first full or partial month's premium when an Employee reenrolls during an added PIE (Section 2303.D.3., 4., 5., 6., or 7.) provided there has been a lapse in coverage of more than one month.

Premiums will not be refunded retroactively if the Employee should have filed a form to cancel or change coverage.

When the plan is cancelled or there is a change in coverage, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.

- B. **Rate Changes** are made when the contract is renewed, when required by contract amendments or when the Employee makes changes in coverage. Individual premiums also are adjusted each January 1. (Section 2312.).
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## 2308. Actions Which Affect Coverage

The following situations will result in a loss or termination of coverage as described in Section 2310, if an Employee does not continue group coverage as provided below and Section 2311. Different rules may apply to specified groups. See Administrative Supplement No. 2.

- A. **Leave without Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.

1. **Approved Leave** – Basic Dependent Life Insurance or Expanded Dependent Life Insurance coverage may be continued during an approved leave of absence without pay for up to two years.

If the Employee does not have/continue Supplemental Life Insurance but is covered by Basic Life Insurance, Basic Dependent Life Insurance may be continued during the first four months of the leave.

**Dependent Life Insurance**  
**Section 2308**  
**Actions...Coverage**

The Employee must arrange continuation and direct payment of gross Dependent Life AND Supplemental Life Insurance premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee off Pay Status without an approved leave of absence may not make direct premium payments.

**Unapproved Leave** - An Employee who is not on Pay Status and does not have an approved leave of absence may not pay premiums directly to the local Benefits or Payroll Office to continue coverage. A strike is considered to be a type of unapproved Leave. Coverage is terminated as described in Section XX10.B. A Break in Service occurs after 4 consecutive months of unapproved Leave.

**2. While Receiving Short-Term Disability Insurance Benefits (Section 3000)** – See 1. above and B., E. and L. below, as applicable.

**3. Military Leave** - Basic Dependent Life Insurance or Expanded Dependent Life Insurance coverage may be continued during an approved military leave of up to six months. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee on Pay Status without an approved leave of absence may not make direct premium payments.

**B. Leave with Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.

**1. General** - Basic Dependent Life Insurance may be continued for up to two years as long as Basic Life Insurance or Supplemental Life Insurance continues and earnings are sufficient to cover required deductions.

Expanded Dependent Life Insurance coverage may be continued for up to two years as long as earnings are sufficient to cover required deductions for both Supplemental Life Insurance and Dependent Life Insurance, or as long as Senior Management Life Insurance continues and earnings are sufficient to cover required deductions for Dependent Life Insurance.

Employees who will continue on paid leave beyond two years must complete a cancellation form to be effective the first day of the 25<sup>th</sup> month of the leave.

**2. Sabbatical Leave/Qualified Leave for Professional Renewal** – See B.1. above.

- C. Furlough or Temporary Layoff** – Coverage may continue for up to four calendar months after the month the furlough or temporary layoff begins as follows:

Basic Dependent Life Insurance coverage may continue if the Employee continues Supplemental Life Insurance or has Basic Life Insurance.

Expanded Dependent Life Insurance coverage may continue if the Employee continues Supplemental Life Insurance.

The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the furlough or layoff period. Payment must be made in advance of each premium month.

- D. Indefinite Layoff** – Coverage may continue for up to four calendar months after the month the layoff begins as follows:

Basic Dependent Life Insurance coverage may continue if the Employee continues Supplemental Life Insurance or has Basic Life Insurance.

Expanded Dependent Life Insurance coverage may continue if the Employee continues Supplemental Life Insurance.

The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the layoff period. Payment must be made in advance of each premium month.

- E. Insufficient Earnings** – If premiums cannot be taken from pay for two consecutive months, coverage lapses retroactively to the first day of the first month for which a premium was missed. If coverage lapses due to insufficient earnings, Employees cannot reenroll in Dependent Life Insurance until they return to Pay Status as eligible Employees (Part I, Section 3.A).

- F. Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week** – Does not apply.

- G. Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 2302.A.1., the Employee may enroll as noted in Dependent Life Insurance.

- H. Transfer to an Ineligible Position** – Treated as termination of employment.

- I. Retirement** - Treated as termination of employment.

- J. Loss of Eligible Family Member Status** – The Employee may not continue to cover a Family Member who loses eligibility. Employees enrolled in the Basic Dependent Life Insurance plan must complete a form to cancel coverage when the last Family Member loses eligibility.

Employees enrolled in the Expanded Dependent Life Insurance plan must complete a form to cancel coverage or transfer to the child(ren)-only plan when the spouse/domestic partner loses eligibility. When the last Family Member loses eligibility, these Employees must complete a form to cancel coverage.

Family members may convert to an individual plan (Section 2311.) unless they are eligible as noted in 5. below.

The University will not refund premiums paid after the date the Employee should have filed a form to cancel or change coverage.

- 1. Divorce/Legal Separation/Annulment** – Eligibility stops at the end of the month in which the divorce/legal separation/annulment is final.
  - 2. Ineligible Adult Dependent Relative/Domestic Partner** – Adult Dependent Relatives are not eligible to be covered under Dependent Life Insurance. Eligibility of a domestic partner stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements described in Section 2302.B. and Part I, Section 3.C.
  - 3. Overage/Ineligible Child or Grandchild or Step-Grandchild** – Eligibility stops at the end of the month in which the child reaches age 26 (18 for a Legal Ward) or ceases to meet any one of the eligibility requirements (described in Section 2302. B. and Part I, Section 3.C.) This age provision does not apply to qualifying disabled children.
  - 4. Marriage of Eligible Child or Grandchild or Step-Grandchild or Declaration of Emancipation by a Minor Child** – Eligibility stops at the end of the month in which the child marries or a declaration of emancipation becomes effective.
  - 5. Family Member Becomes Eligible Employee** – Eligibility stops on the day the Family Member's enrollment in Supplemental Life Insurance is effective.
- K. Pending Disability Retirement** - from a University-sponsored defined benefit plan. See A.1., B., E. and L. as applicable.
- L. Termination of Employment** – Coverage ends on the last day of the last eligible pay period for which premiums are paid through the University, unless the Family Member converts to an individual plan (Section 2311.).

- M. Cancellation of Coverage/Salary Reduction Agreement** – Coverage ends on the last day of the pay period in which a form to cancel coverage or delete a Family Member is received in the local Benefits or Accounting Office.

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## 2309. Continued Group Coverage (COBRA)

Does not apply.

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## 2310. Termination of Coverage

- A. During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid, or
- the end of two years.

- B. All Other Circumstances** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the pay period the individual is eligible for coverage as a Family Member;
- (Basic Dependent Life Insurance plan): the day the Employee's Basic Life Insurance terminates, if the Employee is not enrolled in Supplemental Life Insurance (Section 2200.);
- (Basic Dependent Life Insurance plan): the day the Employee's Supplemental Life Insurance terminates\* if the Employee is not covered by Basic Life Insurance (Section 2100.);
- (Expanded Dependent Life Insurance plan): the day the Employee's Senior Management Life Insurance terminates, if the Employee is not enrolled in Supplemental Life Insurance (Section 2000.);
- (Expanded Dependent Life Insurance plan): the day the Employee's Supplemental Life Insurance terminates\* if the Employee is not covered by Senior Management Life Insurance (Section 2000.);
- the last day of the pay period in which a form to cancel coverage is received in the local Benefits or Accounting Office; or
- the day the group contract between the University and the carrier is terminated.

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

Employees may cancel dependent life insurance or reduce coverage at any time by filing a cancellation or change form.

- \* If Supplemental Life Insurance terminates due to the Employee's death, dependent group life insurance may be continued for up to six months after the death. The Family Member(s) must arrange direct payment of the premiums to the local Benefits or Accounting Office. These arrangements must be made at the beginning of the six-month period. Payment must be made in advance of each premium month.

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## 2311. Conversion

When coverage ends because of retirement, termination of employment, or other loss of eligibility, it may be converted to an individual plan offered by the carrier.

However, conversion is not available if Dependent Life Insurance coverage is lost due to the Family Member's enrollment in Supplemental Life Insurance Section (2308.1.4.).

The Family Member(s) must apply for conversion of coverage. A medical exam is not required. The carrier must receive the conversion application and the required premium within 31 days of the date the group coverage ends.

(Also, see Administrative Supplement No. 10, "Movement Between Dependent Life Programs".)

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## 2312. Coverage

- A. The **amount** of Expanded Dependent Life Insurance coverage for a spouse/domestic partner is based on the greater of the Employee's Senior Management Life Insurance amount or Supplemental Life Insurance amount. In no event will the amount of Expanded Dependent Life Insurance coverage for a spouse/domestic partner exceed the plan maximum benefit.

The Expanded Dependent Life Insurance coverage for children and the Basic Dependent Life Insurance coverage for spouse/domestic partner and children is a flat amount.

- B. **Adjustments** to Expanded Dependent Life Insurance coverage for a spouse/domestic partner are automatic when there is a change in the amount of Supplemental Life Insurance or, if applicable, the Senior Management Life Insurance in effect.

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## 2313. Beneficiaries

Except for spouse/domestic partner benefits under Expanded Dependent Life Insurance coverage, beneficiaries are not named. Payment is as follows:

- A. For death of the Employee's legal spouse/domestic partner, to the person(s) in the first of the following categories with a survivor:

Expanded Coverage

1. the beneficiary named by the Employee;
2. the Employee;
3. the spouse's natural or adopted children or children for whom the spouse is legal guardian (in equal shares);
4. spouse's parents (in equal shares);
5. the spouse's brothers and sisters (in equal shares) or;
6. the estate.

Basic Coverage

1. not applicable;
2. same as expanded;
3. same as expanded;
4. same as expanded;
5. same as expanded;
6. same as expanded.

- B. For death of the Employee's eligible child, to the first of the following categories with a survivor:

Expanded or Basic Coverage

1. the Employee;
2. the child's parent;
3. the child's brothers and sisters (in equal shares);
4. the child's estate.

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## 2314. Assignment

Does not apply.



# 2400. ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE (AD&D)

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## 2401. Definition

University-sponsored Accidental Death & Dismemberment Insurance (AD&D) provides group term accident insurance for eligible Employees and their eligible Family Members. (See Part III for Retiree eligibility.)

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## 2402. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months or more, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12 month period, or
- 100% time for 3 months or more, or
- a person appointed at least 50% time with the notation: “ending date for funding purposes only; intent of employment is indefinite (for more than one year)”, or
- a person appointed at least 43.75% time.

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Employees participating in the Phased Retirement Program are eligible.

2. **Continuing Requirements** – does not apply
3. **Special Categories** – does not apply.
4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

- B. Family Members** – The Family Member eligibility requirements are set forth in Part I, Section 3.C of these Regulations.

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## 2403. Period of Initial Eligibility (PIE)

Does not apply. Employees may enroll or change coverage at any time.

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## 2404. Enrollment/De-enrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

### A. Enrollment

1. **Enrolling** – Eligible Employees may enroll themselves and eligible Family Members in AD&D at any time.
2. **Enrollment in Duplicate University-Sponsored Coverage** is not allowed.
  - a. If both husband and wife or domestic partner are eligible to enroll in AD&D as either an Employee or a Retiree:
    - Each may enroll separately, or
    - One may enroll and cover the other as a Family Member.  
If they enroll separately,
      - Neither may cover the other as a Family Member, and
      - Their eligible Family Members may be covered on one plan, but not on both.
  - b. Children who are eligible to be covered as Family Members and who also are eligible Employees may:
    - enroll separately, or
    - be covered on one parent's plan as a Family Member, but not on both parents' plans.
  - c. Individuals eligible in more than one category (e.g., as an Employee and as a Retiree, as an Employee's Family Member and as a Retiree's Family Member) may be covered as one or the other, but not both.

An Employees with two or more appointments, one of which is a student appointment in an ineligible category and one or more of which is an eligible category (as specified in Part I, Section 1.A ), is not restricted from enrollment by virtue of their ineligible position, as long as the eligible appointment(s) qualify the Employee for benefits through meeting the requirements specified in Part I.

- d. Where duplicate coverage occurred, benefits will be paid under the plan with the earlier effective date.

## **B. Deenrollment**

### **1. Ineligibility**

- a. Ineligible individuals must be deenrolled.
- b. The University reserves the right to permanently deenroll ineligible individuals.
- c. Ineligible individuals include but are not limited to:
  - an individual with duplicate University coverage both as an Employee or a Retiree and as a Family Member (may only have one or the other),
  - an ineligible Employee and any enrolled Family Members,
  - an ineligible Family Member,
  - Employees who have been on leave with pay for more than two years. These individuals must cancel coverage effective the first day of the 25<sup>th</sup> month of the leave.
- d. The Plan Administrator will work with the University campus or lab location and the carrier to recover any plan benefits provided due to enrollment of ineligible individuals.

### **2. Misuse of the Plan**

- a. The University reserves the right to deenroll individuals who misuse the plan.
- b. Misuse of the plan is defined in the Definitions and Abbreviations section (Part I, Section 2) and includes intentionally enrolling individuals who are ineligible.

c. In case of Misuse of the plan, individuals will be disenrolled as follows:

- Family Members who misuse the plan, including those who are ineligible but intentionally enrolled, will be permanently disenrolled. The Employee and any eligible Family Members will be disenrolled for 12 months.
- Employees who misuse the plan, plus any enrolled Family Members, will be disenrolled for 12 months.

The Plan Administrator, will work with the University campus or lab location and the carrier to recover any plan benefits provided due to enrollment of ineligible individuals.

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## 2405. Effective Date

Coverage begins on the date the appropriate enrollment transaction is processed or the first day of eligibility, whichever is later, provided the Employee is on Pay Status as an eligible Employee. Coverage cannot begin before the first day of eligibility for the plan. Coverage for an eligible Employee and/or for the first eligible Family Member cannot begin unless the appropriate enrollment transaction is processed.

Once the Employee is enrolled in the family plan, new Family Members are covered automatically on the date they become eligible as described in Section 2402. B. If the Employee is enrolled in the modified plan, newly eligible children are covered on the date they become eligible; the Employee must transfer to the family plan to cover a spouse or domestic partner. The effective date of any coverage is subject to the exceptions in E. below.

