



Employee Benefits Enrollment Guide

Term, Probationary, and Tenured Faculty



Human Resource Services

<http://www.uni.edu/hrs>

Table of Contents

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|---|----|
| Table of Contents | 2 |
| Faculty Benefits at UNI | 3 |
| Checklist for Enrollment Forms | 4 |
| Health & Dental Insurance Requirements | 5 |
| Health & Dental Insurance Enrollment..... | 7 |
| Health Insurance..... | 8 |
| Dental Insurance..... | 9 |
| Vision Insurance | 10 |
| Life Insurance | 12 |
| Long-Term Disability Insurance..... | 13 |
| Premium Only Plan..... | 15 |
| Flexible Spending Account..... | 17 |
| Introduction to UNI Retirement Plans..... | 20 |
| Iowa Public Employees Retirement System (IPERS) | 21 |
| TIAA-CREF Retirement Annuity..... | 23 |
| Supplemental Retirement Annuities..... | 26 |
| Long-Term Care Insurance | 27 |
| Other UNI Benefits..... | 29 |
| Initial COBRA Notification..... | 31 |

Faculty Benefits at UNI

The Human Resource Services Department welcomes you to the University of Northern Iowa as a new faculty member. The Office of Human Resource Services is located in 027 Gilchrist. The general office telephone number is (319) 273-2422. The office is open during regular UNI business hours with staff members available to assist you and answer your benefits questions.

The University of Northern Iowa provides faculty with a variety of benefits. Some programs are optional; some are automatic and Iowa law mandates others. The University shares the cost of these programs or in some cases, the employee or the University pays the premium in its entirety.

This booklet is designed to provide you with an overview of the benefit programs to assist you in making enrollment decisions. The booklet is not intended to be a policy statement. Policy booklets and/or certificates of coverage, which are your full policy statement, are included with this packet.

Enrollment

Enrollment is optional in all of the plans with the exception of the Life Insurance, Long-Term Disability Insurance, and Retirement Plan. **Enrollment in the optional programs is not automatic. You must enroll within 30 days of your employment at the University of Northern Iowa.** After the initial 30-day period there may be an 18 month waiting period for coverage of treatment for you and/or your dependents for the health insurance plan and you will be required to wait until an open enrollment period to enroll yourself and/or your dependents in the dental and vision insurance plans.

Enrollment forms are provided with this packet. The completed forms are to be returned within the initial 30-day period of eligibility to:

Office of Human Resource Services
University of Northern Iowa
027 Gilchrist
Cedar Falls, IA 50614-0034.

Right to Change Benefits–Required Statement

Under the current “Master Agreement between the State of Iowa Board of Regents and the UNI United Faculty”, changes to the current plans require the mutual agreement of the State of Iowa Board of Regents and the United Faculty.

Iowa Fair Information Practices Act–Required Statement

The University of Northern Iowa requests information for the purpose of maintaining the required records for your various University benefits programs. No persons outside the University are routinely provided this information. If you fail to provide the required information, it may result in a delay in providing you with one or more of your benefit programs.

Checklist for Enrollment Forms

Please return the enrollment forms to the Office of Human Resource Services, 027 Gilchrist, Cedar Falls, IA 50614-0034. The following check list is provided to assist you.

Health and Dental Insurance–Optional Program

_____ [Faculty and Staff Enrollment Form for Health & Dental Insurance](#)

Vision Insurance-Optional Program

_____ Avesis Advantage Vision Care Employee Enrollment Form

Premium Only Plan–Optional Program

_____ [Premium Only Plan Enrollment Form](#)

Retirement Fund–Mandated by Iowa Law

_____ [Retirement Plan Election Form](#)

AND

_____ IPERS Membership Information and Beneficiary Designation

OR

_____ TIAA/CREF Application Form or On-Line Enrollment

Life Insurance–Automatic Coverage

_____ [UNI Life Insurance Beneficiary Designation Form](#)

Supplemental Long-Term Disability Coverage–Optional Program

_____ [Statement of Health Questionnaire](#)

Flexible Spending Accounts–Optional Program

_____ [Enrollment Form for Flexible Spending Account](#)

Long-Term Care Insurance–Optional Program

_____ Enrollment Form-Pick this form up at the Human Resource Services Office-or enroll online

Health & Dental Insurance Requirements

Eligibility Requirements

- Term, Probationary or Tenured Faculty
- 1/2 time or greater
- Appointed for 9 months or longer

Date Coverage Begins

Coverage is effective on the first day of the month following the date of employment, providing you enroll within 30 days of your date of employment. For faculty beginning in the fall semester, this is usually September 1.

Pre-Existing Conditions

The University of Northern Iowa health and dental insurance plans have no waiting periods or exclusions for pre-existing conditions for new employees who enroll within 30 days of their qualifying appointment. Employees and their eligible dependents have full coverage as of the effective date. Employees who do not enroll within the first 30 days may have an 18 month waiting period for coverage of treatment of pre-existing conditions. This waiting period applies to the employee and all dependents.

Who May Be Covered?

- Yourself
- Your spouse, common law spouse or domestic partner (same sex spouse)
- Unmarried children to age 25*
- Unmarried fulltime students over age 25
- Qualified children over age 25 who are totally and permanently disabled, provided the disability existed prior to age 25

** Iowa legislation (HF 2539) allows your unmarried children between the ages of 19 and 25 who are not full-time students and who live in the state of Iowa may be covered on your health, dental, and vision insurance plan. These children are eligible for coverage through the end of the plan year in which they marry, turn age 25, or no longer reside in Iowa. You must complete the Certification of Non Full-Time Student Dependent Age 19 to 25 form requesting enrollment and verifying tax dependent status before you can enroll these children on your insurance plan. Under federal tax law, if your unmarried child does not qualify as your tax dependent, UNI will calculate the fair market value of dependent coverage. This amount will be included in your gross income and will be subject to federal and state withholdings and FICA and be reported on your W-2 form.*

If both you and your spouse are employed by the University of Northern Iowa in positions that are eligible for benefits, you may enroll in a double spouse family plan which reduces the employee cost of the plan. You will be covered under a family plan, which requires a “plan member” and a “spouse”. Either spouse may be the “plan member.” All claims are filed in the name of the “plan member”.

