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SECTION: Human Resources

SUBJECT: Benefits, Privileges and Services

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Policy for: All Campuses
Procedure for: All Campuses
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DISCLAIMER: The language used in the Human Resources policies does not create an employment contract between the employee and the University of South Carolina. The University reserves the right to revise the content of the Human Resources policies, in whole or in part, with or without notice. In all cases, the Human Resources policies are intended to be consistent with the prevailing state and federal laws and regulations. However, in the event the language contained in the Human Resources policies conflicts with state or federal laws or regulations, the state or federal laws or regulations will control. The University of South Carolina Division of Human Resources has the authority to interpret the University's Human Resources policies.

I. Policy

A. This policy identifies the benefits program available to qualifying permanent employees of the University of South Carolina and their eligible dependents. Coverage levels, rates and other contractual provisions are subject to periodic changes; therefore, the information contained in this policy provides a brief overview of each program.

B. The benefits, privileges and services described in this policy are not restricted on the basis of race, sex, age, color, religion, national origin, disability or veteran status.

C. Detailed information will be provided to all new permanent employees and updated information will be provided to all permanent employees by the appropriate department as changes occur. Employees who wish to visit the Division of Human Resources or campus Human Resources office for assistance with their benefits will be given reasonable time away from the job for such purposes.

II. Procedures

A. State Insurance Plans -- The University of South Carolina participates fully in all insurance programs made available through the State of South Carolina for State employees. Insurance carriers which administer these plans are subject to change based on negotiated contractual agreements. Permanent employees who are scheduled to work at least 30 hours per week for at least six months in a fiscal year are eligible to enroll in any or all of these plans.

1. Health Insurance

Employees have a choice of two levels of coverage under the State comprehensive plan or, depending on where they live or work, a choice of one of four Health Maintenance Organization (HMO) plans. Eligible dependents may also be enrolled.

2. Dental Insurance

Employees and their eligible dependents may enroll. Coverage ranges from 50% to 100% of allowable charges, depending on the category of the dental service provided. The dental plan has a two year contract period. Coverage additions or deletions may only be made during the biannual enrollment period or within 31 days of a qualified change in family status.

3. Life Insurance

The following plans are available to eligible employees:

- a. State Group Life Plan -- Employees who enroll in either of the State or HMO health plans are automatically enrolled for \$3,000 of life insurance and accidental death and dismemberment. Eligible dependents may also be enrolled.

- b. State Optional Life Plan -- Eligible employees may enroll. The amount of life insurance and accidental death and dismemberment is based on the employee's base salary.

- c. Post Retirement Life Plan -- Eligible employees may purchase up to \$50,000 of life insurance which becomes a paid-up policy on the date they set when they enroll in the plan. Premiums are paid on a pre-tax basis through the MoneyPlus program.

4. State Flexible Benefits Plan (MoneyPlus)

This plan, which is administered under the authority of Section 125 of the Internal Revenue Code, allows participating employees to pay costs for certain employee benefits with before-tax-dollars. Eligible enrolled employees may include any or all of the following features in the plan:

- a. State Health, HMO, Dental, and Long Term Care Premiums.

- b. Dependent Care -- Eligible day-care costs for eligible dependents.

- c. Out-of-pocket medical expenses.

5. Long-Term Disability Plan

Employees who enroll in either of the State health plans or HMO plans are automatically covered for long-term disability insurance. After a 90-day waiting period, the plan provides a monthly benefit for periods of approved disability. The amount of the monthly benefit is based on a percentage of the employee's monthly salary, offset by benefits received from the South Carolina Retirement System, Social Security or Workers Compensation. The maximum monthly benefit is \$800.

6. State Long-Term Care Plan

Eligible employees and their spouses may enroll. Under qualifying circumstances, the plan provides a daily benefit for long-term custodial care.

7. Insurance Changes

The contracts for each individual State plan govern when and under what circumstances employees may make coverage changes. Normally, coverage changes can be made only during the designated annual enrollment period or within 31 days of a qualified change in family status; however, employees who do not participate in the MoneyPlus Plan may delete or decrease health or life insurance coverage at any time. Qualified change in family status is defined as death, marriage, divorce or legal separation, birth, adoption or legal guardianship of a child, or the involuntary gain or loss of coverage by an eligible dependent under another group plan.