A. **Period of Initial Eligibility** – Does not apply.

B. **Open Enrollment Period** – Does not apply.

C. **Statement of Health** – Does not apply.

D. **Deferred Effective Date** – Does not apply.

E. **Exceptions** – If any of the exceptions below applies, the effective date of coverage for the Employee and all Family Members is deferred as noted.

1. **Leave for Health Reasons** – New or increased coverage for an Employee on paid or unpaid leave for health reasons on the normal effective date begins on the day following the first full day actively-at-work, based on the Employee's normally scheduled work day. Paid leave includes, but is not limited to, sick pay, vacation pay, salary continuance, etc.

This rule also applies to newly hired Employees who have not yet reported to work for health reasons.

2. **Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage is deferred until the Employee is placed on normal Pay Status for that appointment.
3. **Hospitalized Family Members** – The Employee's newborn, natural child is covered from the date of birth, provided the Employee is enrolled in a plan covering children and the child's coverage effective date is not earlier than the Employee's coverage effective date. New or increased coverage for any other Family Member who is hospitalized on the normal effective date begins on the day after the Family Member is discharged from the hospital.

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## 2406. University Contribution

There is no University contribution.

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## 2407. Premiums

- A. **Payment** – Premiums are paid in advance by payroll deduction. There is no charge for the first full or partial month's coverage or the first partial month's premium difference when an Employee increases coverage. There is no charge for the first full or partial month's premium when an Employee reenrolls provided there has been a lapse in coverage of more than one month.

Premiums will not be refunded retroactively if the Employee should have filed a form to cancel or reduce coverage.

When the plan is cancelled or coverage is changed, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.

- B. **Rate Changes** are made when the contract is renewed, when required by contract amendments or when the Employee makes changes in coverage.

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## 2408. Actions Which Affect Coverage

The following situations will result in a loss or termination of coverage as described in Section 2410, if an Employee does not continue group coverage as provided below and in Section 2411. Different rules may apply to specified groups. See Administrative Supplement No. 2.

- A. Leave without Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.
1. **Approved Leave** – Coverage may be continued during an approved leave of absence without pay of up to two years. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee off Pay Status without an approved leave of absence may not make direct premium payments.  
  
**Unapproved Leave** - An Employee who is not on Pay Status and does not have an approved leave of absence may not pay premiums directly to the local Benefits or Payroll Office to continue coverage. A strike is considered to be a type of unapproved Leave. Coverage is terminated as described in Section 2410.B. A Break in Service occurs after 4 consecutive months of unapproved Leave.
  2. **While Receiving Short-Term Disability Insurance Benefits (Section 3000)** – See 1. above and B., E. and L. below, as applicable.
  3. **Military Leave** – Coverage may be continued during an approved military leave of up to 31 days.
- B. Leave with Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.
1. **General** – Coverage may be continued for up to two years as long as earnings are sufficient to cover required deductions.  
  
Employees who will continue on paid leave beyond two years must complete a cancellation form to be effective the first day of the 25<sup>th</sup> month of the leave.
  2. **Sabbatical/Qualified Leave for Professional Renewal** – See A.1.and B.1. above.
- C. Furlough or Temporary Layoff** – Coverage may continue for up to four calendar months after the month the furlough or temporary layoff begins. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the furlough or layoff period. Payment must be made in advance of each premium month.
- D. Indefinite Layoff** – Coverage may continue for up to four calendar months after the month the layoff begins. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office.

These arrangements must be made at the beginning of the layoff period. Payment must be made in advance of each premium month.

- E. **Insufficient Earnings** – If premiums cannot be taken from pay for two consecutive months, coverage lapses retroactively to the end of the last pay period for which premiums were paid.
- F. **Insufficient Average Regular Paid Time** – Does not apply.
- G. **Break in Service of 120 Days or More** – does not apply.
- H. **Transfer to an Ineligible Position** – treated as termination of employment.
- I. **Retirement** is treated as termination of employment.
- J. **Loss of Eligible Family Member Status** – The Employee may not continue to cover a Family Member who loses eligibility. When the spouse or domestic partner loses eligibility, the Employee must complete a form to cancel AD&D or transfer to a modified plan to cover only eligible children. When the last Family Member loses eligibility, the Employee must complete a form to cancel AD&D or transfer to the Employee-only plan. The Family Member may apply for conversion (Section 2411.).  
  
Family member eligibility stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements described in Section 2402.B. and Part I, Section 3.C:
  - 1. **Divorce/Legal Separation/Annulment** – Eligibility stops at the end of the month in which the divorce/legal separation/annulment is final.
  - 2. **Ineligible Domestic Partner** – Eligibility stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements described in Section 2402.B. and Part I, Section 3.C.
  - 3. **Overage/Ineligible Child or Grandchild or Step Grandchild** – Eligibility stops at the end of the month in which the child reaches age 26 (18 for a Legal Ward), or ceases to meet any one of the eligibility requirements described in Section 2402. B. and Part I, Section 3.C. This age provision does not apply to qualifying disabled children.
  - 4. **Marriage of Eligible Child or Grandchild or Step Grandchild or Declaration of Emancipation by a Minor Child** – Eligibility stops at the end of the month in which the child marries or a declaration of emancipation becomes effective.
- K. **Pending Disability Retirement** - from a University-sponsored defined benefit plan. See A. 1., B., E. and L. as applicable.

- L. **Termination of Employment** – Coverage ends on the last day of the last eligible pay period for which premiums are paid through the University, unless the Employee or Family Member converts to an individual plan (Section 2411.).
- M. **Cancellation of Coverage/Salary Reduction Agreement** – Coverage ends on the last day of the pay period in which a form to cancel coverage or delete a Family Member is received in the local Benefits or Accounting Office.

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## 2409. Continued Group Coverage (COBRA)

Does not apply.

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## 2410. Termination of Coverage

- A. **During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:
- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid; or
  - the end of two years.
- B. **All Other Circumstances** – Coverage ends on the earliest of the following dates:
- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
  - the last day of the pay period in which the individual is eligible for coverage as a Family Member;
  - the last day of the pay period in which a form to cancel coverage or delete a Family Member is received in the local Benefits or Accounting Office; or
  - the day the group contract between the University and the carrier is terminated.

Under certain circumstances, coverage may be continued as a Retiree (see Section 2411.).

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

Employees may cancel AD&D or delete Family Members from the plan at any time by submitting a cancellation or change form.



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## 2411. Conversion

When coverage ends because of retirement, termination of employment, or other loss of eligibility, it may be converted to an individual plan offered by the carrier. The Employee or Family Members must apply for conversion. A medical examination is not required. The carrier must receive the conversion application and the required premium within 31 days of the date the group coverage ends. Conversion is not guaranteed.

A separate group AD&D plan is available to University Retirees and their spouses or domestic partners instead of a conversion policy. Retirees electing this coverage pay AD&D premiums directly to the carrier annually. This separate group plan is not available to children of Retirees.

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## 2412. Coverage

Coverage is a flat dollar amount selected by the Employee.

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## 2413. Beneficiaries

Employees may name beneficiaries at any time online ([AtYourService.ucop.edu](http://AtYourService.ucop.edu)) or by completing the proper University form. If no beneficiary is named, benefits are payable to the person(s) in the first of the following categories with a survivor – the Employee's:

- A. legal spouse or eligible domestic partner\*;
- B. natural or adopted children or children for whom the Employee is legal guardian (in equal shares);
- C. parents (in equal shares)
- D. brothers and sisters (in equal shares); or
- E. estate.

The Employee automatically is the beneficiary if living at the time of a covered Family Member's death but may name someone other than him/herself by completing the proper University form. If the Employee is not living and coverage is still in effect when the Family Member dies, payment is made to the named beneficiary or as follows if no beneficiary is named:

1. For death of the Employee's legal spouse or eligible domestic partner\*, to the spouse's or eligible domestic partner's\* executors or administrators.

**2.** For death of the Employee's eligible child to the first of the following categories with a survivor – the child's:

- a.** parent;
- b.** brothers and sisters (in equal shares); or
- c.** executors or administrators.

\* For the sole purpose of Section 2413 of AD&D, an "eligible domestic partner" is defined as in Article 2.18 of the UCRS Plan Document, however without any requirement for a specified duration of the partnership prior to eligibility.

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## 2414. Assignment

At any time, Employees may assign their rights in AD&D to another person or trustee. Assignments are limited to gift assignments and, once made, are irrevocable.

# 3000. SHORT-TERM DISABILITY INSURANCE

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## 3001. Definition

University-sponsored and University-paid Short-Term Disability Insurance provides partial replacement of eligible University earnings lost due to disability not connected with employment.

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## 3002. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months or more, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12-month period, or
- A person appointed at least 50% time with the following notation: “Ending date for funding purposes only; intent of employment is indefinite (for more than one year).”

Membership in a defined benefit plan to which the University contributes is a requirement for participation in the Short-Term Disability Plan.

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Employees participating in the Phased Retirement Program are eligible provided they meet the continuing requirements in 2. below.

2. **Continuing Requirements** – To remain eligible, an Employee must maintain an average regular paid time of at least 17.5 hours per week and maintain an appointment in an eligible category.

Appointment types listed in 3002.A.4 will not be considered in determining continuing benefits eligibility.

Employees who do not meet the continuing requirements will not be covered.

3. **Special Categories** – Does not apply.

4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

B. **Family Members** are not covered.

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### 3003. Period of Initial Eligibility (PIE)

Does not apply. Short-Term Disability Insurance begins automatically the day the Employee becomes eligible, unless one of the exceptions in Section 3005.E. applies.

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### 3004. Enrollment/ De-Enrollment

Clerical error, by itself, will not be the basis for including or excluding Individuals.

A. **Enrollment**

Enrollment is automatic.

B. **Deenrollment**

1. **Ineligibility**

- a. Ineligible individuals must be deenrolled.
- b. The University reserves the right to permanently deenroll ineligible individuals.
- c. Ineligible individuals include but are not limited to:
  - an ineligible Employee
  - Employees who have been on leave with pay for more than two years. These individuals must cancel coverage effective the first day of the 25<sup>th</sup> month of the leave.
- d. The Plan Administrator will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.

2. **Misuse of the Plan**

- a. The University reserves the right to deenroll Employees for 12 months based on Misuse of the plan.
- b. Misuse of the plan is defined in the Definitions and Abbreviations section (Part I, Section 2).

- c. The Plan Administrator will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.

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## 3005. Effective Date

Coverage begins on the first day on Pay Status as an eligible Employee (Section 3002.A.), or the first full day actively-at-work, whichever is later. Coverage cannot begin before the first day of eligibility for the plan.

The effective date of coverage is subject to the exceptions in E. below.

- A. During a **Period of Initial Eligibility** – Does not apply.
- B. During an **Open Enrollment Period** – Does not apply.
- C. With a **Statement of Health** – Does not apply.
- D. **Deferred Effective Date** – Does not apply.
- E. **Exceptions** – If either of the exceptions in 1. and 2. below applies, the effective date of coverage is deferred as noted.
  - 1. **Leave for Health Reasons** – New or increased coverage for an Employee on paid or unpaid leave for health reasons on the normal effective date begins on the day following the first full day actively-at-work, based on the Employee's normally scheduled work day. Paid leave includes, but is not limited to, sick pay, vacation pay, salary continuance, etc.  
  
This rule also applies to newly hired Employees who have not yet reported to work for health reasons.
  - 2. **Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage is deferred until the day following the first full day actively-at-work, based on the Employee's normally scheduled work day for that appointment.
  - 3. **Hospitalized Family Members** – Does not apply.

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## 3006. University Contribution

The University pays the cost of the plan if the Employee is on eligible Pay Status.

## 3007. Premiums

- A. **Payment** – Premiums are paid in arrears by the University each pay period.

There is no charge for the first full or partial month's coverage. There is no charge for the first full or partial month's premium when an Employee is reenrolled provided there has been a lapse in coverage of more than one month.

Premiums are paid for a full pay period, even if coverage stops before the end of the period.

When coverage terminates, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.

- B. **Rate Changes** are made when the contract is renewed or when required by contract amendments.

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## 3008. Actions Which Affect Coverage

The effective date of automatic coverage is subject to the exceptions in Section 3005. E.

A. **Leave without Pay**

1. **General** – Coverage ends on the last day actively-at-work before the leave begins. Coverage for those returning from leave for non-health reasons automatically resumes on the first day of return to Pay Status in an eligible position. The effective date of coverage for those returning from leave for health reasons is the day following the first full day actively-at-work based on the Employee's normally scheduled work day before the disability began.
2. **While Receiving Short-Term Disability Insurance Benefits (Section 3000)** – See 1. above and B., E. and L. below, as applicable (does not affect benefits payable for a disability incurred on or before the last day actively-at-work).
3. **Military Leave** – see A.1. above or B.1. below, as applicable.

B. **Leave with Pay**

1. **General** – Coverage continues for up to two years during an approved leave for non-health reasons as long as the Employee's average regular paid time is at least 17.5 hours per week and the

Employee has any earnings covered by a University-sponsored defined benefit plan.

2. **Sabbatical Leave/Qualified Leave for Professional Renewal** – Coverage in effect at the beginning of the leave may be continued for up to two years. (See Section A.1. for the effect of a Leave without Pay.) Continuation of Short-Term Disability Insurance coverage requires that earnings be covered by a University-sponsored defined benefit plan.

**C. Furlough or Temporary Layoff**

1. **Furlough** – Coverage continues for up to four calendar months after the month the furlough begins.
2. **Temporary Layoff** – Temporary Layoff is treated as termination of employment.

**D. Indefinite Layoff** is treated as termination of employment.

**E. Insufficient Earnings** – Short-Term Disability Insurance coverage ends on the last day actively-at-work before a pay period without earnings covered by a University-sponsored defined benefit plan. Short-Term Disability Insurance coverage resumes on the first day of return to Pay Status as an eligible Employee (Part I, Section 3.A) in a pay period with earnings covered by a University-sponsored defined benefit plan.

**F. Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week** – After two consecutive months of average regular paid time less than 17.5 hours per week, the individual must be disenrolled from coverage effective the first of the following month. If disenrolled due to insufficient average regular paid time, individuals cannot be reenrolled until they return to sufficient average regular paid time (17.5 hours) in an eligible position (Part I, Section 3.A).