Common law spouses must sign a *Common Law Affidavit* and have their signatures notarized. The common law relationship is a legally recognized and binding relationship. *Common Law Affidavits* are available in the Office of Human Resource Services, 027 Gilchrist.

Domestic partners (same sex spouses) must meet certain criteria and complete and sign an *Affidavit of Domestic Partnership* which is also available in the Office of Human Resource Services.

Employees ages 55 or greater who retire from the University may retain coverage in the group medical insurance plan for themselves, their spouses and their dependent children. The retiree is responsible for paying the full cost of the premium directly to the carrier. When the retiree or his/her spouse is eligible for Medicare due to age or disability, the University plan will become the secondary carrier.

Health & Dental Insurance Enrollment

Enrollment

You must complete and turn in the *Faculty and Staff Enrollment Form for Health & Dental Insurance* to enroll in the University health and dental insurance plans. The Office of Human Resource Services must receive the completed enrollment form(s) within 30 days after your date of employment. After the initial 30-day period there may be an 18 month waiting period for coverage of treatment for you and/or your dependents for the health insurance plan and you will be required to wait until an open enrollment period to enroll yourself and/or your dependents in the dental and insurance plan.

Wellmark and Delta Dental require the names, birth dates and Social Security numbers of dependent spouses and children enrolled for coverage. Please complete the enrollment form in its entirety, including this information.

Open Enrollment Period

The University of Northern Iowa conducts an open enrollment period annually for both the health and dental plans. A memo is sent to employees each April outlining the provisions of the open enrollment period. Changes and new enrollments are effective on August 1.

Adding/Dropping Dependents

You may add dependents within 30 days of an "event" which qualifies them as your dependent. "Events" are marriage, birth, death, divorce, a dependent's return to full-time student status or a spouse's loss of group coverage.

You may drop dependents and/or change from a family plan to a single plan at any time during the year unless you are enrolled in the Premium Only Plan (see the Limitations section, page 15).

Health Insurance

The University of Northern Iowa offers eligible faculty the UNI Health Insurance Plan (UHIP). Wellmark Blue Cross/Blue Shield of Iowa is the plan administrator. UHIP is an indemnity plan, which means that you may access any licensed physician or hospital. However, if you select providers (physicians, clinics, and hospitals) which participate with Wellmark, those providers have agreed to:

- File all claims for you. Benefit payments will be sent directly to the provider(s) and you will be responsible only for the deductibles and/or co-insurance, and
- Accept what Wellmark considers usual, reasonable, and customary as payment in full; you will not be responsible for any out-of-pocket costs other than the deductibles and co-insurance.

A list of participating providers may be found at <http://www.wellmark.com>. You may also ask providers whether they have a participating agreement with Wellmark or contact Wellmark at (800) 600-4149 to inquire about the status of specific providers.

Inpatient Coverage:

Wellmark pays 90% of all covered hospital-related services after a deductible of the first two days of the semi-private room charges in a hospital or skilled nursing facility.

Outpatient Coverage:

Wellmark pays 90% of usual, customary and reasonable (URC) services with no deductible for:

- Routine annual physical (one per year)
- Office calls to treat or diagnose
- Surgery
- Diagnostic x-ray and lab services
- Second opinion (as outpatient)
- Allergy testing and treatment
- Immunizations
- Emergency care
- Accident care, fracture, dislocations, lacerations

Maternity Coverage:

Wellmark pays 90% of UCR services for obstetrical care and delivery after satisfying the inpatient deductible.

Nervous/Mental, Drug/Alcohol Abuse Services:

Outpatient treatment is paid at 90% limited to 52 visits per person per year. Inpatient services are paid at 90% of UCR after satisfying the deductible up to a limit of 45 days per person per year. Inpatient coverage includes room and board and physician care.

Other Covered Services:

Wellmark pays 90% after employee satisfies a \$100 deductible, for:

- Prescription drugs, dressings and insulin
- Blood, blood plasma, blood serum
- Physical therapy
- Ambulance service
- Medical equipment rental and oxygen
- Care by RN (private duty)
- Home health care
- Artificial body parts and braces to correct a physical condition

Out-of-Pocket Maximum: After employee has paid \$500 per contract per calendar year for covered charges, Wellmark pays covered charges for the remainder of the year at 100%.

| Monthly Rates: | Employer | Employee |
|-----------------------|-----------------|-----------------|
| Single | \$505.00 | \$0.00 |
| Family | \$987.75 | \$329.25 |

Dental Insurance

The University of Northern Iowa offers eligible faculty an optional dental insurance plan. Delta Dental of Iowa is the plan administrator.

You may visit any licensed dental provider, but if you select provider(s) which “participate” with Delta Dental, those providers have agreed to:

- File all claims for you. Benefit payments will be sent directly to the provider(s) and you will be responsible only for the deductibles and/or co-insurance; and
- Accept what Delta Dental considers usual, reasonable and customary as payment in full; you will not be responsible for any out-of-pocket costs other than the deductibles and co-insurance.

A list of participating providers may be found at <http://www.deltadentalia.com>. You may also ask providers whether they have a participating agreement with Delta Dental or contact Delta Dental at (800) 544-0718 to inquire about the status of specific providers.

Preventive Maintenance Care:

Delta Dental pays 100% up to a maximum annual benefit. Preventive maintenance care includes dental cleaning, oral evaluations, fluoride applications, x-rays, sealant applications, space maintainers, emergency treatment, and biopsy of oral tissue.

Routine Restorative Care and Surgical Care:

Delta Dental pays 50% up to a maximum annual benefit. Routine restorative care includes general anesthesia/sedation, restoration of decayed or fractured teeth (amalgam or composite restorations), limited occlusal adjustment and routine oral surgery.

Major Restorative Care and Dental Prostheses:

Delta Dental pays 50% after \$50 deductible up to a maximum annual benefit. Major restorative care includes root canals, gum and bone diseases, cast restorations, and dentures and bridges, complete or partial.

