



Published on *Policies and Procedures* (<http://tobaccofree.arizona.edu>)

[Home](#) > Group Insurance and Benefit Programs

---

## Policy Contents

- [Policy](#)
- [Related Information\\*](#)
- [Revision History\\*](#)

## Policy Information

**Effective Date:**

October 1, 2011

**Last Revised Date:**

April, 2015

**Reference:**

Classified Staff Human Resources Policy Manual 222.0

University Handbook for Appointed Personnel 10.01

**Responsible Unit:**

Division of Human Resources

**Phone:**

(520) 621-3660

**Email:**

[hadmin@email.arizona.edu](mailto:hadmin@email.arizona.edu) [1]

## Policy

### Benefits Eligibility

Employees who are employed at 20 hours per week (.50 FTE) or greater and in a position that is intended to be ninety (90) days or more in duration are considered eligible for insurance benefits as determined by the Arizona Department of Administration and the University of Arizona. Graduate assistant/associate positions are excluded from eligibility at the time of initial hire. All employees could become eligible for insurance benefits should they average 30 hours employment per week over a previous 12-month measurement period.

Information about the [eligibility of an employee's dependent\(s\)](#) [2] is available on the Division of Human Resources website.

### Benefits Enrollment Period and Effective Date

To participate in any of the benefit programs, eligible employees must enroll for benefits within the first 31 days of the date of hire or eligibility. Benefits elections are effective the first day of the pay

period following a completed enrollment. If an employee does not enroll during the 31-day enrollment period, he/she may enroll or modify elections (a) during the next annual open enrollment period or (b) when there is a change in family status (Qualified Life Event) during the plan year. The annual open enrollment period usually occurs each October/November and the elections take effect on the following January 1.

More information about benefits enrollment and effective dates is available on the Division of Human Resources website at [New Hires & Newly Eligible Employees](#) [2].

## **Tax Treatment of Premiums and Limits to Midyear Changes**

The University participates in an Arizona Board of Regents tax-qualified premium program defined in Internal Revenue Code section 125. Under this program, participant premiums for medical, dental, vision, and the first \$35,000 of voluntary life insurance are offered on a pre-tax basis. Paycheck deductions for these premiums are taken before taxes are calculated, which reduces the participant's taxable income.

This same program restricts when a participant may make changes to current coverage. Changes are generally limited to those available during the annual open enrollment period, unless there is a change in family status (Qualified Life Event; e.g., marriage; divorce; death of a spouse or child; birth, adoption, or change in dependent status of a child; or change in a spouse's employment). Forms to change coverage related to a [Qualified Life Event](#) [3] must be received by the Division of Human Resources within 31 days of the date of the life event.

## **Employer-Paid Life Insurance**

Benefits-eligible employees receive a \$15,000 life and accidental death and dismemberment insurance policy purchased by the University.

## **Supplemental Life Insurance**

Benefits eligible employees may choose to purchase voluntary supplemental life insurance for themselves and/or their eligible dependents. The University does not pay any portion of the premiums for this coverage.

## **Health Insurance**

Benefits-eligible employees may choose to participate in [voluntary group insurance programs](#) [4] that cover them and their eligible dependents.

### **1. Medical Insurance**

Information on current medical insurance options is available on the Division of Human Resources website. Premiums are deducted from employee paychecks on a pre-tax basis. The University pays a portion of the premiums for medical insurance coverage.

### **2. Dental Insurance**

Information on current dental insurance options is available on the Division of Human Resources website. Premiums are deducted from employee paychecks on a pre-tax basis. The University pays a portion of the premiums for dental insurance coverage.

### **3. Vision Insurance**

Information on current vision insurance options is available on the Division of Human Resources website. Premiums are deducted from employee paychecks on a pre-tax basis. The University does not pay any portion of the premiums for this coverage.

## **Short-Term Disability Insurance**

Voluntary short-term disability insurance provides partial income replacement during the six-month waiting period before long-term disability benefits begin. Short-term disability benefits may be paid in addition to paid sick leave and/or vacation. Premiums are deducted from employee paychecks on a post-tax basis and the benefit payments are tax free. The University does not pay any portion of the premiums for this coverage.

## **Flexible Spending Account Plan**

The Flexible Spending Account [5] plan enables participants to have money deducted from paychecks before all the payroll taxes are calculated and have it deposited into either a special health-care account or a special dependent care account. These participant deposits are used to reimburse the participant for qualified expenses. The University pays a monthly administrative fee on behalf of each participant for each account.

## **Continuing Insurance Coverage**

Under certain circumstances, a participant may continue some voluntary group benefits when on a leave of absence and when he/she is no longer a benefits-eligible employee.

### **1. Continuing Insurance Coverage during a Leave of Absence (includes sabbatical)**

Individuals on paid sabbatical or any paid leave of absence continue to participate in insurance programs through existing payroll deductions.

An individual on an approved unpaid leave of absence may continue to participate in current insurance elections, provided arrangements are made with the Division of Human Resources [6] for the individual to pay the full premiums, either in advance of the leave or monthly during the leave.

### **2. Continuing Insurance Coverage after Termination or Loss of Eligibility**

Under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), a participant who terminates service or loses eligibility for benefits (or dependents who lose eligibility for benefits) may continue participation in the medical, dental, and vision plans for up to 18 months by paying the required premium. Affected individuals have 60 days to elect COBRA upon notification by the employer. The health-care flexible spending account may also be continued. More information about COBRA continuation of coverage [7] is available on the Division of Human Resources website.

## **Related Information\***

**FAQs about Section 125 Cafeteria Plans** [8]

**Arizona Revised Statutes § 38-95-38-954; § 38-651-38-658** [9]

# Revision History\*

April 2015

January 2014

---

## Source URL:

<http://tobaccofree.arizona.edu/employmenthuman-resources/group-insurance-and-benefit-programs>

## Links

[1] <mailto:hradmin@email.arizona.edu>

[2]

<http://hr.arizona.edu/employees-affiliates/benefits/benefits-overview-and-eligibility/new-hires-newly-eligible-employees>

[3] <http://hr.arizona.edu/sites/default/files/hr/forms/BEN-QLE.pdf>

[4] <http://hr.arizona.edu/employees-affiliates/benefits/insurance-benefits>

[5] <http://hr.arizona.edu/employees-affiliates/benefits/insurance-benefits#hdr-10>

[6] <http://hr.arizona.edu/>

[7] <http://hr.arizona.edu/employees-affiliates/leaving-ua/continuing-insurance-coverage>

[8]

<https://www.irs.gov/government-entities/federal-state-local-governments/faqs-for-government-entities-regarding-cafeteria-plans>

[9] <http://www.azleg.gov/ArizonaRevisedStatutes.asp?Title=38>