**G. Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 3002.A.1., the Employee is automatically enrolled in Short-Term Disability Insurance coverage.

**H. Transfer to an Ineligible Position** – treated as termination of employment.

**I. Retirement** is treated as termination of employment.

**J. Loss of Eligible Family Member Status** – Does not apply.

**K. Pending Disability Retirement** - from a University-sponsored defined benefit plan. See A.1., B., E. and L. as applicable.

- L. **Termination of Employment** – Coverage ends on the last day actively-at-work before the termination or retirement date.
- M. **Cancellation of Coverage/Salary Reduction Agreement** – does not apply.

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## 3009. Continued Group Coverage (COBRA)

Does not apply.

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## 3010. Termination of Coverage

- A. **During an Approved Leave with Pay** for Non-Health Reasons – Coverage ends on the earliest of the following dates:
- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
  - the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time; or
  - the end of two years.

Sabbatical leaves or qualified leaves for professional renewal are exempt from any continuing eligibility requirements.

- B. **All Other Circumstances** – Coverage ends on the earliest of the following dates:
- the last day actively-at-work;
  - the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
  - the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time;
  - the day the group contract between the University and the carrier is terminated.

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

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## 3011. Conversion

There is no conversion option.



# 3100. SUPPLEMENTAL DISABILITY INSURANCE

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## 3101. Definition

University-sponsored and Employee-paid Supplemental Disability Insurance provides partial replacement of eligible University earnings lost due to disability. It supplements University-paid Short-Term Disability Insurance (Section 3000.). It supplements Workers' Compensation benefits only if the Employee's sick leave and any extended sick leave benefits are exhausted.

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## 3102. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months or more, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12-month period, or
- A person appointed at least 50% time with the following notation: "Ending date for funding purposes only; intent of employment is indefinite (for more than one year)."

Membership in a defined benefit plan to which the University contributes is a requirement for participation in the Supplemental Disability Plan.

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A "Ineligible Categories" will not be considered in determining initial benefits eligibility.

Employees participating in the Phased Retirement Program are eligible provided they meet the continuing requirements in 2. below.

2. **Continuing Requirements** – To remain eligible, Employees must maintain an average regular paid time of at least 17.5 hours per week and maintain an appointment in an eligible category.

Appointment types listed in Part I, Section 3.A "Ineligible Categories" will not be considered in determining continuing benefits eligibility.

- 3. **Special Categories** – Does not apply.
- 4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

B. **Family Members** are not covered.

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### 3103. Period of Initial Eligibility (PIE)

- A. **Definition** – The period of initial eligibility (PIE) allows enrollment in Supplemental Disability Insurance without proof of insurability when an Employee is first eligible and under other circumstances as described in D. below.
- B. **Length** – The PIE begins the day the Employee becomes eligible as described in Section 3102.

If an Employee's appointment is retroactive, the PIE begins on the date the department chair or hiring authority signs a written statement that the appointment was approved retroactively.

The PIE ends 31 calendar days from the date it begins. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Note that in determining the end of the 31-day period, the date the PIE starts should be counted as the first day. Example: Employee's hire date is March 1: PIE ends on March 31.

- C. **Extensions for Illness/Accident** – Chief Human Resource Officers may grant an extension to Employees unable to enroll during their PIE due to illness or accident. The extension begins on the first day after the PIE ends. The extension ends 31 calendar days later as described in B. above.

Extensions cannot be granted to Employees only because they failed to obtain information about their PIE. Employees must be eligible for coverage as described in Section 3102.A.

- D. **Added Period of Initial Eligibility** – Under the following circumstances, there is an additional PIE. It begins as described below and ends 31 calendar days later. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Employees must remain eligible for coverage as described in Section 3102.A.

1. **Faculty** – Newly appointed Faculty members may have an additional PIE if they do not enroll during their first PIE. The second PIE begins on the first day of classes (see campus calendar for class schedule) for the quarter/semester in which the appointment starts or the first day of arrival at the campus, whichever occurs first.
2. **Nonimmigrant Aliens** are treated as any other Employee.
3. **Leave without Pay** – Employees have a new PIE upon return to Pay Status in an eligible position after an approved leave. The plan reenrollment depends on the length of the approved leave and there may be no charge for the first full or partial month's coverage (See Section 3107).
  - a. **Leave is Less than 120 Days** – Enrollment is limited to the specific plan in effect when the leave started.
  - b. **Leave is 120 Days or More** – Employees are treated as newly eligible Employees.
4. **Furlough/Temporary Layoff** – Employees who do not continue coverage during a furlough or temporary layoff have a new PIE beginning on the date of rehire in an eligible position. The plan reenrollment depends on the length of the furlough or layoff.
  - a. **Furlough/Layoff is Less than 120 Days** – Enrollment is limited to the specific plan in effect at the time of furlough or layoff.
  - b. **Furlough/Layoff is 120 Days or More** – Employees are treated as newly eligible Employees.
5. **Rehire** – Employees who are rehired have a new PIE beginning on the date of rehire in an eligible position. The plan reenrollment depends on the length of the Break in Service.
  - a. **Rehire Occurs Less than 120 Days** – Enrollment is limited to the specific plan in effect at the time of termination.
  - b. **Rehire Occurs 120 Days or More** – Employees are treated as newly eligible Employees.
6. **Involuntary Loss of Coverage (ILOC)** – Does not apply.
7. **Return after Period of Insufficient Earnings** – If coverage lapsed due to insufficient earnings and there has been no Break in Service, the Employee has a new PIE beginning with the date of return to Pay Status of sufficient earnings in an eligible position. The plan reenrollment depends on the length of the insufficient earnings period.

- a. **Less than 120 Days** – Enrollment is limited to the specific plan in effect when coverage lapsed.
- b. **120 Days or More** – Employees are treated as newly eligible Employees.

**8. Return to 17.5 Hours Average Regular Paid Time Per Week Following a Period of Insufficient Average Regular Paid Time**

- a. **Change in Appointment** – If the appointment was changed to a position ineligible for benefits, thus requiring disenrollment from coverage, and the Employee is subsequently reappointed to an eligible position (Part I, Section 3.A), the Employee has a new PIE. It begins with the effective date of the new, eligible position.

The plan reenrollment depends on the length of the ineligible employment period.

- i) **Less than 120 Days** – Enrollment is limited to the specific plan in effect when coverage lapsed.
  - ii) **120 Days or More** – Employees are treated as newly eligible Employees.
- b. **No Change in Appointment** – If coverage lapsed due to insufficient average regular paid time without a change in appointment, there is a new PIE on return to sufficient average regular paid time in an eligible position.
  - i) **Less than 120 Days** – Enrollment is limited to the specific plan in effect when coverage lapsed.
  - ii) **120 Days or More** – Employees are treated as newly eligible Employees.

**9. Move Out of/Return to Plan Service Area** – Does not apply.

**10. Acquisition of Eligible Family Member** – Does not apply.

**11. Loss of UC Coverage Due to Misuse of Plan** - There is no PIE if the Employee is disenrolled due to Misuse of the plan.

**12. Appointment Change**– An Employee will have a PIE to enroll in coverage if the Employee's appointment changes from an ineligible position to a position eligible for coverage by satisfying the employment requirements described in Part I, Section 3.A.

If there is a break in service before the appointment change, see "Rehire" under Section D.6 above.

An Employee who was provided a PIE when they were appointed as a BELI 2 or BELI 3 and is reappointed as a BELI 1 (as described in Administrative Supplement No. 2), will have an added PIE to enroll in the Plan.

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## 3104. Enrollment/De-enrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

### A. Enrollment

1. **Enrolling** – Eligible Employees may apply for Supplemental Disability Insurance:
  - a. During a **Period of Initial Eligibility** as described in Section 3103. Once the enrollment transaction is processed (see Definitions), changes to increase coverage cannot be made:
    - until there is a new PIE (Section 3103. D.) or there is an Open Enrollment Period (b. below); or
    - a Statement of Health is approved (c. below).
  - b. During a special **Open Enrollment Period** (OEP) announced by the Plan Administrator. An OEP may allow Employees to enroll for the first time or reduce the waiting period. OEPs for Supplemental Disability Insurance are not held annually.
  - c. At any time with a **Statement of Health**. A Statement of Health also may be used to reduce the waiting period. The Employee must provide the information required by the carrier. The carrier may approve or deny the Statement of Health.

An Employee who is deenrolled due to Misuse of the plan is not eligible to reenroll by Statement of Health.

2. **Reducing Coverage**  
Once enrolled in Supplemental Disability Insurance coverage, an Employee may increase the waiting period at any time.
3. **Enrollment in Duplicate University-Sponsored Coverage** – Does not apply. Family members are not covered by Supplemental Disability Insurance.

**B. Deenrollment**

**1. Ineligibility**

- a. Ineligible individuals must be deenrolled.
- b. The University reserves the right to permanently deenroll ineligible individuals.
- c. Ineligible individuals include but are not limited to:
  - an ineligible Employee
  - Employees who have been on leave with pay for more than two years. These individuals must cancel coverage effective the first day of the 25<sup>th</sup> month of the leave.
- d. The Plan Administrator will work with the University campus or lab location and the carrier to recover any plan benefits provided due to enrollment of ineligible individuals.

**2. Misuse of the Plan**

- a. The University reserves the right to deenroll Employees for 12 months based on Misuse of the plan.
- b. Misuse of the plan is defined in the Definitions and Abbreviations section (Part I, Section 2).
- c. The Plan Administrator will work with the University campus or lab location and the carrier to recover any plan benefits provided due to enrollment of ineligible individuals.

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## 3105. Effective Date

Coverage begins on the date listed below, provided the Employee is on Pay Status as an eligible Employee. Coverage cannot begin before the first day of eligibility for the plan or before the first full day actively-at-work. Coverage cannot begin unless the appropriate enrollment transaction is processed during the PIE (See Definitions). The effective date of any coverage is subject to the exceptions in E. below.

Coverage in Supplemental Disability Insurance automatically includes coverage in Short-Term Disability Insurance (Section 3000.).

- A. During a Period of Initial Eligibility** – If the appropriate enrollment transaction is processed during the PIE, coverage is effective the date the PIE began or the first full day actively-at-work, whichever is later.

**Supplemental Disability Insurance  
Section 3106  
University Contribution**

A form to cancel coverage is effective the last day of the pay period in which the local Benefits or Accounting Office receives it.

- B. During an Open Enrollment Period** – The date announced by the Plan Administrator.
- C. With a Statement of Health** – Provided the carrier approves the application, if the appropriate enrollment transaction is processed within 31 days of the carrier's approval of the Statement of Health, coverage is effective the date of the approval. The carrier is under no obligation to accept enrollments processed more than 31 days after approval of the Statement of Health.
- D. Deferred Effective Date** – Employees may defer the normal effective date of coverage for up to six months. Application must be made during the PIE or an OEP, or with an approved Statement of Health. A written request specifying the deferred effective date must be submitted. A request for a deferred effective date may not be revoked.
- E. Exceptions** - If any of the exceptions below applies, the effective date of coverage is deferred as noted.
  - 1. Leave for Health Reasons** – New or increased coverage for an Employee on paid or unpaid leave for health reasons on the normal effective date begins on the day following the first full day actively-at-work, based on the Employee's normally scheduled work day. Paid leave includes, but is not limited to, sick pay, vacation pay, salary continuance, etc.  
  
This rule also applies to newly hired Employees who have not yet reported to work for health reasons.
  - 2. Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage is deferred until the day following the first full day actively-at-work, based on the Employee's normally scheduled work day for that appointment.
  - 3. Hospitalized Family Members** – Does not apply.

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## 3106. University Contribution

There is no University contribution.

## 3107. Premiums

- A. **Payment** – Premiums are paid in arrears by payroll deduction. There is no charge for the first full or partial month's coverage or the first partial month's premium difference when an Employee reduces the waiting period.

There is no charge for the first full or partial month's premium when an Employee enrolls during an added PIE (Section 3103 D. 3., 4., 5., 7., or 8.) provided there has been a lapse in coverage of more than one month. Premiums will not be refunded retroactively if the Employee should have filed a form to cancel or change coverage.

When the plan is cancelled or the waiting period is changed, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.

Premiums are based on the full-time salary rate; benefits are based on actual eligible earnings. Premiums are waived while an Employee receives benefits, but are payable during the waiting period if the Employee is on eligible Pay Status.

Premiums are paid for a full pay period, even if coverage stops before the end of the pay period.

- B. **Rate Changes** are made when the contract is renewed, when required by contract amendments or when the Employee makes changes in coverage. Individual premiums are also adjusted each January 1 based on the Employee's age and eligible salary rate on that date.

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## 3108. Actions Which Affect Coverage

A. **Leave without Pay**

1. **General** – Coverage ends on the last day actively-at-work before the leave begins.

If coverage lapses during a leave without pay, individuals cannot reenroll until they return to Pay Status as eligible Employees (Section 3102.A.)

The effective date of coverage for those returning from leave for health reasons will be the day following the first full day actively-at-work based on the Employee's normally scheduled work day before the disability began.



2. **While Receiving Short-Term Disability Insurance Benefits (Section 3000)** – See 1. above and B., E. and L. below, as applicable (does not affect benefits payable for a disability incurred on or before the last day actively-at-work.)

3. **Military Leave** – see A.1. above or B.1. below, as applicable.

**B. Leave with Pay**

1. **General** – Coverage may be continued for up to two years during an approved leave for non-health reasons as long as the Employee's average regular paid time is at least 17.5 hours per week. The Employee's earnings must be covered by a University-sponsored defined benefit plan and be sufficient to cover required deductions.

Employees who will continue on paid leave beyond two years must complete a cancellation form to be effective the first day of the 25<sup>th</sup> month of the leave.

2. **Sabbatical Leave** – Coverage in effect at the beginning of the leave may be continued for up to two years as long as the Employee's earnings are sufficient to cover required deductions. (See Section A.1. for the effect of a Leave without Pay.)

Employees who will continue on paid leave beyond two years must complete a cancellation form to be effective the first day of the 25<sup>th</sup> month of the leave.