Maximum Annual Benefit:

\$600 per person per calendar year for Preventive Maintenance Care, Routine Restorative Care and Surgical Care, and Major Restorative Care and Dental Prostheses combined.

Orthodontic Care:

Delta Dental pays 50% after a \$100 deductible to a maximum annual benefit of \$500 per member. Orthodontic care is available only to dependent children up to age 19. Orthodontic care may include retainers, braces and/or diagnostic materials to correct alignment and function of the teeth.

| Monthly Rates: | Employer | Employee |
|-----------------------|-----------------|-----------------|
| Single | \$23.00 | \$0.00 |
| Family | \$23.00 | \$49.00 |

Vision Insurance

The University offers the option of participating in a voluntary vision insurance plan. The group vision insurance is provided through Avesis, a national vision and dental company underwritten by Security Life Insurance Company of Kansas City, Missouri. A list of participating providers can be accessed by calling Avesis at (800) 828-9341 or contacting the UNI Benefits Office.

Eligibility Requirements

- ½ time or more

Date Coverage Begins

Coverage is effective the first of the month after date of employment.

Who May Be Covered?

- Yourself
- Your spouse, common law spouse or domestic partner (same sex spouse)
- Unmarried children to age 25*
- Unmarried fulltime students over age 25
- Qualified children over age 25 who are totally and permanently disabled, provided the disability existed prior to age 25

** Iowa legislation (HF 2539) allows your unmarried children between the ages of 19 and 25 who are not full-time students and who live in the state of Iowa may be covered on your health, dental, and vision insurance plan. These children are eligible for coverage through the end of the plan year in which they marry, turn age 25, or no longer reside in Iowa. You must complete the Certification of Non Full-Time Student Dependent Age 19 to 25 form requesting enrollment and verifying tax dependent status before you can enroll these children on your insurance plan. Under federal tax law, if your unmarried child does not qualify as your tax dependent, UNI will calculate the fair market value of dependent coverage. This amount will be included in your gross income and will be subject to federal and state withholdings and FICA and be reported on your W-2 form.*

Common law spouses must sign a *Common Law Affidavit* and have their signatures notarized. The common law relationship is a legally recognized and binding relationship. *Common Law Affidavits* are available in the Office of Human Resource Services, 027 Gilchrist.

Domestic partners (same sex spouses) must meet certain criteria and complete and sign an *Affidavit of Domestic Partnership* which is also available in the Office of Human Resource Services.

Plan Options

Option 1: Exam & Materials

This plan covers a yearly vision exam and materials (frames & lenses, OR contacts). You would want to enroll in this option if your health insurance does not cover a yearly exam. ***Please contact Human Resource Services for more information on this plan.***

| | |
|-----------------------|-----------------|
| Monthly Rates: | Employee |
| Single | \$9.40 |
| Family | \$21.63 |

Option 2: Materials Only

This plan only covers materials (frames & lenses, OR contacts). You would want to enroll in this option if your health insurance covers a yearly exam. ***Please contact Human Resource Services for more information on this plan.***

| | |
|-----------------------|-----------------|
| Monthly Rates: | Employee |
| Single | \$6.81 |
| Family | \$15.67 |

Enrollment

You must complete and turn in the *Avesis Advantage Vision Care Employee Enrollment Form* to enroll in the voluntary group vision insurance. The Office of Human Resource Services must receive the completed enrollment form within 30 days after your date of employment. After the initial 30-day period, you will be required to wait until an open enrollment period to enroll yourself and/or your dependents in the vision insurance plan.

Life Insurance

The Life Insurance Program at the University of Northern Iowa is an automatic benefit. The University pays the full premium for this benefit. Eligible faculty must designate a beneficiary or beneficiaries who will receive the benefit in the event of the employee's death. Principal Insurance Company of Des Moines, Iowa is the insurer.

Eligibility Requirements

- Term, Probationary or Tenured Faculty
- 1/2 time or more
- Appointed for 9 months or longer

Date Coverage Begins

Coverage is effective on the date a faculty member meets the eligibility requirements.

Policy Benefits

This is term life insurance and thus does not provide for a cash surrender value. Benefits are:

- Death benefit of two and one half (2 ½) times your University budgeted salary rounded to the nearest \$1,000 up to a maximum benefit of \$250,000.
- Accidental death benefit of two and one half (2 ½) times your University budgeted salary rounded to the nearest \$1,000 up to a maximum benefit of \$250,000. This is in addition to the death benefit above.
- Accidental dismemberment benefit of between 1/2 and the full amount of Principal Sum (Accidental death benefits) depending on scope of the injury.
- Waiver of continued premium payments in the event of total disability.

Faculty who continue active employment after age 61 will have benefits reduced by 5% each July 1.

Retiree Provisions

If you retire from the University at age 55 or older, with at least 10 years of continuous enrollment immediately prior to retirement, you may continue one-third of the insurance coverage (excluding AD&D) that was in force immediately prior to retirement. The coverage will be subject to an annual 5% reduction until the July 1 coinciding with or next following attainment of age 70. At that time you will be covered with a death benefit of \$4,000 without further premium payment.

Enrollment

Enrollment in the group term Life and AD&D Insurance is automatic. However, you must designate a primary beneficiary(s) or contingent beneficiary(s) on the *UNI Life Insurance Beneficiary Designation* form. Primary beneficiaries will receive benefits first. Contingent beneficiaries will receive benefits only in the event that the primary beneficiary(s) predeceases you.

You may change the beneficiary designation at any time. The beneficiary change forms are available in the Office of Human Resource Services, 027 Gilchrist.

Long-Term Disability Insurance

Participation in the Long-Term Disability Insurance program is automatic for all eligible faculty. The University pays the full cost of the premium. Principal Insurance Company of Des Moines, Iowa is the insurer.