8. Termination of Coverage

Coverage in any of the State insurance plans is terminated at the end of the month in which an employee leaves State employment, or fails to pay premiums during extended periods of leave without pay. Exception: for nine-month academic employees who separate at the end of an academic year, coverage is terminated on the following August 31st. Under the Federal Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) employees and/or their eligible dependents who lose coverage under certain qualifying conditions may buy extended coverage for group health and/or dental insurance through the State. Detailed information concerning COBRA extensions and conversion options may be obtained from the Benefits Office of the Division of Human Resources or from the Human Resources Officer on regional and four-year campuses.

B. University of South Carolina Insurance Plans

As a supplement to the State insurance plans, the University of South Carolina offers the additional plans which are described below. The USC Educational Foundation assists in making the Group Life and Disability Income plans more affordable by paying a portion of the premium costs.

1. USC Group Term Life Insurance

Permanent employees who work at least 30 hours per week are eligible to enroll. The amount of life insurance and accidental death and dismemberment coverage is based on the employee's salary and age. Employees may cover eligible dependents for a smaller amount of life insurance.

2. USC Universal Life Insurance Plan

In addition to other State and University life insurance plans, eligible employees may enroll in this plan to provide higher amounts of life insurance. Eligible dependents may also be enrolled. The plan combines whole-life insurance protection and tax-deferred interest accumulation at prevailing market rates.

3. USC Disability Income Plan

Permanent employees may supplement the long-term disability benefits provided under the State disability insurance described in Section II. A. 4 of this policy by enrolling in this plan. The amount of coverage available is based on the employee's salary.

4. USC Hospital Confinement Plan

Eligible employees and their dependents may enroll. The plan provides a daily benefit in the event of covered hospital admissions.

5. USC Cancer Plan

Eligible employees and their dependents may enroll. The plan provides certain inpatient and outpatient benefits to help offset the cost of cancer care.

C. The South Carolina Retirement Systems and Optional Retirement Program

1. Membership

All permanent University of South Carolina employees and all employees who are currently members of the South Carolina Retirement System are required by State law to participate in the South Carolina Retirement System or Police Officer's Retirement System, except that faculty and unclassified administrative staff hired on or after July 1, 1987 may elect to participate in the Optional Retirement Program.

2. Contributions

The South Carolina Retirement Act sets forth the amount which must be contributed by both the employee and employer, depending on the particular system in which the employee

participates. Retirement contributions made after July 1, 1982 are exempt from Federal and State taxes until the money is withdrawn.

a. Members of the South Carolina Retirement System and Optional Retirement Program contribute 6% of their gross earnings. See section II. C. 4. below for employer contribution rate for Optional Retirement Program participants.

b. Members of the South Carolina Police Officer's Retirement System contribute 6.5% of their gross earnings.

3. South Carolina Retirement System and Police Officer's Retirement System Benefits

a. Group Life Insurance Benefit and Survivor Options

Upon the death of a contributing member who has completed at least 12 months of membership under the South Carolina Retirement System or Police Officer's Retirement System, payment will be made to the beneficiary in the amount of the employee's annual base salary at the time of death. The 12 month employment requirement is waived if death is job related. In addition, a refund will be made to the beneficiary in the amount of the employee's contribution, plus accumulated interest. If the deceased member had at least 15 years of credited service, the beneficiary may choose to receive the refund of contributions in the form of a lifetime annuity.

b. Disability Retirement

A member who becomes disabled after completing five years of credited service with the South Carolina Retirement System or Police Officer's Retirement System may apply for disability retirement. If approved, retirement benefits are calculated similarly to those which would be applicable at age 65 for members of the South Carolina Retirement System and at age 55 for the Police Officer's Retirement System.

c. Vesting

A member of the South Carolina Retirement System or Police Officer's Retirement System who has five years of credited service is vested. Upon separation from State service, a vested member may choose to leave his or her contributions with the Retirement System and qualify for a deferred retirement benefit upon attaining age 60 for members of the South Carolina Retirement System, and at age 55 for the Police Officer's Retirement System.

d. Refund of Contributions

A member of the South Carolina Retirement System or Police Officer's Retirement System who leaves State employment prior to retirement may withdraw the sum of his or her contributions plus the accumulated interest. A minimum of 90 days from the date of separation is required before the refund may be made.

e. Eligibility for Retirement

(1) South Carolina Retirement System

A member may retire and apply for full formula benefits at age 65 or with 30 years of credited service. Members who do not have 30 years of credited service may apply for reduced benefits at age 60, or at age 55 with 25 years of credited service. The State of South Carolina guarantees a formula benefit based on a yearly average of the employee's 12 highest consecutive calendar quarters earnings and the years of credited service.