3. **Qualified Leave for Professional Renewal** – Employees on paid (or unpaid) Qualified Leave for Professional Renewal whose average regular paid time falls below 17.5 hours per week may elect to continue coverage under a special rider for up to two years on a direct pay basis. Employees must elect this coverage and pay the premiums before the approved Qualified Leave begins.

**C. Furlough or Temporary Layoff**

1. **Furlough** – Coverage during furlough may continue for up to four months after the month the furlough begins. The Employee must arrange continuation and direct payment of premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the furlough period. Payment must be made in advance of each premium month.
2. **Temporary Layoff** – Temporary Layoff is treated as termination of employment.

- D. Indefinite Layoff** is treated as termination of employment.

- E. Insufficient Earnings** – If premiums cannot be taken from pay for two consecutive months, coverage lapses retroactively to the last day actively-at-work before the first missed premium.

If coverage lapses due to insufficient earnings, individuals cannot reenroll until they return to Pay Status as eligible Employees (Part I, Section 3.A). If these Employees do not reenroll they will only be covered by Short-Term Disability Insurance which will begin automatically on the first day of return to Pay Status in an eligible position, provided they are also actively at work (Part I, Section 3.A).

- F. Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week** – After two consecutive months of average regular paid time less than 17.5 hours per week, the individual must be disenrolled from coverage effective the first of the following month.

If disenrolled due to insufficient average regular paid time, individuals cannot reenroll until they return to sufficient average regular paid time (17.5 hours) in an eligible position (Part I, Section 3.A). If these Employees do not reenroll they will only be covered by Short-Term Disability Insurance which will begin automatically on the first day of return to Pay Status in an eligible position, provided they are also actively at work (Part I, Section 3.A).

The effective date of coverage for those whose insufficient average regular paid time is due to health reasons will be the day following the first full day actively-at-work based on the Employee's normally scheduled work day.

- G. Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 3102.A.1., the Employee may enroll in any level of Supplemental Disability Insurance coverage.
- H. Transfer to an Ineligible Position** – treated as termination of employment.
- I. Retirement** – is treated as termination of employment.
- J. Loss of Eligible Family Member Status** – Does not apply.
- K. Pending Disability Retirement** - from a University-sponsored defined benefit plan – See A.1., B., E. and L. as applicable
- L. Termination of Employment** – Coverage ends on the last day actively-at-work before the termination or retirement date. An Employee who will continue on Pay Status beyond the last day actively-at-work must complete a cancellation form to stop premium deductions.

- M. Cancellation of Coverage/Salary Reduction Agreement** – Coverage ends on the last day of the pay period in which a form to cancel coverage is received in the local Benefits or Accounting Office or the last day actively-at-work, whichever comes first.

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## 3109. Continued Group Coverage (COBRA)

Does not apply.

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## 3110. Termination of Coverage

**A. During an Approved Leave with Pay for Non-Health Reasons**

Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time; or
- the end of two years.

**B. All Other Circumstances** – Coverage ends on the earliest of the following dates:

- the last day actively-at-work;
- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;
- the last day of the second month following the month in which the Employee last meets the minimum required average regular paid time;
- the last day in Pay Status before a leave without pay or period of insufficient earnings;
- the last day of the month in which a form to cancel coverage is received in the local Benefits or Accounting Office; or
- the day the group contract between the University and the carrier is terminated.

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

Employees may terminate coverage or increase the waiting period at any time by submitting a cancellation or change form.

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## 3111. Conversion

There is no conversion option.

# 4000. LEGAL PLAN

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## 4001. Definition

The University-sponsored and Employee-paid group Legal Plan provides basic legal services for eligible Employees and their eligible Family Members. (See Part III for Retiree eligibility)

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## 4002. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months or more, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12-month period, or
- 100% time for 3 months or more, or
- a person appointed at least 50% time with the following notation: “Ending date for funding purposes only; intent of employment is indefinite (for more than one year), or
- a person appointed at least 43.75% time.

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Employees participating in the Phased Retirement Program are eligible.

2. **Continuing Requirements** – Does not apply, except as noted in Section 4008.
3. **Special Categories** – Does not apply.
4. **Ineligible Categories** – individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

- B. **Family Members** – The Family Member eligibility requirements are set forth in Part I, Section 3.C of these Regulations.

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## 4003. Period of Initial Eligibility (PIE)

- A. **Definition** – A period of initial eligibility (PIE) is a period during which an eligible Employee may enroll him/herself and/or Family Member in a Legal Plan as described in this Section (Section 4003).
- B. **Length** – The PIE begins the day the eligible Employee or the eligible Family Member becomes eligible as described in Section 4002 or on a later date as described in D. below.

If an Employee's appointment is retroactive, the PIE begins on the date the department chair or hiring authority signs a written statement that the appointment was approved retroactively.

The PIE ends 31 calendar days from the date it begins. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms.

- C. **Extensions for Illness/Accident** – Chief Human Resource Officers may grant an extension to Employees unable to enroll during their PIE due to illness or accident. The extension begins on the first day after the PIE ends. The extension ends 31 calendar days later as described in B. above. Extensions cannot be granted to Employees only because they failed to obtain information about their PIE. Employees must be eligible for coverage as described in Part I, Section 3.A.
- D. **Added Period of Initial Eligibility** – Under the following circumstances, there is an additional PIE. It begins as described below and ends as described in B. above. Employees must remain eligible for coverage as described in Section 4002.A.
1. **Faculty** – Newly appointed Faculty members may have an additional PIE if they do not enroll during their first PIE. The second PIE begins on the first day of classes (see campus calendar for class schedule) for the quarter/semester in which the appointment starts or the first day of arrival at the campus, whichever occurs first.
  2. The PIE begins the day the Family Member(s) arrive in the United States.
  3. **Leave without Pay** – Employees who do not continue coverage during an approved leave without pay have a new PIE beginning with the date of return to Pay Status in an eligible position.

The plan reenrollment depends on the length of the approved leave, and there may be no charge for the first full or partial month's coverage (See Section 4007).

- a. **Leave is Less than 120 Days** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when the leave started. However, Employees may add Family Members who became eligible during the leave without pay.
  - b. **Leave is 120 Days or More** – Employees are treated as newly eligible Employees.
4. **Furlough/Temporary Layoff** – Employees who do not continue coverage during a furlough or temporary layoff have a PIE beginning on the date of rehire in an eligible position.

The plan reenrollment depends on the length of the furlough or layoff.

- a. **Furlough/Layoff is Less than 120 Days** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) at the time of furlough or layoff. However, Employees may add Family Members who became eligible during the furlough or layoff period.
  - b. **Furlough/Layoff is 120 Days or More** – Employees are treated as newly eligible Employees.
5. **Layoff** – See Sections 4008.C and 4008.D.
6. **Rehire** – Employees who are rehired have a new PIE beginning on the date of rehire in an eligible position.

The plan reenrollment depends on the length of the Break in Service.

- a. **Rehire Occurs Less than 120 Days** – Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) at the time of termination. However, Employees may add Family Members who became eligible during the termination period.
  - b. **Rehire Occurs 120 Days or More** – Employees are treated as newly eligible Employees.
7. **Involuntary Loss of Coverage (ILOC)** – An Employee will have a new PIE in the followings situations.
- the Employee and/or Family Members are enrolled in another group or individual legal plan; and
  - the Employee and/or Family Members lose the other group or individual coverage involuntarily for reasons such as termination of employment, loss of eligibility, leave without pay, death, divorce, or cancellation of the group or individual contract.

The PIE begins on the date following the date the other group or individual coverage ends. Example: Other group or individual coverage ends on March 31; the PIE begins on April 1 and ends as described in B. An Employee going on an approved leave of absence is given a PIE to be covered under another Employee who is a spouse or domestic partner. The Employee remaining on active University Pay Status may enroll or add eligible Family Members who were covered by the lapsed plan.

The enrollment form must be accompanied by the appropriate form certifying loss of other group or individual coverage.

There is no PIE if the Family Member or Employee cancels the other group or individual plan.

8. **Coverage as a Family Member While on Leave** – An Employee going on an approved leave of absence is given a new PIE to be covered as a Family Member under another eligible Employee who is the Employee's spouse or domestic partner.

9. **Disruption of Primary Medical Group** – Does not apply.

10. **Appointment Change**

An Employee will have a new PIE to enroll in coverage if the Employee's appointment changes from an ineligible position to a position eligible for coverage by satisfying the employment requirements described in Part I, Section 3.A.

If there is a break in service before the appointment change, see "Rehire" under Section D.6 above.

11. **Return after a Period of Ineligibility** – An Employee who loses eligibility for coverage, thus requiring disenrollment from coverage, and subsequently returns to eligibility in the circumstances below by satisfying the employment requirements described in Part 1, Section 3.A, will have a new PIE as follows:
- a. **Change in Appointment** - If an Employee's appointment is changed from an ineligible position to a position eligible for benefits, the PIE begins with the effective date of the reappointment.
  - b. **Change in Average Regular Paid Time** – If coverage lapsed due to insufficient Average Regular Paid Time and the Employee returns to sufficient Average Regular Paid Time without a change in appointment, the PIE begins with the date of return to the required 17.5 Average Regular Paid Time per week.



- b. Change in Earnings** – If coverage lapsed due to insufficient earnings and there has been no Break in Service, the PIE begins with the date of return to Pay Status of sufficient earnings in an eligible position.

The plan reenrollment depends on the length of the period of ineligibility:

- i. **Less than 120 days** - Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when coverage lapsed. However, Employees may add Family Members who became eligible during the insufficient earnings period.
- ii. **120 Days or More** – Employees are treated as newly eligible Employees.

**12. Move Out of/Return to Plan Service Area** – Does not apply.

**13. Acquisition of Eligible Family Member** – Upon the acquisition of a newly eligible Family Member, an eligible Employee may enroll him/herself, the newly eligible Family Member and any other eligible Family Members in the Legal Plan. If already enrolled in the Legal Plan, the Employee may add the newly eligible Family Member, and any other eligible Family Members not already enrolled, to that plan or enroll him/herself and all eligible Family Members in a different University-sponsored plan.

The PIE begins with the date the Family Member first meets the eligibility requirements described in Part I, Section 3.C.

If a legally adopted child is not enrolled during the PIE beginning with the date of the child being placed for adoption with the Employee, or the date the Employee or the Employee's spouse/domestic partner has the legal right to control the child's health care, there is a second PIE beginning with the date the adoption is final.

**14. Eligibility for Medicaid or CHIP Premium Assistance Program** – Does not apply.

**15. Loss of UC Coverage Due to Misuse of Plan** – There is no PIE if the Employee or Family Member is deenrolled due to Misuse of the plan.

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## 4004. Enrollment/De-enrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

**A. Enrollment**

**1. Enrolling**

Eligible Employees may apply for Legal Plan coverage:

- a. During a **Period of Initial Eligibility** as described in Section 4003. Once the enrollment transaction is processed (see Definitions), changes to increase coverage cannot be made until:
  - there is a new PIE (Section 4003. D.); or
  - there is an Open Enrollment Period (b. below).
  - An Employee already enrolled in Employee and child(ren) or family coverage may add additional children after the PIE with coverage effective as described in Section 4005.A.
- b. During the annual **Open Enrollment Period** (OEP) announced by the Plan Administrator. An OEP may allow Employees to enroll for the first time or add eligible Family Members. OEPs for the Legal Plan are not held annually.
- c. There is no provision for late enrollment with a 90-day waiting period and no **Statement of Health** procedure for the Legal Plan.

**2. Reducing Coverage**

Once enrolled in the Legal Plan, Employees may drop family coverage or deenroll from the plan at any time.

**3. Enrollment in Duplicate University-Sponsored Coverage is not allowed.**

- a. If both husband and wife or domestic partner are eligible to enroll in the Legal Plan:

- each may enroll separately, or
- one may enroll and cover the other as a Family Member, or

If they enroll separately,

- neither may cover the other as a Family Member, and
- their eligible Family Members may be covered on one plan, but not on both.

- b. Children who are eligible to be covered as Family Members and who also are eligible Employees may:

- enroll separately, or
  - be covered on one parent's plan as a Family Member, but not on both parents' plans.
- c. Individuals eligible in more than one category (e.g., as an Employee and as a Retiree, as an Employee's Family Member and as a Retiree's Family Member) may be covered as one or the other, but not both.
- d. An Employees with two or more appointments, one of which is a student appointment in an ineligible category and one or more of which is an eligible category (as specified in Part I, Section 1.A ), is not restricted from enrollment by virtue of their ineligible position, as long as the eligible appointment(s) qualify the Employee for benefits through meeting the requirements specified in Part I.
- e. Where duplicate coverage occurred, benefits will be paid under the plan with the earlier effective date.

**B. Deenrollment**

**1. Ineligibility**

- a. Ineligible individuals must be deenrolled.
- b. The Plan Administrator reserves the right to permanently deenroll ineligible individuals.
- c. Ineligible individuals include but are not limited to:
- an individual with duplicate University coverage as both an Employee or a Retiree and as a Family Member (may only have one or the other),
  - an ineligible Employee and any enrolled Family Members,
  - an ineligible Family Member
  - an enrolled Family Member for whom the Employee fails to provide, upon request by the Plan Administrator or insurance carrier, documentation that is determined by the Plan Administrator to be sufficient to verify that the enrolled individual is eligible for Plan coverage.

2. **Misuse of Plan** – Includes, but is not limited to, actions such as falsifying enrollment information or claims information, allowing others to use the plan identification card, intentionally enrolling individuals

who are not eligible for coverage, or threats or abusive behavior toward plan providers or representatives.

The Plan Administrator reserves the right to disenroll individuals who misuse the plan.

Misuse of the Plan is defined in the Definitions and Abbreviations section (Part I, Section 2) and includes intentionally enrolling individuals who are ineligible. In case of Misuse of the Plan, individuals may be disenrolled as follows:

- An eligible Employee who misuses the plan, plus any of the Employee's eligible enrolled Family Members, will be disenrolled for 12 months. If the Misuse is the Employee's intentional enrollment of individuals who are not eligible Family Members, the ineligible individuals will be permanently disenrolled.
- An eligible Family Member who misuses the plan will be permanently disenrolled for 12 months. If the Employee is aware of, or participates in, the misuse, the Employee and any eligible Family Members will also be disenrolled for 12 months.