Eligibility Requirements

- Term, Probationary or Tenured Faculty
- 1/2 time or more
- Appointed for 9 months or longer

Date Coverage Begins

Your coverage will automatically begin to phase-in on the first of the month following the date you complete one year of continuous active employment, provided you remain eligible during the year. The schedule of coverage is as follows:

| | |
|-------------------------------|-------------------------|
| 1 year but less than 2 years | 30% of budgeted salary* |
| 2 years but less than 3 years | 40% of budgeted salary* |
| 3 years but less than 4 years | 50% of budgeted salary* |
| 4 years but less than 5 years | 60% of budgeted salary* |
| 5 years or more | 70% of budgeted salary* |

* Monthly compensation is 1/12 of annual budgeted salary. Annual budgeted salary does not include summer appointments.

You may apply for supplemental coverage during the first year of employment and during the “phase-in” schedule by completing a *Statement of Health Questionnaire*. Principal Insurance Company must approve the application. Once the application is approved, you will be responsible for paying the full cost of the premium through payroll deduction. As the University paid coverage phases in, the employee paid supplemental coverage phases out.

Qualifying for Benefits

To qualify for Long-Term Disability benefits:

- You must become disabled while insured under the group Long-Term Disability policy.
- Your disability must not be subject to any of the limitations listed in the policy booklet.
- Your disability must have caused you to miss a total of 90 consecutive workdays. You may, however, return to work a total of not more than 30 workdays during the waiting period without starting the 90-day waiting period again. Each hour worked during the waiting period will extend the waiting period by an hour.
- Your sick leave accumulation must be used completely.

Policy Benefits

The amount of coverage is based on your budgeted monthly compensation*. Benefits phase-in during the first five years of employment as described in the section titled “Date Coverage Begins.” Maximum monthly benefit is \$5,000.

Benefit payments are coordinated with benefits paid to you or your dependents by Social Security and Workers' Compensation and by earned income. Benefit payments are not reduced by permanent partial disability or permanent total disability payments from Workers' Compensation.

Cost of living adjustments based upon the Consumer Price Index are applied to benefits each year on the July 1 following completion of one year of continuous disability.

Termination of Benefits

Long-Term Disability payments cease on the earliest of:

- The date of your death;
- The date you are no longer disabled, or you fail to submit evidence of continuing disability;
- The June 30 following the date you attain age 65 if your disability begins before you are age 61 (not less than 60 months); or
- The earlier of five years or June 30 following the date you attain age 70 if your disability begins after age 61.

Retirement Protection Plan

If you are enrolled in the TIAA-CREF Retirement Program and qualify for benefit payments under the Long-Term Disability policy, your mandatory contribution and the University of Northern Iowa's contribution to the TIAA-CREF program will be continued by Principal Mutual Insurance Company during the period of your disability.

This coverage is also subject to a phase-in period. The schedule of coverage is as follows:

| | |
|-------------------------------|---|
| 1 year but less than 2 years | 20% of monthly TIAA-CREF contributions |
| 2 years but less than 3 years | 40% of monthly TIAA-CREF contributions |
| 3 years but less than 4 years | 60% of monthly TIAA-CREF contributions |
| 4 years but less than 5 years | 80% of monthly TIAA-CREF contributions |
| 5 years or more | 100% of monthly TIAA-CREF contributions |

The Retirement Protection Plan "phase-in" schedule is **not** covered by the Supplemental Long-Term Disability plan.

Contributions will continue as long as you are receiving Long-Term Disability benefit payments- contributions will end when benefit payments end. Cost of living adjustments are also included in the Retirement Protection Plan benefit.

Enrollment

There is no enrollment required for the Long-Term Disability unless you wish to apply for the Supplemental Long-Term Disability coverage. If you wish to submit an application for Supplemental Long-Term Disability, request a *Statement of Health Questionnaire* form from the Office of Human Resource Services, 027 Gilchrist.

Premium Only Plan

The Premium Only Plan is an optional program.

Eligibility Requirements

Any faculty member who is eligible for and enrolls in the health and dental plans with an employee premium cost

Date Participation Begins

Participation begins when your first health and/or dental insurance premium is deducted from your payroll, providing you enroll at the same time you enroll in the insurance program(s). You have 30 days from the date of employment to enroll in the program, but if you delay enrollment beyond the time you enroll in the insurance plans, the first premium deduction may not be deducted pre-tax.

Benefit

Employees may elect to pay their share of the family health and/or dental insurance premiums with pre-tax rather than post-tax salary dollars. Enrollment in this program will result in lower Federal and State Income tax, Social Security, and Medicare tax withholdings and therefore, a greater take-home pay.

Enrollment in this program does mean that the premiums are no longer includable as itemized tax deductions. However, it also means that you gain immediate and assured tax deductibility for your Federal Income taxes, rather than tax deductibility only if you itemize and then only if your health and dental expenses exceed 7.5% of your adjusted gross income.

Faculty enrolling domestic partners in the health and/or dental plan may not use the Premium Only Plan due to IRS regulations.

Example of Savings

Assumptions:

- Budgeted Annual Salary of \$40,000 paid over ten months.
- Enrollment in family medical and dental insurance plans.
- Tax bracket of 15% for federal tax and 5% for state tax.

| | FLEX | NON-FLEX |
|--------------------------|-------------------|-------------------|
| Monthly Salary | \$4,000.00 | \$4,000.00 |
| Flex Medical Premium | 366.00 | |
| Flex Dental Premium | <u>54.00</u> | |
| Taxable Salary | \$3,580.00 | \$4,000.00 |
| Non-Flex Medical Premium | | 366.00 |
| Non-Flex Dental Premium | | 54.00 |
| Federal Income Tax | 537.00 | 600.00 |
| State Income Tax | 179.00 | 200.00 |
| FICA/Medicare Tax | <u>273.87</u> | <u>306.00</u> |
| Take Home Pay | \$2,590.13 | \$2,474.00 |

Your reduction in withholding = \$116.13 per month or \$1,161.30 per year.

