

Memo to: All UH-Downtown/PS Holders
From: Juan Sánchez Muñoz, President
Subject: Employee Fringe Benefits Policy

UH-Downtown/PS 02.A.12
Issue No. 6
Effective date: 06/14/2019
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1. PURPOSE

This PS defines fringe benefits for which University of Houston-Downtown (UHD) eligible employees may qualify upon employment.

2. DEFINITIONS

- 2.1 FTE: An abbreviation for full-time equivalency that refers to the percentage of time and effort for a position.
- 2.2 Benefits-eligible employees: Employees who work at least 20 hours per week for a period of at least 4.5 continuous months, or for a full semester, excluding students employed in positions which require student status as a condition of employment.

3. POLICY

- 3.1 UHD provides a number of group medical, dental, vision, disability and life insurance plans, tax-advantage programs and other fringe benefits for eligible employees. Detailed fringe benefits information and plan eligibility requirements are available in Employment Services and Operations (ESO).
- 3.2 Optional group insurance is provided to eligible employees and, where applicable, their dependents, at group plan costs. The University is authorized by state statute to contribute a portion of eligible premium costs for enrolled, benefits-eligible employees and qualified retirees. The [Employees' Retirement System of Texas \(ERS\)](#), administrators of the group benefit programs, sets the rules and regulations, selects the underwriting insurance companies, and set the annual rates for all group benefits programs offered at UHD.
- 3.3 The group insurance benefits offered to employees include medical plans, dental plans, vision, life insurance and, disability plans, and flexible spending accounts.
 - 3.3.1 . Coverage for health insurance for the employee and enrolled dependents becomes effective the first day of the month following a 60-day waiting period and ceases on the last day of the month during which the employee terminates. The State pays the full premium cost for the employee and half for any dependents. Eligible employees that work less than 30 hours per week are required to pay half of the premium for health coverage.

- 3.3.2 Continuation of group health coverage for employees and qualified beneficiaries after termination is available through the [Consolidated Omnibus Budget Reconciliation Act of 1985 \(COBRA\)](#) under certain conditions.
- 3.3.3 Optional coverages and flexible spending accounts do not require a waiting period. An employee may elect optional coverages to become effective on the first day of employment by completing and submitting the enrollment forms on or before the first day of employment. Otherwise, the employee may submit completed forms for optional coverage to become effective on the first day of the following month. Enrollment in all optional coverage must occur within thirty days of employment.
- 3.3.4 Opt-out credit is available to employees who choose not to enroll in medical insurance. Under the opt-out credit, employees are eligible to receive a portion of the state funding toward the purchase of dental, vision and Accidental Death and Dismemberment (AD&D) coverage.
- 3.3.5 Changes to benefits are limited to the summer enrollment period and may require evidence of insurability. Changes can also occur for a qualifying life event such as marriage, death, divorce, etc.
- 3.4 While employees may choose to waive one or all of the group insurance plans, enrollment in a retirement program is mandatory. A regular employee is required, as condition of employment, to be a member of the Teacher Retirement System (TRS) or the Optional Retirement System (ORP).
 - 3.4.1 Membership in the [Teacher Retirement System \(TRS\) of Texas](#) is required for all regular employees having FTEs of at least 50 percent and appointments of one semester (4.5 months) or longer. Each member contributes, through regular payroll deductions, a percentage of his/her gross salary. The state also contributes a percentage of the employee's gross salary to the employee's retirement fund. Vesting occurs after five years of state service. Current information on the state and employee contributions is available in ESO.
 - 3.4.2 Faculty and some employees having FTEs of 100 percent and appointments of one semester (4.5 months) or longer may select enrollment in the Optional Retirement Program (ORP) in lieu of participation in TRS. Eligibility for participation in this plan is restricted to those employees meeting eligibility criteria as provided by the [Texas Higher Education Coordinating Board](#). Each employee contributes, through regular payroll deductions, a percentage of his/her gross salary. The state also contributes a percentage of the employee's gross salary to the employee's retirement fund. Participation in ORP is a one-time election and must be made in writing within 90 days of the date an employee becomes eligible. Vesting occurs after one year and one day of ORP

participation. Current information on the state and employee contributions is available in ESO.