The Plan Administrator will work with the University campus or lab location and the carrier to recover any paid premiums and/or plan benefits provided due to enrollment of ineligible individuals.

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## 4005. Effective Date

Coverage begins on the date listed below, provided the Employee is on Pay Status as an eligible Employee. Coverage cannot begin before the first day of eligibility for the plans. Coverage cannot begin unless the appropriate enrollment transaction is processed during the PIE (see Definitions). The effective date of any coverage is subject to the exceptions in E. below.

**A. During a Period of Initial Eligibility** – If the appropriate enrollment transaction is processed during the PIE, coverage is effective the date the PIE began.

A form to cancel coverage or delete a Family Member from coverage is effective the last day of the pay period in which the local Benefits or Accounting Office receives it.

**B. During an Open Enrollment Period** – The date announced by the Plan Administrator. In this case, the requirement that an Employee must be on Pay Status does not apply.

**C. Statement of Health** – Does not apply.

- D. Deferred Effective Date** – Employees may defer the normal effective date of coverage for up to six months. Application must be made during the PIE or an OEP. A written request specifying the deferred effective date must be submitted. A request for a deferred effective date may not be revoked.
- E. Exceptions** – If any of the exceptions below applies, the effective date of coverage for the Employee and all Family Members is deferred as noted.
1. **Leave for Health Reasons** – Does not apply.
  2. **Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage is deferred until the Employee is placed on normal Pay Status for that appointment.
  3. **Hospitalized Family Members** – Does not apply.
  4. **Open Enrollment Period Action by Employee on a Leave without Pay** – The effective date of coverage is deferred until the Employee is placed on normal Pay Status in an eligible appointment.

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## 4006. University Contribution

There is no University contribution.

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## 4007. Premiums

- A. Payment** – Premiums are paid in advance by payroll deduction. There is no charge for the first full or partial month's coverage as a result of an Employee's PIE or for the first partial month's premium difference, if any, when a Family Member is added to the plan.  
There is no charge for the first full or partial month's premium when an Employee reenrolls during an added PIE (Section 4003. D.) provided there has been a lapse in coverage of more than one month.
- Premiums will not be refunded retroactively if the Employee should have filed a form to cancel coverage or delete a Family Member. When the plan is cancelled, or a Family Member is deleted, any premium adjustment is made on the effective date of the change if it falls on the first of the month; otherwise, it is made on the next following first of the month.
- B. Rate Changes** are made when the contract is renewed, when required by contract amendments or when the Employee makes changes in coverage.

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## 4008. Actions Which Affect Coverage

The following situations will result in a loss or termination of coverage as described in Section 4010, if an Employee does not continue group coverage as provided below or in Sections 4011.

- A. **Leave without Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.
1. **Approved Leave** – Coverage may be continued during an approved leave of absence without pay of up to two years. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee off Pay Status without an approved leave of absence may not make direct premium payments.
- Unapproved Leave** - An Employee who is not on Pay Status and does not have an approved leave of absence may not pay premiums directly to the local Benefits or Payroll Office to continue coverage. Coverage is terminated as described in Section 1110.B. A Break in Service occurs after 4 consecutive months of unapproved Leave.
2. **While Receiving Short-Term Disability Insurance Benefits (Section 3000)** – See 1. above and B., E., K., and L. below, as applicable.
  3. **Military Leave** – Legal Plan coverage may be continued during an approved military leave of up to six months. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the leave period. Payment must be made in advance of each premium month. An Employee on Pay Status without an approved leave of absence may not make direct premium payments.

- B. **Leave with Pay** – Continued coverage during leaves with or without pay cannot exceed a combined total of two years.
1. **General** – Coverage may be continued for up to two years as long as the Employee's earnings are covered by a University-sponsored defined benefit plan and are sufficient to cover required deductions.

Employees who will continue on paid leave beyond two years must complete a cancellation form to be effective the first day of the 25<sup>th</sup> month of the leave.

2. **Sabbatical Leave/Qualified Leave for Professional Renewal** – See A.1 or B.1. above.
- C. **Furlough or Temporary Layoff** – Coverage may continue for up to four calendar months after the month the furlough or temporary layoff begins. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the furlough or temporary layoff period. Payment must be made in advance of each premium month.
- D. **Indefinite Layoff** – Coverage may continue for up to four calendar months after the month the layoff begins. The Employee must arrange continuation and direct payment of Gross Premiums through the local Benefits or Accounting Office. These arrangements must be made at the beginning of the layoff period. Payment must be made in advance of each premium month.
- E. **Insufficient Earnings** – If Gross Premiums cannot be taken from pay for two consecutive months, coverage lapses retroactively to the first day of the first month for which a premium was missed.
- F. **Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week** – Does not apply.
- G. **Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 4002.A.1., the Employee and eligible Family Members may be enrolled in the Legal Plan.
- H. **Transfer to an Ineligible Position** – treated as termination of employment (See Section 4008.L.).
- I. **Retirement** – An Employee eligible for the Legal Plan as a Retiree may continue in the group plan. Otherwise, retirement is treated as termination of employment (See Section 4008.L.).
- J. **Loss of Eligible Family Member Status** – The Employee may not continue to cover a Family Member who loses eligibility. The Employee must delete the ineligible Family Member from the plan within 60 days of ineligibility.

The University may recover any cost incurred due to enrollment of ineligible individuals subject to the terms in Section 4004.B.

If the Family Member is eligible for coverage as an Employee, there is a PIE as described in Section 4003. D.6. A Family Member who is eligible as a Retiree or survivor Retiree also has a PIE (Part III, Section 6100.).

1. **Ineligible Domestic Partner** – Eligibility of a domestic partner stops at the end of the month in which the individual ceases to meet any one of the eligibility requirements described in Section 4002.B. and Part I, Section 3.C.
  2. **Overage/Ineligible Child or Grandchild or Step-Grandchild** – Eligibility stops at the end of the month in which the child reaches age 2626 or is no longer eligible as defined in Section 4002. B. and Part I, Section 3.C. This age provision does not apply to qualifying disabled children.
  3. **Marriage of Eligible Child or Grandchild or Step-Grandchild or Declaration of Emancipation by a Minor Child** – Eligibility stops at the end of the month in which the child marries or a declaration of emancipation becomes effective.
  4. **Pending Disability Retirement – From a University-sponsored defined benefit plan.** See A.1., B., E. and L. as applicable.
- K. **Termination of Employment** – Coverage ends on the last day of the last eligible pay period for which premiums are paid through the University.
- L. **Cancellation of Coverage/Salary Reduction Agreement** – Coverage ends on the last day of the month in which a form to cancel coverage or delete a Family Member is received in the local Benefits or Accounting Office.

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## 4009. Continued Group Coverage (COBRA)

Does not apply.

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## 4010. Termination of Coverage

- A. **During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:
- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid; or
  - the end of two years.
- B. **All Other Circumstances** – Coverage ends on the earliest of the following dates:
- the last day of the pay period for which the Employee was eligible for benefits and premiums are paid;



- the last day of the month in which the individual is eligible for coverage as a Family Member;
- the last day of the month in which a form to cancel coverage or delete a Family Member is received in the local Benefits or Accounting Office; or
- the day the group contract between the University and the carrier is terminated.

Under certain circumstances, coverage may be continued as a Retiree (Section 6100.).

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

Employees may cancel Legal Plan coverage or delete a Family Member from the plan at any time by submitting a cancellation or change form.

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## 4011. Conversion

When coverage ends because of termination of employment or other loss of eligibility, it may be converted to an individual plan offered by the carrier. The Employee or Family Members must apply for conversion. The carrier must receive the conversion application and the required premium within 31 days of the date the group coverage ends.

# 5000. DEPCARE

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## 5001. Definition

The University-sponsored Dependent Care Reimbursement Account (DepCare FSA) provides a pre-tax spending account for covered dependent care expenses incurred by eligible Employees for their eligible dependents.

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## 5002. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months or more, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12-month period, or
- 100% time for 3 months or more, or
- a person appointed at least 50% time with the notation: “ending date for funding purposes only; intent of employment is indefinite (for more than one year)”, or
- a person appointed at least 43.75% time.

If the Employee is married, the Employee’s spouse must have earned income during the year unless the spouse is incapable of self-care or is a full-time student.

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Employees participating in the Phased Retirement Program are eligible provided that they satisfy the definition of Employee.

2. **Continuing Requirements** – Does not apply.
3. **Special Categories** – Does not apply.
4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

**B. Eligible Dependents** – Eligible Employees (Section 5002.A.) may enroll in the DepCare FSA to cover expenses for dependents as defined by Internal Revenue Code Sections 21 and 129. Eligible dependents are:

1. **Spouse** – The Employee's legal spouse who is physically or mentally incapable of self-care (as defined by IRS regulations). If care is provided outside of the home, the spouse must live with the Employee for at least eight hours per day.
2. **Child** – A child under age 13 in the Employee's custody whom the Employee claims as a tax dependent on his/her tax return
3. **Other Dependents** – A dependent (e.g., child age 13 or older, parent, sibling, in-law, domestic partner, etc.), who is physically or mentally incapable of self-care (as defined by IRS regulations) and is the Employee's dependent for income tax purposes. If care is provided outside the home, the dependent must live with the Employee for at least eight hours per day.

The Employee must, upon request, provide a copy of IRS Form 1040 (or its IRS equivalent) showing dependents claimed for tax purposes and the Employee's or tax preparer's signature for all dependents for whom income tax dependency is a requirement.

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## 5003. Period of Initial Eligibility (PIE)

**A. Definition** – The period of initial eligibility (PIE) allows enrollment in the DepCare FSA or the opportunity to change or cancel the salary reduction agreement when an Employee is first eligible and under other circumstances described in D. below.

**B. Length** – The PIE begins the day the Employee becomes eligible as described in Section 5002. A. and/or 5003.D. below. (e.g., on date of hire, marriage, birth, adoption, etc.), whichever is later.

If an Employee's appointment is retroactive, the PIE begins on the date the department chair or hiring authority signs a written statement that the appointment was approved retroactively.

The PIE ends 31 calendar days from the date it begins. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Note that in determining the end of the 31-day period, the date the PIE starts should be counted as the first day. Examples: a) Employee's hire date is March 1; PIE ends on March 31. b) Eligible child is born June 1; PIE ends on July 1.

**C. Extensions for Illness/Accident** - Chief Human Resource Officers may grant an extension to Employees unable to enroll during their PIE due to

illness or accident. The extension begins on the first day after the PIE ends. The extension ends 31 calendar days later as described in B. above.

Extensions cannot be granted to Employees only because they failed to obtain information about their PIE. Employees must be eligible for coverage as described in Section 5002.A.

**D. Added Period of Initial Eligibility**– The applicable Internal Revenue Service regulations permit changes in coverage when there has been a change in family or employment status. The IRS defines eligible changes in family or employment status as:

- a change in the number of dependents;
- a change in the Employee's legal marital status;
- a change in dependent eligibility, including a child reaching age 13;
- a change in employment status that causes a gain or loss of benefit eligibility for the Employee, the Employee's spouse, or the Employee's dependent.
- a change in cost or coverage, e.g., dependent care expenses increase or decrease, or the child care provider changes, or the amount of time needed for child care changes, with the exception of an increase in cost when care is provided by a relative by blood or marriage which is not an eligible change.

Changes in the salary reduction agreement made during an added PIE must be on account of and consistent with the change in status.

Under the following circumstances, there is an additional PIE. It begins as described below and ends 31 calendar days later. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Employees must be eligible for coverage as described in Section 5002. A.

1. **Faculty** – Newly appointed Faculty members may have an additional PIE if they do not enroll during their first PIE. The second PIE begins on the first day of classes (see campus calendar for class schedule) for the quarter/semester in which the appointment starts or the first day of arrival at the campus, whichever occurs first.
2. **Nonimmigrant Aliens** are treated as any other Employee.
3. **Leave without Pay** – Employees have a new PIE that begins on the date an approved leave without pay begins. A second PIE begins on the date they return to Pay Status in an eligible position.

Employees' contributions stop when they begin an approved leave without pay. When they return to Pay Status, plan reenrollment depends on the length of the approved leave without pay

a. **Leave is Less than 120 Days** – Enrollment is limited to the monthly salary reduction in effect when the leave started. However, if Employees have a change in family or employment status during the leave without pay, they may make a change in coverage on account of and consistent with the change in status.

b. **Leave is 120 Days or More** – Employees are treated as newly eligible Employees.

4. **Furlough/Layoff** – Employees on furlough or temporary layoff are treated as in 3. above.

Indefinite layoff is treated as termination of employment. Employees who are rehired from an indefinite layoff are treated as in 5. below.

5. **Rehire** – Employees who are rehired have a new PIE beginning on the date of rehire in an eligible position.

The plan reenrollment depends on the length of the Break in Service.

a. **Rehire Occurs Less than 120 Days** - Enrollment is limited to the monthly salary reduction in effect at the time of termination. However, if Employees have a change in family or employment status during the Break in Service, they may make a change in coverage on account of and consistent with the change in status.

b. **Rehire Occurs 120 Days or More** – Employees are treated as newly eligible Employees.

6. **Involuntary Loss of Coverage (ILOC)** – See 11. and 12. below.

7. **Return after Period of Insufficient Earnings** – If earnings are insufficient to cover the salary reduction amount, a partial contribution may be taken to the extent possible. Contributions automatically resume at the original level when earnings will cover the full salary reduction amount. Retroactive contributions will not be taken to cover periods of reduced contributions.

8. **Return to 17.5 Hours Average Regular Paid Time Per Week Following a Period of Insufficient Average Regular Paid Time** – Does not apply.

9. **Move Out of/Return to Plan Service Area** – Does not apply.

10. **Acquisition of Eligible Dependent** - Employees have a PIE when newly eligible dependents are acquired through death, marriage, birth

or adoption. The PIE begins with the date the dependent first meets the eligibility requirements of a tax dependent as defined by the IRS (IRC Sections 21 and 129).