Limitations

Section 125 of the Internal Revenue Code governs how employees enroll and make changes in this program. Employees may make elections on an annual basis, during a designated enrollment period. Once this election has been made, it cannot be changed for the remainder of the plan year (August 1 through July 31) unless there is a change in family status, i.e. marriage, divorce, birth, adoption, death, employment change, etc. This means that if you enroll in the Premium Only Plan with a family health and/or dental contract you would not be able to change to a single contract unless there has been a family status change.

You also need to be aware that enrollment in the Premium Only Plan reduces the Social Security tax that is withheld, so your Social Security benefits at retirement may be slightly reduced. Enrollment in this plan will not affect contributions to your retirement plan(s).

Enrollment

If you wish to enroll in the Premium Only Plan, you must complete and turn in the form entitled *Premium Only Plan Enrollment Form*. Once you enroll in the Premium Only Plan, you will remain enrolled unless, during an enrollment period, you complete a form indicating that you wish to opt out of the program. **No annual enrollment is required.** The completed form is to be returned to Human Resource Services, located in 027 Gilchrist, within 30 days of your employment at UNI.

If you do not wish to enroll in the Premium Only Plan, you do not need to complete the enrollment form. If you do not enroll in the Premium Only Plan at this time, and wish to do so at a later date, you may enroll during an annual enrollment period.

Annual Enrollment Period

UNI's plan year for the Premium Only Plan is August 1 through July 31. Each year the University has an enrollment period for the Premium Only Plan. During this period you can:

- Enroll in the Premium Only Plan,
- Elect to discontinue enrollment in the Premium Only Plan, or
- Change from family to single health and/or dental plan without a family status change.

Flexible Spending Account

Enrollment in the Flexible Spending Account(s) is optional.

Eligibility Requirements

- Term, Probationary or Tenured Faculty
- ½ time or greater
- Appointed for 9 months or longer

Date Participation Begins

Participation begins the first pay period after the enrollment form is received, providing you enroll within 30 days from the date of employment. **Enrollment in the Flexible Spending Account(s) is required annually, so the initial enrollment covers expenses incurred from the first day of the month in which the first deduction is taken through December 31 for Dependent Care and/or March 15 of the following year for Health/Dental expenses.**

Benefit

Employees may set aside funds to pay the cost of non-covered health and dental expenses and/or dependent care expenses on a pre-tax basis. Enrollment in this program will result in lower Federal and State Income tax, Social Security, and Medicare tax withholding because these funds are *not* included in your taxable income.

You may set aside any amount between the *minimum of \$20 per month and the maximum of \$5,000 per year*. Contributions are deducted from each paycheck you receive. If you are paid twelve times per year you will have 12 equal deductions. If you receive 10 paychecks per year you will have 10 equal deductions.

When qualified expenses are incurred, you request reimbursement of the funds. R.D. Drenkow & Co. in Waverly, IA handles the reimbursement for the University of Northern Iowa.

Caution: These funds are set aside on a "use it or lose it" basis. If you set aside funds and then do not incur sufficient expenses, the University of Northern Iowa cannot refund the unreimbursed portion of the funds. Excess contributions are used to offset the administrative cost of the program.

Health and dental expenses reimbursed through a Flexible Spending Account cannot be included on your tax return as itemized deductions. However, the primary advantage of the Flexible Spending Account is that you gain immediate and assured tax deductibility, rather than tax deductibility only if you itemize, and then only if your health expenses exceed 7.5% of your adjusted gross income.

Every dollar you contribute to the Dependent Care Flexible Spending Account (whether it is reimbursed or forfeited) reduces your dependent care tax credit by one dollar. For example, if you have two children your tax credit would be \$6,000. If you contribute \$5,000 to the spending account you would still have \$1,000 that you could claim as the tax credit. The general rule of thumb is that if your family income is higher than \$30,000 or you have one dependent and dependent care expenses exceed \$3,000 per year, the flex plan may be more advantageous than the tax credit. You may want to check with the person who prepares your taxes before you enroll in the spending account.

Reimbursement

When you incur reimbursable expenses, you must submit proof of the expense and a reimbursement request form to R. D. Drenkow & Co., P.O. Box 118, Waverly, IA 50677. R. D. Drenkow processes and pays all reimbursement requests.

Reimbursement requests must include:

- A written statement from the provider stating that these expenses have been incurred and the date(s) of service (a copy of the original bill);
- A receipt indicating payment (required for dependent care expenses only)-may be an indication of payment on the billing, but may not be a copy of a check; and
- A signed and itemized reimbursement request form (available in the Office of Human Resource Services, 027 Gilchrist).

Expenses are reimbursed only if they are incurred while you are covered under the Dependent Care Flexible Spending Account program (see effective date) or prior to termination of employment. The determining factor is the actual date of service, not the date of billing or the date the bill is paid. You will have until March 31 after the plan year to submit a reimbursement request for qualified expenses.

Qualified Health/Dental Expenses

Any health or dental expense that is not covered by an insurance plan but that is an allowable IRS deduction is reimbursable. The only exception is that premiums paid for health and/or dental insurance coverage are not reimbursable under the Flexible Spending Account program. This would include premiums paid for coverage by a spouse or dependent under their employer's plan and premiums paid for individual policies as well as premiums paid through UNI payroll deduction.

Non-insured medical and dental expenses may be incurred by you or any dependents that qualify for exemption on your Federal tax return. Family members do not need to be insured by a UNI health or dental insurance plan to qualify for expense reimbursement.

Qualified Dependent Care Expenses

Dependent care is defined as expense incurred for the care necessary for a dependent child (under the age of 13) or an adult that allows an employee to work. A child over the age of 13, or a dependent adult must be physically or mentally disabled and reside in your home at least eight hours a day to qualify for dependent care reimbursement. Restrictions include:

- If you are married, you may not be reimbursed unless your spouse works, attends school full-time, or is incapable of self-care;
- You cannot be reimbursed for dependent care services provided by a person that you claimed as a dependent during the tax year, or your child who is under age 19 at the end of the tax year;
- Reimbursements may not be greater than the earned income of the lower-paid spouse. If your spouse is a full-time student or incapable of self-care, your spouse will be regarded as earning income of \$250 per month with one dependent or \$500 per month with two or more dependents; and
- Eligible expenses do not include expenses for food or schooling unless these amounts cannot be separated from the total cost of care (e.g. lunch provided in a day care as part of the total cost).