(2) South Carolina Police Officer's Retirement System

A member may retire and apply for full formula benefits at age 55 with at least five years of credited service or with 25 years of service, regardless of age. The State of South Carolina guarantees a formula benefit based on a yearly average of the member's 12 highest consecutive calendar quarters earnings times the years of credited service.

4. Optional Retirement Program (ORP)

Faculty and unclassified administrative staff hired on or after July 1, 1987 may choose to participate in a qualified 401(a) Tax-Deferred Annuity Plan through one of several ORP carriers authorized by the South Carolina Retirement System.

State law requires that the amount of employer contributions remitted to ORP members' annuity contracts cannot be less than 4.25 % of the member's earnings nor more than the amount designated by South Carolina Retirement System actuaries to fund future benefits for members of the South Carolina Retirement System. Investment choices, the amount of interest earned, withdrawal options and retirement options are governed by the individual annuity contracts. Retirement, death and disability benefits are based on the cash value of the member's account.

D. Tax Deferred Annuities and Deferred Compensation

A number of options are available for employees to supplement their retirement income by participating in a pre-tax savings program. The amount contributed to these plans and the interest earned is not taxed until the money is withdrawn, which is normally at retirement when the individual normally has a lower tax liability. These plans offer a variety of investment options which have varying rates of return. Available plans include 457, 401(k) and 403(b) plans through the State Deferred Compensation Program or a 403(b) plan through any of a number of individual annuity companies. Additional information is available in the Payroll Office, the Benefits Office or the campus Human Resources Office.

E. Social Security

The University participates in the Federal Program of Old Age and Survivor Benefits (FICA). Participation is required of all employees. This statutory deduction is met with a matching contribution by the University.

F. Unemployment Compensation

Unemployment Compensation is a program mandated by the Social Security Act of 1936, designed to provide financial assistance for individuals who are out of work through no fault of their own, but who are otherwise available for full-time employment. The program is governed by Federal and State guidelines, and is funded entirely by employer contributions. For additional information, contact the South Carolina Employment Security Commission, Unemployment Compensation Division.

G. Savings Bonds

United States Savings Bonds are available through Payroll Deduction. Interested employees should contact the Payroll Office or the Division of Human Resources, Benefits Office for further information.

H. Carolina Collegiate Federal Credit Union

For the benefit of its employees, the University has a credit union to provide a savings and loan system in which permanent employees and their relatives may participate. A wide range of banking services is available. Interested employees should contact the Carolina Collegiate Federal Credit Union, or the Division of Human Resources, Benefits Office, or the campus Human Resources Office.

I. Salary Checks

All employees are paid semimonthly, on the 15th and the last working day of the month. By completing an authorization agreement for electronic deposit form in the Division of Human

Resources, Benefits Office or the Payroll Office, employees may have their checks deposited directly to the bank of their choice. State law prohibits any advance in salary.

J. Parking

Parking assignments for faculty and staff are based on seniority with current University service determining seniority date. Seniority is not based on State service. Employees should contact the Department of Parking and Vehicle Registration Services on the Columbia Campus for additional information.

K. Athletic Tickets

Season tickets are available at a reduced rate. Individual tickets are full price. Season tickets may be purchased for the employee, spouse and school age children in the family. For further information, contact the Athletics Department, Ticket Office.

L. University Libraries

The facilities of all University libraries on the Columbia campus (Thomas Cooper Library, South Caroliniana Library, Law Library, Business Library, etc.) are available to employees.

M. Employee Assistance Program

The University contracts with a qualified Employee Assistance Provider to offer eligible faculty, staff and dependents assistance with a wide range of problems including; child-rearing concerns, elder care issues, alcohol and drug related problems, abuse issues, marital difficulties, depression, anxiety, stress, financial problems and legal issues. For more information on the Employee Assistance Program, contact the Division of Human Resources, Employee Relations Office.

N. Tuition Remission

Eligible faculty and staff may apply to take one three-hour course a semester, four hours in the case of a lab course, at no charge on a space available basis. For more information refer to the Tuition Assistance policy.

O. Notary Public Service

Notary Public services are available in the Division of Human Resources, Benefits Office at no charge to University employees.

P. Break Periods

There are no scheduled break periods during the day, but the privilege of a short break period may be granted by the department chair or supervisor. Breaks should be approximately 10 minutes long, but in no case should they exceed 15 minutes from the time the employee leaves the place of work until the employee's return. These break periods are a privilege and not a right and must not be abused. Sufficient personnel should be on duty at all times to carry on the normal functions of the department.