**11. Loss of Eligible Dependent** – Employees have a PIE when a dependent dies, in case of a divorce or when a dependent child turns age 13. The PIE begins with the date of death, divorce or the child's 13<sup>th</sup> birthday. In the case of the child turning age 13, a PIE is available to reduce the salary reduction amount or cancel the coverage when consistent with the change in status. For example, if an only child turns 13, cancellation of coverage is consistent. When two children are covered and one turns age 13, a reduction in the salary reduction amount could be consistent. If more than two children are covered and one turns 13, neither a reduction in the salary reduction amount nor cancellation might be consistent and if so, there would be no PIE.

**12. Change in Employment Status** – Employees have a PIE when they or their spouse or eligible dependent have a change in employment status that results in the gain or loss of benefits eligibility. The PIE begins on the effective date of the change in employment status.

An Employee will have a PIE to enroll in coverage if the Employee's appointment changes from an ineligible position to a position eligible for coverage by satisfying the employment requirements described in Part I, Section 3.A. If there is a break in service before the appointment change, see "Rehire" under Section D.6 above.

An Employee who was provided a PIE when they were appointed as a BELI 2 or BELI 3 and is reappointed as a BELI 1 (as described in Administrative Supplement No. 2), will have an added PIE provided that there is an eligible change in employment or family status.

**13. Change in Cost or Coverage** – Employees have a PIE when the cost of dependent care changes, whether increasing or decreasing, except if the cost is increasing and the caregiver is a relative by blood or marriage. The PIE begins on the first day of the new cost period.

Employees also have a PIE when there is a change in dependent care coverage such as but not limited to a change in the amount of time care is needed due to summer vacation or school beginning or a change in the child care provider. The PIE begins on the first day of the change in coverage.

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## 5004. Enrollment/De-enrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

**A. Enrollment**

1. **Coverage Changes** – Enrollment is required for each plan year. Plan participation expires at the end of each plan year. Changes to the salary reduction agreement during the plan year may only be made if a change in status occurs (see Section 5003.D.)
2. **Enrolling** - Employees may enroll in the DepCare FSA, change their salary reduction agreement or cancel participation/elect not to participate:
  - a. During a **Period of Initial Eligibility** as described in Section 5003. Once the salary reduction agreement is processed, changes cannot be made until:
    - there is a new PIE (Section 5003. D.); or
    - there is an Open Enrollment Period (b. below).
  - b. During the annual **Open Enrollment Period** (OEP) announced by the Plan Administrator. An OEP may allow Employees to enroll for the first time or to change their salary reduction agreement.
  - c. **With a Statement of Health** – Does not apply.
3. **Enrollment in Duplicate University-Sponsored Coverage** does not apply. However, the Internal Revenue Code limits the total amount of the salary reduction agreement per family even if both the Employee and spouse are University Employees, or if a non UC spouse is also enrolled in a dependent care reimbursement account plan.

**B. Deenrollment**

1. **Ineligibility**
  - a. Ineligible individuals must be deenrolled.
  - b. The University reserves the right to permanently deenroll ineligible individuals
  - c. The Plan Administrator will work with the University campus or lab location and the claims administrator to recover any plan benefits provided due to enrollment/coverage of ineligible individuals.

2. **Misuse of the Plan**

- a. The University reserves the right to disenroll individuals who Misuse the plan.
- b. Misuse of the plan is defined in the Definitions and Abbreviations section (Part I, Section 2).
- c. Employees who misuse the plan will be disenrolled for 12 months.

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## 5005. Effective Date

Coverage begins on the date listed below, provided the Employee is on Pay Status as an eligible Employee. Coverage cannot begin before the first day of eligibility for the plan. Coverage cannot begin unless a salary reduction agreement has been processed during the PIE (See Definitions). The effective date of any coverage is subject to the exceptions in E. below.

- A. During a **Period of Initial Eligibility** – If the salary reduction agreement is processed during the PIE, coverage is effective the first of the month following enrollment, subject to payroll deadlines.

A form to cancel the salary reduction agreement must be submitted to the local Benefits or Accounting Office. The salary reduction will stop with the next normally scheduled pay date, subject to payroll deadlines. Coverage stops the last day of the pay period for which a contribution was made.

- B. During an **Open Enrollment Period** – The date announced by the Plan Administrator normally January 1 of the following year.

- C. **With a Statement of Health** – Does not apply.

- D. **Deferred Effective Date** – Does not apply.

- E. **Exceptions** – If the exception in 2. below applies, the effective date of coverage and contributions are deferred as noted.

1. **Leave for Health Reasons** – Does not apply.

2. **Leave at the Beginning of an Appointment** – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage and contributions is deferred until the Employee is placed on normal Pay Status for that appointment

3. **Hospitalized Family Members** – Does not apply.



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## 5006. University Contribution

The University does not contribute toward the DepCare FSA. However, for tax purposes, salary reduction amounts (pretax Employee contributions) are considered employer contributions.

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## 5007. Premiums

- A. **Payment** – Contributions are made to the plan by salary reduction based on the amount specified in the salary reduction agreement. Contributions are deposited in Employees' individual DepCare FSA accounts.
- B. **Rate/Salary Reduction Changes** – When plan participation is cancelled or the salary reduction agreement is changed, any adjustment in the salary reduction amount will be effective on the first of the following month, subject to payroll deadlines.

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## 5008. Actions Which Affect Coverage

The following provisions apply:

### A. **Leave without Pay**

- 1. **General** – Contributions and coverage stops during a leave without pay. Claims may be made for eligible expenses incurred before coverage ends. Upon return to active Pay Status in an eligible position there is a PIE to reenroll. (see Section 5003. D. 3.)
- 2. **While Receiving Short-Term Disability Insurance Benefits (Section 3000.)** – See 1. above and B., E. and L. below, as applicable.
- 3. **Military Leave** – Contributions and coverage stop when an approved leave without pay begins. (See A.1. above.)

### B. **Leave with Pay**

- 1. **General** – Contributions continue at the same rate unless the salary reduction agreement is modified during a PIE or, if earnings are reduced and do not cover the elected contribution amount, contributions may continue at a reduced rate to the extent possible. See E. below. If the salary reduction agreement is cancelled during a PIE, see K. below.

Claims may be made for eligible expenses incurred during the leave with pay.

2. **Sabbatical Leave/Qualified Leave for Professional Renewal** – See B.1. above.
- C. **Furlough or Temporary Layoff** is treated as a leave without pay.
- D. **Indefinite Layoff** is treated as termination of employment.
- E. **Insufficient Earnings** – If earnings do not cover the salary reduction amount, contributions may continue at a reduced rate to the extent possible. Contributions automatically resume at the original level when earnings will cover the full salary reduction amount. Retroactive contributions will not be taken to cover periods of reduced contributions.
- F. **Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week** – Does not apply.
- G. **Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 5002.A.1., the Employee may enroll with the same or a new salary reduction agreement, subject to annual plan maximums.
- H. **Transfer to an Ineligible Position** – treated as termination of employment.
- I. **Retirement** is treated as termination of employment.
- J. **Loss of Eligible Family Member Status** – See Section 5003.D.11.
- K. **Pending Disability Retirement** - from a University-sponsored defined benefit plan. See A.1., B., E. and L. as applicable.
- L. **Termination of Employment** – Coverage ends on the last day of the pay period for which a contribution was made. Claims for eligible expenses incurred through this date may be filed until the final filing date for the specific plan year.
- M. **Cancellation of Coverage/Contribution Election** – Coverage ends on the last day of the pay period in which a contribution was made. Claims for eligible expenses incurred through this date may be filed until the final filing date for the specific plan year.

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## 5009. Continued Group Coverage (COBRA)

Does not apply.

## 5010. Termination of Coverage

A. **During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and a contribution was made;
- the end of two years.

B. **All Other Circumstances** – Coverage ends on the earliest of the following dates:

- the last day of the pay period for which the Employee was eligible for benefits and a contribution was made;
- the last day of the month in which a form to cancel the salary reduction agreement is received in the local Benefits or Accounting office, subject to payroll deadlines; or
- the day the University terminates the plan.

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

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## 5011. Conversion

Does not apply.

# 5100. TAX SAVINGS ON INSURANCE PREMIUMS (TIP)

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## 5101. Definition

The University-sponsored Tax Savings on Insurance Premiums (TIP) plan is a passive rider which enables Employees to pay certain insurance plan premiums on a pretax, salary reduction basis. Any University-sponsored health plan which requires a monthly Employee contribution is a TIP-eligible plan.

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## 5102. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months or more in an eligible position, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12-month period in an eligible position, or
- 100% time for 3 months or more, or
- a person appointed at least 50% time in an eligible position with the notation: “ending date for funding purposes only; intent of employment is indefinite (for more than one year)”, or
- a person appointed at least 43.75% time.

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Employees participating in the Phased Retirement Program are eligible provided that they satisfy the definition of Employee.

2. **Continuing Requirements** – Does not apply.
3. **Special Categories** – Does not apply.
4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

- B. Family Members** – Does not apply. Only eligible Employees may enroll in TIP.

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## 5103. Period of Initial Eligibility (PIE)

- A. Definition** – The period of initial eligibility (PIE) allows opt out, changes, or reenrollment in TIP without forfeiture or loss of pretax benefits.

If health plan changes which affect premiums are made during a PIE for TIP, the salary reduction agreement also is modified. Plan changes outside the scope of a TIP PIE are subject to forfeiture or loss of pretax benefits.

NOTE: PIEs for TIP are more limited than those for medical plans. So for example, if an Employee makes a monthly transfer into or out of a California HMO without an eligible change in status as noted in Section 5103.D below, the Employee may experience forfeiture or loss of pretax benefits. The salary reduction agreement may not be modified except when there is an IRS-defined eligible change in status creating a TIP PIE.

- B. Length** – The PIE begins the day the Employee becomes eligible as described in Section 5102. A.

If an Employee's appointment is retroactive, the PIE begins on the date the department chair or hiring authority signs a written statement that the appointment was approved retroactively.

The PIE ends 31 calendar days from the date it begins. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Note that in determining the end of the 31-day period, the date the PIE starts should be counted as the first day. Examples: a) Employee's hire date is March 1; PIE ends on March 31. b) Eligible child is born June 1; PIE ends on July 1.

- C. Extensions for Illness/Accident** – Chief Human Resource Officers may grant an extension to Employees unable to opt out of TIP or reenroll during their PIE due to illness or accident. The extension begins on the first day after the PIE ends. The extension ends 31 calendar days later as described in B. above. Extensions cannot be granted to Employees only because they failed to obtain information about their PIE. Employees must be eligible for coverage as described in Section 5102.A.

- D. Added Period of Initial Eligibility** – the applicable Internal Revenue Service regulations permit changes in coverage when there has been a change in family or employment status. The IRS defines eligible changes in family or employment status as:

- a change in the Employee's legal marital status;

- a change in the number of dependents;
- a change in dependent eligibility, such as a child turning 26;
- court-ordered health plan coverage;
- a gain or loss of Medicare or Medicaid coverage;
- late enrollment through the HIPAA special enrollment provision;
- the beginning or ending of an FMLA leave;
- a change in employment status that causes a gain or loss of benefit eligibility for the Employee, the Employee's spouse, or the Employee's dependent;
- a significant change in cost or coverage
- a change in residence

Changes in the salary reduction agreement made during an added PIE must be on account of and consistent with the change in status.

Under the following circumstances, there is an additional PIE. It begins as described below and ends 31 calendar days later. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Employees must be eligible for coverage as described in Section 5102. A.

Unless limitations are noted, the Employee may opt out of or reenroll in TIP or make allowable changes in TIP-eligible plans without forfeiture or loss of pretax benefits.

See Section 1103. D. for allowable changes in medical plans during an added PIE. (Also see TIP Administrative Supplement No.13 for a summary of status changes and allowable changes in TIP.)

1. **Faculty** – Newly appointed Faculty members may have an additional PIE if they do not opt out of TIP and do not enroll in a medical plan during their first PIE. The second PIE begins on the first day of classes (see campus calendar for class schedule) for the quarter/semester in which the appointment starts or the first day of arrival at the campus, whichever occurs first.
2. **Nonimmigrant Aliens** are treated as any other Employee.
3. **Leave without Pay** –Employees have a new PIE that begins on the date an approved leave without pay begins for themselves or their spouse or dependent. A second PIE begins on the date they or their spouse or dependent return to Pay Status in an eligible position.

Employees' pretax contributions stop when they begin an approved leave without pay. When they return to Pay Status, plan reenrollment depends on the length of the approved leave without pay.

- a. **Leave is Less than 120 Days and Return in the Same Plan Year** – Enrollment is limited to the monthly salary reduction in effect when the leave started. However, if Employees have a change in family or employment status during the leave without pay, they may make a change in coverage on account of and consistent with the change in status.
- b. **Leave is 120 Days or More or Return in the Same Plan Year** – Employees are treated as newly eligible Employees.

4. **Furlough/Temporary Layoff** – See 3. above.

However, indefinite layoff is treated as termination of employment.

5. **Rehire** – Employees who are rehired have a new PIE beginning on the date of rehire in an eligible position

The plan reenrollment depends on the length of the Break in Service.

- a. **Rehire Occurs Less than 120 Days and Return in the Same Plan Year** – Enrollment is limited to the monthly salary reduction in effect at the time of termination. However, if Employees have a change in family or employment status during the Break in Service, they may make a change in coverage on account of and consistent with the change in status.
- b. **Rehire Occurs 120 Days or More or Return in the Same Plan Year** – Employees are treated as newly eligible Employees.

6. **Involuntary Loss of Coverage (ILOC)** – See Section 1103. D. 6., for specific provisions related to medical plans. Except for cancellation of the group contract, the conditions in Section 1103. D. 6 also create a PIE for TIP beginning on the date group or individual coverage is lost.

The PIE is limited to adjustments in an existing TIP salary reduction agreement based on enrollment in or increased coverage under medical plans.

7. **Return after a Period of Ineligibility** – An Employee who loses eligibility for coverage, thus requiring deenrollment from coverage, and subsequently returns to eligibility in the circumstances below by satisfying the employment requirements described in Part 1, Section 3.A, will have a new PIE as follows:

- a. **Change in Appointment** - If an Employee's appointment is changed from an ineligible position to a position eligible for

benefits, the PIE begins with the effective date of the reappointment.