Example of Savings

Assumptions:

- Budgeted Annual Salary of \$50,000 paid over ten months
- Tax bracket of 15% for federal tax and 5% for state tax

| | | |
|-------------------------------|-------------------|-------------------|
| Monthly Salary | \$5,000.00 | \$5,000.00 |
| Medical/Dental Spending Acct. | 50.00 | |
| Dependent Care Spending Acct. | 400.00 | |
| Taxable Salary | \$4,550.00 | \$5,000.00 |
| Federal Income Tax | 682.00 | 750.00 |
| State Income Tax | 227.50 | 250.00 |
| FICA/Medicare Tax | <u>348.07</u> | <u>382.50</u> |
| Take Home Pay | \$3,291.93 | \$3,617.50 |

Total Flex Contribution of \$450.00 per month reduces take home pay by \$325.57. You save \$124.43 per month or \$1,244.30 per year.

Limitations

Section 125 of the Internal Revenue Code governs how employees enroll and make changes in this program. Employees may make elections on an annual basis, during a designated enrollment period. Once this election has been made, it cannot be changed for the remainder of the plan year (January 1 through December 31) unless there is a change in family status, i.e. marriage, divorce, birth, adoption, death, employment change, etc. This means that if you enroll in the Flexible Spending Account program and during the year find that your actual expenditures will be either more or less than your election, you will not be able to change your election unless there is a family status change.

The family status change must have a potential effect on your expenses to allow a change in your election. This means that changing from full time status to part time status will not allow a change in your election unless it will affect either your health or dental insurance or your overall child care expenses. On the other hand, marriage will increase your dependents and thus allow a change.

You also need to be aware that enrollment in a Flexible Spending Account reduces the Social Security tax that is withheld, so your Social Security benefits at retirement may be slightly reduced. Enrollment in this plan will not affect the contributions to your retirement plan(s).

Enrollment

If you wish to contribute to a spending account you should complete the *Flexible Spending Account Enrollment Form* within 30 days of your employment.

If you do not wish to enroll in the Flexible Spending Account program you do not need to complete the enrollment form. If you do not enroll in the Flexible Spending Account program at this time, and wish to do so at a later date, you may enroll during an annual enrollment period or if there is a family status change.

Annual Enrollment Period

The plan year for the Flexible Spending Account at the University of Northern Iowa is from January 1 through December 31. Each year the University has an enrollment period for the Flexible Spending Account program. **Enrollment does not carry forward from year to year; you must enroll each year.**

Introduction to UNI Retirement Plans

University of Northern Iowa faculty and staff are employees of the State of Iowa. All state employees are required by law to participate in a retirement program. Exceptions to this requirement are foreign nationals in this country as exchange scholars, trainees, professors, teachers, research assistants and specialists.

***Employees who are exempt from IPERS may elect participation only in TIAA-CREF if they are otherwise eligible but they are not required to be in any retirement program.**

Depending on your meeting the eligibility requirements, you may have a choice of two retirement plans. They are:

- Iowa Public Employees Retirement System (IPERS)
- Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF)

The election to participate in the optional retirement plan (TIAA-CREF) is available only during the first 30 days of your eligibility. You are eligible for TIAA-CREF when your budgeted salary is \$7,800 or more per year and you have an appointment of 1/2 time or more for 9 months or longer. Without an appropriate election, by default you will be irrevocably placed in IPERS during your entire employment with the University of Northern Iowa.

Employees who are not eligible for TIAA-CREF but are required by State law to participate in a retirement program will be placed in IPERS. When the employee becomes eligible for TIAA-CREF (see requirements above), they will have a 30-day period in which to make an election to enroll in TIAA-CREF, if no election is made during the 30-day period they will remain in IPERS during the remainder of their employment at the University of Northern Iowa.

*** If you are now eligible to enroll in TIAA-CREF but choose not to because you are not required to do so in your current foreign national status, that decision is irrevocable. A later change in your visa status, which would require participation in a retirement program, will place you into the IPERS program even though you were otherwise eligible to be in TIAA-CREF. You will not have the option at that time nor at any time during your employment at UNI to elect TIAA-CREF.**

Enrollment

To enroll in a Retirement Plan you will need to complete:

Retirement Plan Election Form:

Please select a plan, indicate the effective date, sign and date. This form is extremely important. Please be sure you read and understand the entire form. The election you make on this form cannot be changed at any time during your employment at the University of Northern Iowa.

AND

IPERS Membership Information and Beneficiary Designation:

Your employer is the University of Northern Iowa. Unless you were enrolled in IPERS at a previous job and did not "cash out" you will be a new member. Complete the entire form and indicate your beneficiary election. Please sign and date the form. If you are married, your spouse must also sign and date this form and his/her signature must be witnessed by someone who is not a beneficiary.

OR

TIAA-CREF Application Form: Complete all sections of the form, date and sign. You must allocate your monthly contribution between the various accounts. You may also set up your account online at www.tiaa-cref.org/uni.

Iowa Public Employees Retirement System (IPERS)

Participation in the IPERS system is mandatory for most University employees. University employees who do not elect TIAA-CREF will automatically be enrolled in IPERS. Foreign nationals in this country as exchange scholars, trainees, professors, teachers, research assistants and specialists are exempt from this requirement (see the Introduction to UNI Retirement Plan section, page 15).

The rules that govern the operation of IPERS are controlled by the Iowa Legislature. These rules change from time to time; therefore it is important that you remain current on any changes as they occur.

Eligibility Requirements

All faculty members who earn \$1,000 or more in two consecutive calendar quarters are required to participate in IPERS unless they are eligible for and elect participation in TIAA-CREF. When eligibility requirements are met, enrollment in IPERS is by default. Once an employee is automatically enrolled in IPERS the enrollment is irrevocable and the employee may not change to TIAA-CREF at any time during their employment at UNI.