- 3.4.3 In both TRS and ORP, the employee's contributions are tax deferred. Funds cannot be withdrawn for any reason unless the employee ceases employment.
 - 3.4.4 Once ESO determines the employee has met all eligibility criteria for ORP, arrangements to enroll in the ORP are made between the employee and a carrier selected by the employee from a list of vendors approved by the University of Houston System. UHD assumes no liability for the employee's selection or financial performance of an approved carrier.
 - 3.4.5 Employees previously vested in ORP must remain with ORP as their retirement plan. Furthermore, when an eligible employee elects participation in ORP, the employee is no longer eligible for TRS unless employment with an institution of higher education in Texas ceases and the individual becomes employed by the Texas Public School System, or the employee moves to a position that is not eligible for ORP participation before completing the vesting requirements.
 - 3.4.6 A regular employee may also participate in supplemental retirement plans, with no contribution from the State or System, through the State's Deferred Compensation program (457) and/or the Tax Deferred Annuity (TDA) program and/or the Roth 403 (b) program. Detailed information on these plans is available in Employment Services and Operations (ESO).
- 3.5 Other fringe benefits available to eligible UHD employees are outlined below.
- 3.5.1 Hazardous Duty Pay. Law enforcement personnel are entitled to hazardous duty pay. Increments accrue each year after one full year of service with the University. Law enforcement officers eligible for hazardous play are not eligible for longevity pay.
 - 3.5.2 Longevity Pay. With the exception of faculty members and commissioned police officers, regular full-time employees are entitled to receive longevity pay after completion of two years' employment with the state. Longevity pay is computed at the rate of \$20.00 per month for each two years of state service up to and including 42 years of state service for a maximum of \$420 per month. Employees are responsible for informing ESO about other employment with the State of Texas in order to have their longevity pay adjusted to reflect all such prior service.
 - 3.5.3 Paid Holidays. Regular employees are eligible for certain paid legal holidays authorized by the State Legislature. Holidays shall be established by UHD in accordance with state law. Employees will be notified of the holiday schedule each fiscal year.

- 3.5.4 Paid Leave. UHD provides paid leave for regular employees in accordance with State and federal guidelines. Detailed information pertaining paid leave can be found in SAM 02.D.01, Vacation and Sick leave and PS 02.A.09 Miscellaneous Leave Policy and SAM 02.D.02 Sick Leave Pool.
- 3.5.5 Social Security. As an employer, the University of Houston System complies with the relevant provisions of the Social Security Act. All employees are required to participate in the federal Social Security program as a condition of employment.
- 3.5.6 Staff Development and Training. UHD provides staff training and development benefits to all regular employees under the State Employees Training Act. For more information concerning staff training and development, refer to PS.02.B.12, Staff Training and Development Policy.
- 3.5.7 Unemployment Compensation. All faculty and staff are covered by the Texas Unemployment Compensation Act and may be eligible for weekly benefit payments during a period of unemployment. The Texas Workforce Commission determines if a former employee is eligible for unemployment compensation. The cost of unemployment compensation insurance is paid by the System and no deductions are made from employee pay for this purpose.
- 3.5.8 Workers Compensation. All System employees paid through the payroll system are eligible, under the provisions of the Texas Workers' Compensation Act, to receive monetary compensation and medical coverage for job-related injuries or illnesses in the event of injury, illness, or death while performing services. Detailed information pertaining to workers' compensation may be found in PS 02.A.25.

4. PROCEDURES

There are no procedures associated with this policy.

5. REVIEW PROCESS

Responsible Party (Reviewer): Vice President for Employment Services and Operations.

Review: Every three years on or before July 1st.

Original on file in Employment Services and Operations

6. POLICY HISTORY

Issue #1: 04/25/94

Issue #2: 08/09/99

Issue #3: 07/11/08

Issue #4: 04/05/11
Issue #5: 07/09/15

7. REFERENCES

[UH System Administrative Memorandum 02.C.01](#)
[Teacher Retirement System \(TRS\) of Texas](#)
[Employees' Retirement System of Texas \(ERS\)](#)