- b. Change in Average Regular Paid Time – If coverage lapsed due to insufficient Average Regular Paid Time and the Employee returns to sufficient Average Regular Paid Time without a change in appointment, the PIE begins with the date of return to the required 17.5 Average Regular Paid Time per week.
- c. Change in Earnings – If coverage lapsed due to insufficient earnings and there has been no Break in Service, the PIE begins with the date of return to Pay Status of sufficient earnings in an eligible position.

The plan reenrollment depends on the length of the period of ineligibility:

- a. **Less than 120 days** - Enrollment is limited to the specific plan in effect and Family Members listed (if still eligible) when coverage lapsed. However, Employees may add Family Members who became eligible during the insufficient earnings period. However, if Employees have a change in family or employment status during the period of insufficient earnings, they may make a change in coverage on account of and consistent with the change in status.
  - b. **120 days or More** – Employees are treated as newly eligible Employees.
8. **Move Out of/Return to Plan Service Area** – Employees who move or are transferred out of the service area of an HMO (see Definitions) or who will be away from the HMO service area for more than two months must transfer into another Medical Plan within the University's contract service area. The PIE begins with the date of the move or the date they leave the service area. This PIE is limited to an adjustment in an existing TIP salary reduction agreement based on allowable changes in Medical Plan premiums. (See Section 1103. D. 9).

Upon return to the HMO service area, these Employees have a PIE to reenroll in the same HMO they had at the time of the move out of area. The PIE begins with the effective date of the return to the plan service area. This PIE is limited to an adjustment in an existing TIP salary reduction agreement based on allowable changes in Medical Plan premiums. (See Section 1103. D. 9).

9. **Acquisition of Eligible Family Member or Dependent** – Employees enrolled in a medical plan have a PIE when newly eligible Family Members are acquired through death, marriage, birth or adoption. (See Section 1103. D. 10) The PIE begins with the date the Family Member or dependent first meets the eligibility requirements



10. described in Part I, Section 3.C. The PIE is limited to adjustments in an existing salary reduction agreement for premium increases based on adding Family Members to the plan(s).

11. **Loss of Eligible Family Member or Dependent** – Employees have a PIE when a Family Member dies, in case of a divorce, or when a child no longer meets the eligibility requirements of the TIP-eligible plan. (See Section 1102. B.)

The PIE begins with the date of death, divorce, or the Family Member's loss of eligibility. The PIE is limited to adjustments in an existing salary reduction agreement for premium decreases based on deleting Family Members from the plan(s).

12. **Change in Employment Status** – Employees have a PIE when they or their spouse or dependent have a change in employment status that results in the gain or loss of benefits eligibility. The PIE begins on the effective date of the change in employment status.

An Employee will have a PIE to enroll in coverage if the Employee's appointment changes from an ineligible position to a position eligible for coverage by satisfying the employment requirements described in Part I, Section 3.A. If there is a break in service before the appointment change, see "Rehire" under Section D.6 above.

An Employee who was provided a PIE when they were appointed as a BELI 2 or BELI 3 and is reappointed as a BELI 1 (as described in Administrative Supplement No. 2), will have an added PIE provided that there is an eligible change in employment or family status.

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## 5104. Enrollment/De-enrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

### **A. Enrollment**

#### **1. Automatic Enrollment/Opting Out of or Into TIP**

Enrollment is automatic for Employees who enroll in TIP-eligible plans.

2. **Enrolling** – Employees may opt out of or reenroll in TIP during the following:

a. During a **Period of Initial Eligibility** as described in Section 5103. Once the salary reduction agreement is processed, changes cannot be made until:

- there is a new PIE (Section 5103. D.); or

- there is an Open Enrollment Period (b. below).

Changes in TIP eligible plans will be reflected in the TIP salary reduction amount.

- b.** During the annual **Open Enrollment Period** (OEP) announced by the Plan Administrator. An OEP may allow Employees to opt out of or reenroll in TIP. It also allows changes in TIP eligible plans to be reflected in the TIP salary reduction amount.
  - c.** With a **90-day Waiting Period** – Employees who enroll in Medical Plans at other times than during a PIE or OEP have a 90-day waiting period before coverage begins. As part of this HIPAA special enrollment provision, the Employee may opt out of TIP or be automatically covered under TIP when the 90-day waiting period ends and Medical Plan coverage begins.
- 3. Enrollment in Duplicate University-sponsored coverage** is not allowed.

**B. Deenrollment**

**1. Ineligibility**

- a.** Ineligible individuals must be deenrolled.
- b.** The University reserves the right to permanently deenroll ineligible individuals.
- c.** The Plan Administrator will work with the University campus or lab location to recover any cost incurred due to enrollment of ineligible individuals.

**2. Misuse of the Plan**

- a.** The University reserves the right to deenroll individuals who misuse the plan.
- b.** Misuse of the plan is defined in the Definitions and Abbreviations section (Part I, Section 2).
- c.** Employees who misuse the plan will be deenrolled for 12 months.

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## 5105. Effective Date

Coverage automatically begins on the date enrollment in a TIP-eligible plan is effective, provided the Employee is on Pay Status as an eligible Employee. An opt-out transaction must be processed to cancel TIP during a PIE or the

annual OEP. The salary reduction will stop with the next normally scheduled checkwrite date. Coverage stops the last day of the pay period for which a contribution was made.

With respect to Employees who previously opted out of TIP and who are reenrolling, coverage begins on the date listed below, unless one of the exceptions in E. below applies.

For these Employees, coverage cannot begin before the first day of eligibility for the plan and coverage cannot begin unless a salary reduction agreement is processed during the PIE.

- A. During a Period of Initial Eligibility** – If an enrollment or opt-out transaction is processed during the PIE (See Definitions), coverage or the opt out is effective the date the PIE began.
- B. During an Open Enrollment Period** – The date announced by the Plan Administrator.
- C. With a 90-day Waiting Period** – Coverage or the opt out is effective the day after the 90-day Waiting Period is completed. (See Section 5104.A.2.c. above.)
- D. Deferred Effective Date** – See E. below.
- E. Exceptions** – If the effective date of the TIP eligible plan coverage is deferred, enrollment in TIP is also deferred (see Section 1105. D.)

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## 5106. University Contribution

The University does not contribute toward TIP. However, for IRS purposes, salary reduction amounts (pretax Employee contributions) are considered employer contributions.

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## 5107. Premiums

- A. Payment** – Contributions are made to the plan by salary reduction based on the amount of Net Premiums for TIP-eligible plans.
- B. Rate/Salary Reduction Changes** are made in salary reduction agreements when the contracts of TIP-eligible plans renew or when an Employee changes a TIP salary reduction agreement or a TIP-eligible plan on account of and consistent with an eligible change in status.

- C. Forfeiture/Loss of Pretax Benefits** – In accordance with IRS Regulations, plan changes made outside a PIE, an eligible change in family or employment status, or an OEP, shall be treated as follows:
- A change that reduces the Net Premium: The Employee's salary reduction amount continues at the higher Net Premium rate until the end of the calendar year; carrier(s) receive the lower Net Premium(s) and the Employee forfeits the premium difference.
  - A change that increases the Net Premium: The Employee's original pretax salary reduction amount continues at the lower Net Premium rate and the Employee pays the premium difference on an after-tax basis until the end of the plan year.

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## 5108. Actions Which Affect Coverage

The following provisions apply:

**A. Leave without Pay**

1. **General** – Contributions stop during a Leave Without Pay. TIP coverage ends on the last day of the pay period for which premiums are paid for TIP-eligible plans. (See section 1108. A.). Any direct payments to continue health plan coverage during the leave are made on an after-tax basis.

If the Employee continues health plan coverage during the leave by making direct premium payments, contributions automatically resume at the same level upon return to active Pay Status (See Section 5103. D. 3.) unless changes to the TIP salary reduction agreement or TIP-eligible plan(s) are made during a PIE or an OEP.

If coverage was not continued during the leave, reenrollment in the TIP eligible health plan is necessary when more than 2 months have passed.

If the salary reduction agreement is cancelled during the PIE, see M. below.

2. **While Receiving Short-Term Disability Insurance Benefits (Section 3000.)** – See 1. above and B., E. and L. below, as applicable.
3. **Military Leave** – TIP salary reductions stop when Pay Status ends. Monthly premium payments to continue coverage under TIP eligible health plans during a military leave are made on an after-tax basis.

**B. Leave with Pay**

1. **General** – Contributions continue as long as earnings cover the salary reduction amount unless the salary reduction agreement is modified during the PIE. See E. below. (Also, see Section 1108. B. and Section 5103. D. 12.) If the salary reduction agreement is cancelled during a PIE, see M. below.
2. **Sabbatical Leave/Qualified Leave for Professional Renewal** – See B.1., above.

**C. Furlough or Temporary Layoff** is treated as leave without pay.

**D. Indefinite Layoff** is treated as termination of employment.

**E. Insufficient Earnings** – Coverage ends on the last day of the pay period for which premiums are paid for TIP-eligible plans. (See Section 1108. E.). Contributions automatically resume at the same level upon return to active Pay Status unless changes to TIP-eligible plan(s) are made during the PIE or an OEP. (See Section 5103. D.7.)

**F. Insufficient Average Regular Paid Time** – Contributions stop if earnings do not cover premiums for TIP-eligible plans or if eligibility for TIP eligible plans ends.

Contributions automatically resume at the same level upon return to active Pay Status unless changes to the TIP salary reduction agreement or TIP-eligible plan(s) are made during a PIE (See Section 5103.D.7 and 8.) or OEP or eligibility for TIP eligible plans ends. (See Section 1108. F).

**G. Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 5102.A.1., the Employee may opt out of or enroll automatically in TIP, in conjunction with any health plan enrollment requiring an Employee contribution.

**H. Transfer to an Ineligible Position** – treated as termination of employment.

**I. Retirement** is treated as termination of employment.

**J. Loss of Eligible Family Member Status** – See Section 1108. J. and Section 5103. D. 11.

**K. Pending Disability Retirement** - from a University-sponsored defined benefit retirement plan is treated as termination of employment. See 5108.A.1., B., E., and L. as applicable.

- L. Termination of Employment** – Coverage ends on the last day of the pay period for which a contribution was made.
- M. Cancellation of Salary Reduction Agreement** – Coverage ends on the last day of the pay period for which premiums are paid for TIP-eligible plans. (Also see Section 5107. B., “Forfeiture/Loss of Pretax Benefits”.)

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## 5109. Continued Group Coverage (COBRA)

Does not apply.

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## 5110. Termination Of Coverage

Coverage ends on the earliest of the following dates:

- the day participation in TIP-eligible plan(s) ends as a result of a cancellation made during a PIE or an OEP;
- the day the University terminates the plan.

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

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## 5111. Conversion

Does not apply.

# 5200. HEALTH FSA

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## 5201. Definition

The University-sponsored Health Care Reimbursement Account (Health FSA) provides a pre-tax spending account for covered health care expenses incurred by eligible Employees for themselves and/or their eligible Family Members.

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## 5202. Eligibility

### A. Employee

1. **Initial Employment Requirements** – Persons appointed and paid by the University as an eligible Employee as specified in Part I, Section 3.A in an eligible position:

- at least 50% time for 12 months or more, or
- who have accumulated 1,000 eligible hours on Pay Status in a rolling 12 month period, or
- 100% time for 3 months or more, or
- a person appointed at least 50% time with the notation: “ending date for funding purposes only; intent of employment is indefinite (for more than one year)”, or
- a person appointed at least 43.75% time

The person also must actively work under the direction and control of the University. Appointment types listed in the Part 1, Section 3.A “Ineligible Categories” will not be considered in determining initial benefits eligibility.

Persons participating in a Phased Retirement Program are eligible provided that they satisfy the definition of Employee.

2. **Continuing Requirements** – Does not apply.
3. **Special Categories** – Does not apply.
4. **Ineligible Categories** – Individuals in certain categories are not eligible for coverage under University-sponsored group health and welfare plans as specified in Part I, Section 3.A.

- B. Family members** – Eligible Employees (Section 5202.A.) may enroll in the Health FSA to cover expenses for themselves, their legal spouse (as determined under applicable state law and who is recognized as a spouse under federal law), and eligible dependents as defined by Internal Revenue Code Section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof; and (b) any child (as defined in Code Section 152(f)(1)) of the Participant who as of the end of the taxable year has not attained age 27.

The Employee must, upon request, provide a copy of IRS Form 1040 (or its IRS equivalent) showing dependents claimed for tax purposes and the Employee's or tax preparer's signature for all dependents for whom income tax dependency is a requirement.

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## 5203. Period of Initial Eligibility (PIE)

- A. Definition** – The period of initial eligibility (PIE) allows enrollment in the Health FSA or the opportunity to change or cancel the salary reduction agreement when an Employee is first eligible and under other circumstances described in D. below.
- B. Length** – The PIE begins the day the Employee becomes eligible as described in Section 5202. A. and/or 5203.D. below (e.g., on date of hire, marriage, birth, adoption, etc.), whichever is later.

If an Employee's appointment is retroactive, the PIE begins on the date the department chair or hiring authority signs a written statement that the appointment was approved retroactively.

The PIE ends 31 calendar days from the date it begins. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Note that in determining the end of the 31-day period, the date the PIE starts should be counted as the first day. Examples: a) Employee's hire date is March 1; PIE ends on March 31. b) Eligible child is born June 1; PIE ends on July 1.

- C. Extensions for Illness/Accident** – Chief Human Resource Officers may grant an extension to Employees unable to enroll during their PIE due to illness or accident. The extension begins on the first day after the PIE ends. The extension ends 31 calendar days later as described in B. above. Extensions cannot be granted to Employees only because they failed to obtain information about their PIE. Employees must be eligible for coverage as described in Section 5202. A.
- D. Added Period of Initial Eligibility** – The applicable Internal Revenue Service regulations permit changes in coverage when there has been a change in family or employment status. The IRS defines eligible changes in family and employment status as:



- a change in the number of dependents;
- a change in the Employee's legal marital status;
- a change in employment status that causes a gain or loss of benefit eligibility for the Employee, the Employee's spouse, or the Employee's dependent;

Changes in the salary reduction agreement made during an added PIE must be on account of and consistent with the change in status.