Effective Date

IPERS coverage is effective on your date of appointment if you meet the eligibility requirements at that time. If you are not eligible on the date of your employment, coverage will be effective on the date the eligibility requirements are met.

Contributions

- ***Employee Contributions:*** 4.30% of salary. All employee contributions are made on a tax-deferred basis.
- ***UNI Contributions:*** 6.65% of salary.

Vesting

You are vested in IPERS after the earlier of four years of participation or attainment of age 55.

Enrollment

Enrollment in IPERS is automatic but you must complete an *IPERS Membership Information and Beneficiary Designation* form. Unless you were enrolled in IPERS at a previous job and did not request a refund, you will be a new member. Complete your Social Security Number, date of birth, gender, name, address and telephone number. Indicate your beneficiary election. Examples are on the back of the form. Please sign and date the form. If you are married, your spouse must also sign and date the form in front of a witness (who is not a beneficiary). The witness must also sign the form.

Retirement Income

A life long income to you based on:

- Your average high three years of salary,
- Your attained age,
- Years of IPERS covered service, and
- The retirement option you select.

Options Available upon Termination of Employment prior to Retirement

Non-Vested Member:

- When you terminate IPERS covered employment you may obtain a cash refund of your contributions plus interest. University contributions plus interest are not refunded.
- With at least 1 year but less than 4 years of IPERS covered employment, you may leave the funds on deposit with IPERS in a non-interest bearing account. Re-employment under the IPERS system within 4 years entitles you to a retirement income based on the old account. Interest on employee and employer contributions resumes with your re-employment.

Vested Members:

- When you terminate IPERS covered employment you may obtain a cash refund of your contributions plus interest. You will also receive a portion of the employer contributions plus interest. The portion you will receive is calculated by dividing your years of IPERS covered employment by 30 and multiplying by the employer contributions plus interest. For example, if you have worked for UNI for five years and the employer share of contributions plus interest is \$6,000, you will receive $5/30 \times \$6,000$ or \$1,000.
- Contributions may be left on deposit in an interest bearing account. All contributions continue interest accumulation. Subsequent retirement income will be based on both employee and UNI contributions.

Retirement Age

- IPERS early retirement at age 55
- “Normal” retirement between the ages of 62 and 65
- At age 70 or older, you may receive IPERS income and continue active UNI employment

Between the ages of 55 and 70, IPERS retirees must establish a “Bona Fide Retirement” as defined by IPERS.

TIAA-CREF Retirement Annuity

The Teachers Insurance and Annuity Association of America (TIAA)/College Retirement Equities Fund (CREF) retirement program at the University of Northern Iowa is an optional alternative to participation in IPERS.

Eligibility Requirements

- Appointment of ½ time or more
- Appointed for 9 months or longer
- Budgeted annual salary of \$7,800 or more

Effective Date

Participation begins on the later of the date of your employment or the date you become eligible. You must enroll within 30 days of your eligibility otherwise you will be **irrevocably** excluded from participation.

Contributions

- **Employee Contributions:** During the first 5 years of University employment, the employee contributes 3 1/3% of the first \$4,800 of annual budgeted salary and 5% of budgeted salary over \$4,800. During employment after the first 5 years, the employee contributes 5% of the total annual budgeted salary.
- **UNI Contributions:** During the first 5 years of University employment, the University contributes 6 2/3% of the first \$4,800 of annual budgeted salary and 10% of budgeted salary over \$4,800. During employment after the first 5 years, the University contributes 10% of the total annual budgeted salary.

Federal law limits the maximum salary available for pension contributions to \$225,000 (indexed) per year for employees hired after January 1, 1996.

Tax Sheltered Annuity

The TIAA-CREF Retirement Program at the University of Northern Iowa is considered to be a Tax Sheltered Annuity by the Federal Internal Revenue Service. Under Section 403(b) of the Federal Internal Revenue Code (IRC), employer contributions and interest and dividends on all contributions are not currently taxable to you as income. Taxes are deferred until you receive the money; during your retirement, under a repurchase request, or at your death (beneficiaries pay the tax).

Employee contributions must be made on a tax-deferred basis. Tax deferral applies to both Federal and State of Iowa taxable income. Contributions are not exempt from Social Security or Medicare tax withholding.

Vesting

Your contributions and the University's contributions are vested immediately. Vesting means that you retain entitlement to employee and employer contributions plus all earnings, even if you terminate employment with the University.

Retirement Income

TIAA-CREF is a defined contribution plan. Your retirement benefits will be based on:

- The total monetary accumulation in your contract,

- Your attained age at the time benefits begin, and
- The option(s) you select.

In general, you may retire under your TIAA-CREF contracts and annuitize your contract (start a lifetime income) at any time after you terminate your University employment. Several of the options provide a life income to your spouse or other second annuitant after your death. You may also elect a guaranteed income period of 10, 15 or 20 years. If you and your second annuitant die during the period you select, the payments continue to your beneficiaries for the remainder of that period.

You may also elect a Systematic Withdrawal from CREF—a monthly payment of an amount designated by you. At age 70½ you may elect a Minimum Distribution option. Both of these options can be structured to allow for any residual contract accumulation balance to pass to your beneficiaries at your death.

Under current federal law, an income from a tax-sheltered annuity must begin by the April 30 after you turn 70½. You may postpone income until retirement if you continue your employment with the University beyond that age. If you have retired but do not start at least a minimum income by the April 30 after age 70½, the I.R.S. will assess a penalty of 50% of whatever income they calculate you should have received.

Depending upon your allocation, retirement income may fluctuate to a greater or lesser degree. TIAA guarantees a minimum rate of return in retirement but usually pays additional dividends. CREF accounts have no guaranteed rates of return. Actual returns, and therefore income, will vary due to changing economic conditions. High yield investments tend to have a greater volatility during the payout years. Low yield investments which may be more consistent from year to year may not outperform inflation during the retirement years.

Options Available upon Termination of Employment

Terminating employees can keep their funds in their TIAA-CREF account until beginning a retirement income.

A former employee or retiree may convert his or her TIAA-CREF account to any financial instrument he or she deems appropriate.

