

420-06 MEDICAL BENEFITS—PROCEDURE

1. PURPOSE

The College has adopted a cafeteria plan for administering medical benefits for employees. A cafeteria plan allows employees and their families to manage their health in a pro-active and cost effective manner. The College's medical insurance is coordinated through the Northern Arizona Public Employee's Benefits Trust (NAPEBT). The scope and terms of the College's insurance plans may be changed from time to time, and plans rescinded, notwithstanding the terms of this procedure.

2. PROCEDURE

The College offers a Cafeteria Plan to allow employees to choose from a variety of benefits.

1. **Eligibility:**

Full-time employees working 30 or more hours per week in a position that is expected to last no less than six consecutive months. Also one-semester, fulltime, temporary faculty are eligible for these benefits. For faculty, one semester is defined as equivalent to a six-month (half-year) period for the purposes of benefits.

2. **Scope of Benefit**

a. Employees may choose from a variety of benefits as approved annually by the District Governing Board. Each employee is allocated a specific dollar amount to spend on benefits. Any allotment not applied can be received as taxable income. Any elections over and above the allotment are treated as payroll deductions.

b. The College automatically provides life insurance, vision and health insurance coverage for employees only. Health insurance coverage for employees only is mandatory unless an employee can show proof of medical coverage with another insurance provider other than a NAPEBT employer. Every year the employee will be required to provide proof to waive coverage during open enrollment.

3. **Effective Dates of Coverage**

Normally, benefits (including the allocated dollar amount to spend on benefits) begin at the start of the month following the first full month of work. For example, if an employee is hired on February 20th, his/her benefits will be effective on April 1st.

Benefits end on the last day of the month during which an employee resigned. For full-time faculty who resign or retire at the end of normal contract period, benefits extend through the last day of August.

Enrollment Periods

Open enrollment is held annually. During the enrollment period, eligible employees may change their benefit elections. Other than the open enrollment period, an

employee may make changes if the employee experiences a qualifying event, such as the birth of a child, change in marital status, etc.

4. Employee Allotments

The dollar amount that will be allotted to employees will be determined each year by the District Governing Board for use in purchasing benefits and/or receiving a taxable cash-out.

5. Retirees

- a. The College will provide health insurance, excluding dental and vision, for eligible retirees under certain terms and conditions, all of which are subject to change in part or in whole depending on Northern Arizona Public Employee Trust and/or the College's health insurance carrier's willingness to insure retirees and/or on changes in College procedures.
- b. Prior to January 1, 2014: Employees must have had 10 years of service in a benefits eligible position, AND met one of the following two requirements: 1) eligible to receive normal retirements benefits from the ASRS or 2) eligible to receive normal retirements benefits from the Optional Retirement Plan.
- c. Effective January 1, 2014, employees who have 5 consecutive years of service¹ in a benefits eligible position with any combination of employment with a NAPEBT employer AND meet one of the following two requirements: 1) eligible to receive normal² retirement benefits from ASRS or 2) eligible to receive normal retirement benefits from the Optional Retirement Plan.
- d. The retiree will pay the entire premium amount and the premiums will be determined by the existing rates of the College's current health insurance carrier and the rates will be reviewed annually.
- e. Those eligible employees retiring will have thirty (30) days after their last working day to enroll in the insurance program. If they fail to do so within the thirty (30) day period they will be unable to join at a later date.
- f. Retirees who opt to continue health insurance may do so with uninterrupted coverage so long as premiums are paid on time.
- g. Payments will be made directly to the College on a monthly basis by the due date of the statement, which is approximately the 20th of each month.
- h. It is the responsibility of the retiree to make the payments. Participants who fail to pay are subject to cancellation.
- i. Retirees can maintain their coverage under the provisions of this program until the retiree reaches age 65, which is when he/she qualifies for Medicare.
- j. Dependent coverage is available subject to the limitations outlined in the
- k. College's health insurance policy. Dependents cannot continue in the insurance program when the retiree is no longer eligible.

¹ 5 consecutive years of service = 5.00 years and one day

² Refer to the ASRS website for the definition of "normal" retirement.
www.azasrs.gov

3. BACKGROUND

1. Reference: Northern Arizona Public Employer Benefit Trust (NAPEBT) Administrative Manual, www.napebt.com
2. Revision history: 06/09/2010, 09/07/2010, 08/14/2014
3. Legal review: 08/14/2014
4. Sponsor: Human Resources

Adopted by College Council: 08/14/2014

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