Under the following circumstances, there is an additional PIE. It begins as described below and ends 31 calendar days later. If the last day of a PIE falls on a weekend or holiday, the PIE is extended to the following business day when enrolling with forms. Employees must be eligible for coverage as described in Section 5202. A.

1. **Faculty** – Newly appointed Faculty members may have an additional PIE if they do not enroll during their first PIE. The second PIE begins on the first day of classes (see campus calendar for class schedule) for the quarter/semester in which the appointment starts or the first day of arrival at the campus, whichever occurs first.
2. **Nonimmigrant Aliens** are treated as any other Employee.
3. **Leave without Pay** – Employees have a new PIE that begins on the date an approved leave without pay begins. A second PIE begins on the date they return to Pay Status in an eligible position.

If the approved leave without pay is a leave under the Federal Family and Medical Leave Act (FMLA), the Employee may elect to continue coverage or cancel coverage. The appropriate form must be filed with the local Benefits or Accounting office at the beginning of the leave to confirm whether coverage will continue or cease during the leave.

If the approved leave without pay is not an FMLA leave, coverage may be continued under COBRA (see Section 5209).

Employees' contributions stop when they begin an approved leave without pay. (For those returning from an FMLA leave, contributions will be determined by the pre-FMLA leave election if coverage was continued.) When Employees return to Pay Status, plan reenrollment depends on the length of the approved leave without pay.

- a. **Leave is Less than 120 Days** – Enrollment is limited to the annual salary reduction in effect when the leave started. However if Employees have a change in family or employment status during the leave without pay, they may make a change in coverage on account of and consistent with the change in status.

b. **Leave is 120 Days or More** – Employees are treated as newly eligible Employees.

4. **Furlough/Layoff** – Employees on furlough or temporary layoff are treated as in 3. above.

Indefinite layoff is treated as termination of employment. Employees who are rehired from an indefinite layoff are treated as in 5. below.

5. **Rehire** – Employees who are rehired have a new PIE beginning on the date of rehire in an eligible position.

The plan reenrollment depends on the length of the Break in Service.

a. **Rehire Occurs Less than 120 Days** – Enrollment is limited to the annual salary reduction in effect at the time of termination. However, if Employees have a change in family or employment status during the Break in Service, they may make a change in coverage on account of and consistent with the change in status.

b. **Rehire Occurs 120 Days or More** – Employees are treated as newly eligible Employees.

6. **Involuntary Loss of Coverage (ILOC)** – See 11. and 12. below.

7. **Return after Period of Insufficient Earnings** – If earnings are insufficient to cover the salary reduction amount, contributions will be suspended. Contributions automatically resume at the original level when earnings will cover the full salary reduction amount. Retroactive contributions will not be taken to cover periods without contributions.

8. **Return to 17.5 Hours Average Regular Paid Time Per Week Following a Period of Insufficient Average Regular Paid Time** – Does not apply.

9. **Move Out of/Return to Plan Service Area** – Does not apply.

10. **Acquisition of Eligible Family Member** - Employees have a PIE when newly eligible Family Members are acquired through death, marriage, birth or adoption. The PIE begins with the date the Family Member first meets the eligibility requirements described in Section 5202. B.

- 11. Loss of Eligible Family Member** – Employees have a PIE when a Family Member dies or in case of a divorce or when a dependent loses eligibility. The PIE begins with the date of death or divorce or the date a dependent loses eligibility.
- 13. Change in Employment Status** – Employees have a PIE when they or their spouse or dependent have a change in employment status that results in the gain or loss of benefits eligibility. The PIE begins on the effective date of the change in employment status.  
An Employee will have a PIE to enroll in coverage if the Employee's appointment changes from an ineligible position to a position eligible for coverage by satisfying the employment requirements described in Part I, Section 3.A. If there is a break in service before the appointment change, see "Rehire" under Section D.6 above.

An Employee who was provided a PIE when they were appointed as a BELI 2 or BELI 3 and is reappointed as a BELI 1 (as described in Administrative Supplement No. 2), will have an added PIE provided that there is an eligible change in employment or family status.

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## 5204. Enrollment/De-enrollment

Clerical error, by itself, will not be the basis for including or excluding individuals.

### A. Enrollment

- 1. Coverage Changes**  
Enrollment is required for each plan year. Plan participation expires at the end of each plan year. Changes to the salary reduction agreement during the plan year may only be made if a change in status occurs (see Section 5203.D.)
- 2. Enrolling** – Employees may enroll in the Health FSA, change their salary reduction agreement or cancel participation/elect not to participate:
- a.** During a **Period of Initial Eligibility** as described in Section 5203. Once the salary reduction agreement is processed, changes cannot be made until:
    - there is a new PIE (Section 5203. D.); or
    - there is an Open Enrollment Period (b. below).
  - b.** During the annual **Open Enrollment Period** (OEP) announced by the Plan Administrator. An OEP may allow Employees to enroll for the first time, or to change their salary reduction agreement

c. With a 90-day Waiting Period – Does not apply.

3. Enrollment in Duplicate University-Sponsored Coverage does not apply.

**B. Deenrollment**

**1. Ineligibility**

- a. Ineligible individuals must be deenrolled.
- b. The University reserves the right to permanently deenroll ineligible individuals.
- c. The Plan Administrator will work with the University campus or lab location and the claims administrator to recover any plan benefits provided due to enrollment/coverage of ineligible individuals.
- d. Ineligible individuals are not entitled to COBRA continuation rights.

**2. Misuse of the Plan**

- a. The University reserves the right to deenroll individuals who misuse the plan.
- b. Misuse of the plan is defined in the Definitions and Abbreviations section (Part I, Section 2).
- c. Employees who misuse the plan will be deenrolled for 12 months.

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## 5205. Effective Date

Coverage begins on the date listed below, provided the Employee is on Pay Status as an eligible Employee. Coverage cannot begin before the first day of eligibility for the plan. Coverage cannot begin unless a salary reduction agreement has been processed during the PIE (See Definitions). The effective date of any coverage is subject to the exceptions in E. below.

**A. During a Period of Initial Eligibility** – If the salary reduction agreement is processed during the PIE, coverage is effective the first of the month following enrollment, subject to payroll deadlines.

A form to cancel the salary reduction agreement must be submitted to the local Benefits or Accounting Office. The salary reduction will stop with the next normally scheduled pay date, subject to payroll deadlines. Coverage stops the last day of the pay period for which a contribution was made.

- B. During an Open Enrollment Period – The date announced by the Plan Administrator normally January 1 of the following year.
- C. With a Statement of Health – Does not apply.
- D. Deferred Effective Date – Does not apply.
- E. Exceptions – If the exception in 2. below applies, the effective date of coverage and contributions are deferred as noted.
  - 1. Leave for Health Reasons – Does not apply.
  - 2. Leave at the Beginning of an Appointment – If an Employee's appointment begins by being placed on a leave without pay, the effective date of coverage and contributions is deferred until the Employee is placed on normal Pay Status for that appointment
  - 3. Hospitalized Family Members – Does not apply.

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## 5206. University Contribution

The University does not contribute toward the Health FSA. However, for tax purposes, salary reduction amounts (pretax Employee contributions) are considered employer contributions.

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## 5207. Premiums

- A. Payment – Contributions are made to the plan by salary reduction based on the amount specified in the salary reduction agreement. Contributions are deposited in Employees' individual Health FSA accounts.
- B. Rate/Salary Reduction Changes – When plan participation is cancelled or the salary reduction agreement is changed, any adjustment in the salary reduction amount will be effective on the first of the following month, subject to payroll deadlines.

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## 5208. Actions Which Affect Coverage

The following provisions apply:

- A. Leave without Pay
  - 1. General – Contributions and coverage stop during a leave without pay. If the leave is an FMLA leave, coverage may be continued during the leave by special arrangement at the beginning of the leave. If the leave is not an FMLA leave, COBRA may be elected so that coverage continues (See Section 5209.). If coverage is continued,

2. claims may be made for eligible expenses incurred during the leave without pay.

If coverage terminates at the beginning of the leave without pay, eligible expenses incurred during the leave will not be covered. Upon return to active Pay Status there is a PIE to reenroll. The plan reenrollment depends on the length of the leave without pay (see Section 5203. D. 3.).

3. **While Receiving Short-Term Disability Insurance Benefits (Section 3000.)** – See 1. above and B., E. and L. below, as applicable.

**B. Leave with Pay**

1. **General** – Contributions continue at the same rate unless the salary reduction agreement is modified during the PIE. If earnings are reduced and do not cover the elected contribution amount, contributions are suspended. See E. below. If the salary reduction agreement is cancelled during the PIE, see M. below.

Claims may be made for eligible expenses incurred during the leave with pay.

2. **Sabbatical Leave/Qualified Leave for Professional Renewal** – See B.1. above.

**C. Furlough/Temporary Layoff** is treated as a leave without pay.

**D. Indefinite Layoff** is treated as termination of employment.

**E. Insufficient Earnings** – If earnings do not cover the salary reduction amount, contributions are suspended. Contributions automatically resume at the original level when earnings will cover the full salary reduction amount. Retroactive contributions will not be taken to cover periods without contributions.

**F. Insufficient Average Regular Paid Time Below 17.5 Hours Average Regular Paid Time Per Week**- Does not apply.

**G. Break in Service of 120 Days or More** – If rehired, Employees are treated as new Employees. If the Employee meets Initial Employment Requirements in Section 5202.A.1., the Employee may enroll with the same or a new salary reduction agreement, subject to annual plan maximums.

**H. Transfer to an Ineligible Position** – treated as termination of employment.

**I. Retirement** is treated as termination of employment.

- J. Loss of Eligible Family Member Status** – See Section 5203.D.11.
- K. Pending Disability Retirement** - from a University-sponsored defined benefit plan. See A.1., B., E. and L. as applicable.
- L. Termination of Employment** – Coverage ends on the last day of the pay period for which a contribution was made. Claims for eligible expenses incurred through this date may be filed until the final filing date for the specific plan year.
- M. Cancellation of Coverage/Salary Reduction Agreement** – Coverage ends on the last day of the pay period in which a contribution was made. Claims for eligible expenses incurred through this date may be filed until the final filing date for the specific plan year.

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## 5209. Continued Group Coverage (COBRA)

Under certain circumstances, group coverage may be continued for specified periods of time.

- Except for termination and reduction in average regular paid time, the Employee and/or Family Members must notify the local Benefits Office of the Qualifying Event within the legally required time period.
- The Employee and/or eligible Family Members may separately elect continued coverage.
- The continuation period runs concurrently with any other University continuation provisions (e.g., during leave without pay) except during an approved leave under the Federal Family and Medical Leave Act (FMLA).
- In addition to those eligible individuals described below, individuals disenrolled from group coverage due to Misuse of the plan may continue coverage under this section subject to plan approval. In this case, the Employee and/or Family Members may not separately elect continued coverage. When continuation coverage ends, these individuals may be eligible for a PIE.

**Changes in COBRA Laws** – The provisions in this Section are subject to change due to revisions in COBRA related law.

- A. Eligibility** – Eligibility for continued group coverage begins on the date of the earliest Qualifying Event (divorce, marriage, termination, death, etc.), as described in 2. below.
- 1. Eligible Employees and/or Eligible Family Members who are Qualified Beneficiaries (see Definitions) and are Eligible for Continuation Coverage** are:

- a. Employees who are enrolled in the Health FSA the day before a Qualifying Event as defined in 2. below and/or their Family Members who were eligible to have their health care expenses reimbursed under the Employee's Health FSA account on that date.
  - b. Children born to or adopted by the Employee during the continuation period described in 2. a. i. below.
2. **Qualifying Event** – Continuation coverage is as follows for each type of Qualifying Event:
- a. **Termination**
    - i. **General** – Employees whose employment terminates may continue coverage for themselves and eligible Family Members for the balance of the plan year (except for gross misconduct – see B. 3. below).
    - ii. **Disabled Individuals** – See 2.a.i. above.
  - b. **Reduction in Average Regular Paid Time** – does not apply
  - c. **Death of Employee** – Eligible Family Members may continue coverage for the balance of the plan year.
  - d. **Divorce/Legal Separation/Annulment** – Eligible Family Members may continue coverage for the balance of the plan year.
  - e. **Ineligible Adult Dependent Relative/Domestic Partner** – The ineligible adult dependent relative/domestic partner and any enrolled child/grandchild of the domestic partner may continue coverage for the balance of the plan year provided 5209.A.1.a. applies.
  - f. **Overage/Ineligible Children or Grandchildren or Step Grandchildren** – may continue coverage for the balance of the plan year provided 5209.A.1.a. applies.
  - g. **A Married Child or Grandchild or Step-Grandchild Under Age 26 or an Emancipated Minor Child** – may continue coverage for the balance of the plan year provided 5209.A.1.a. applies.
3. **Multiple Qualifying Events** – see 5209.2.a.i. above. The same continuation period applies.
- B. **Ineligibility** – The following individuals are not considered Qualified Beneficiaries:



1. Individuals who are not enrolled in the Health FSA the day before the Qualifying Event (as defined in A. 2. above) or are not eligible to have their health care expenses reimbursed under the Health FSA except those described in A. 1. b. above.
  2. Employees who were enrolled in the Health FSA but were not eligible.
  3. Employees whose employment terminates for gross misconduct.
- C. Loss of Eligibility** – Eligibility for continued coverage ends upon the first of the following to occur:
1. The individual fails to pay premiums due.
  2. For a Family Member, when the individual ceases to meet any one of the eligibility requirements for Family Members described in 5202.B.
  3. The University-sponsored the Health FSA is canceled.
  4. The last day of the plan year in which the COBRA coverage began.

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## 5210. Termination of Coverage

- A. During an Approved Leave with Pay** – Coverage ends on the earliest of the following dates:
- the last day of the pay period for which the Employee was eligible for benefits and a contribution was made;
  - the end of two years.
- B. All Other Circumstances** – Coverage ends on the earliest of the following dates:
- the last day of the pay period for which the Employee was eligible for benefits and a contribution was made ;
  - the last day of the month in which a form to cancel the salary reduction agreement is received in the local Benefits or Accounting office, subject to payroll deadlines; or
  - the day the University terminates the plan.

Clerical error, by itself, is not the basis for extension of coverage past the date it would otherwise end.

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## 5211. Conversion

Does not apply.