All cash received will be subject to federal and state income tax and may be subject to an early withdrawal penalty imposed by the Internal Revenue Service.

Funds rolled over directly into another Tax Sheltered Annuity or an Individual Retirement Account will not be subject to federal or state income tax or the early withdrawal penalty until they are taken as cash or income.

TIAA-CREF Investment Options

TIAA and CREF investments are funded by contributions from employees and employers and the investment returns credited to those accounts. The complete list of the TIAA and CREF investment options are available in the UNI Retirement Plan Enrollment Book or online at www.tiaa-cref.org/uni.

Investment Allocations

Contribution allocation may be made from 0% to 100% (in whole percentages only-no fractions) in any account or combination of accounts. Total of all allocations must equal 100%. Contribution allocations may be changed at any time directly with TIAA-CREF by phone or Internet.

Accumulations may be moved between the accounts and into the TIAA Traditional Account at any time. Because of the long-term nature of the TIAA Traditional Account investments, these accumulations may only be moved to CREF over a 9-year period.

Because TIAA-CREF is a defined contribution fund and your long-term income is based on the accumulation in your contract, your allocation decision is critical in the determination of your retirement

income. After your initial allocation decision is made, you should keep informed about the funds that are available, any new funds that become available and the returns of the various accounts. You should monitor your investments on an ongoing basis. TIAA-CREF mails you quarterly statements as well as other information. Please take the time to stay informed.

After you enroll in TIAA-CREF, you will receive a set of contracts. To access your account via the internet, visit www.tiaa-cref.org/uni. Elect "Enroll Now". You will be able to use this secure website to change your address, to change your allocation, to change beneficiaries, to transfer funds from one account to another and to run estimates of retirement income.

Supplemental Retirement Annuities

Participation in a Supplemental Retirement Annuity (SRA or 403(b) Tax Shelters) at the University of Northern Iowa is optional.

Effective Date

Whenever you elect to participate. The monthly contributions will begin on the paycheck following the month in which the form is signed.

Contributions

Under Section 403(b) of the Federal Internal Revenue Code, employees of an eligible employer may elect to make monthly contributions through a payroll reduction process to a tax-sheltered savings account. Current contributions to the plan are not taxable as income for Federal or State of Iowa Income tax purposes. Investment returns on these accounts are also tax deferred. Contributions are not exempt from Social Security or Medicare tax withholding. Contributions may be made to an approved SRA vendor.

Contributions are limited under the Internal Revenue Service code. Either the Human Resources Office or TIAA-CREF must calculate the maximum allowable contribution.

Taxation

Taxation on these accounts occurs whenever the money is received. The postponement of taxation on both the contributions and investment return generally presents you with a significant advantage over non-tax deferred savings.

In general, your net cost to save money is less if you defer taxes on the contributions and you accumulate greater total savings if you do not have to pay taxes each year on the investment returns. Even though your tax burden may be higher when you begin to withdraw the funds, the additional savings during the accumulation years usually offsets the higher taxes.

Opening a SRA

SRAs may be opened through any one of the following vendors who have qualified their product with UNI:

- TIAA/CREF SRA
- Ameriprise
- Fidelity
- Great American Life Insurance Company (GALIC)
- AIG

Contact the Benefits staff in the Human Resources Office, 027 Gilchrist, at 273-2422 if you would like to find out more about SRAs.

Long-Term Care Insurance

Participation in the Long-Term Care Insurance at the University of Northern Iowa is optional and the University does not pay any part of the cost of the premium.

John Hancock underwrites the Long-Term Care Insurance plan and maintains all enrollment records. The University's only role is to facilitate the distribution of enrollment information and to use the payroll system to deduct premiums for active employees.

Eligibility

- UNI faculty or staff working ½ time or more
- Retired employees
- Spouses or domestic partners of eligible employees
- Parents/Parents-in-law of eligible employees
- Grandparents/Grandparents-in-law of eligible employees
- Children of eligible employees and their spouses
- Siblings of eligible employees and of their spouses/domestic partners

All applicants must reside in the U.S. and its possessions on their effective date of coverage. Spouses/domestic partners, siblings and children must be age 18 or older on their effective date of coverage.

Effective Date

When approved by John Hancock, **employees have 30 days from their initial date of employment to enroll with guaranteed acceptance.** After the initial 30 days, employees must apply for and be approved for coverage. All family members must apply for and be approved for coverage.

Benefits

Employees may elect Daily Maximum Benefit (DMB) at \$100/day, \$150/day, \$200/day, \$250/day, and \$300/day. Nursing home is covered at 100% of DMB. Alternate Care Facilities are covered at 75%. Professional Care is covered at 75% of DMB. Informal Care is covered at 25%. Lifetime Maximum Benefit is DMB multiplied by 1,825 (5 years times 365 days per year).

Enrollees may select either a Future Purchase Option or an Automatic Benefit Increase Option. Future Purchase Option participants will be offered the option to purchase additional amounts of coverage, without evidence of insurability, every three years. Automatic Benefit Increase participants will automatically have their benefits increased by 5% compounded annually with no increase in premium.

Participants are eligible for benefits after a waiting period of 90 calendar days from the date they are certified to be eligible for benefits. Qualifications for benefits are based on inability to perform Activities of Daily Living (ADL). Activities of Daily Living are: bathing, dressing, eating, toileting, transferring, and maintaining continence. Nursing home benefits require the inability to perform any three ADL's or a statement of cognitive impairment. Home Health Care benefits require the inability to perform any 3 ADL's or a statement of cognitive impairment.

Premiums

Premiums are based on attained age on the date the application is received by John Hancock. Premiums will not change with age although they may increase for the entire group. Premiums will not change earlier than May 31, 2011.

There are two monthly premium rate sheets in your packet. The white rate sheet is **without** the Automatic Benefit Increase Option. The blue rate sheet is **with** the Automatic Benefit Increase Option.

Enrollment

If you apply for coverage within the first 30 days of employment, complete the *Employee Enrollment Form for Guaranteed Acceptance* which may be found in the “Enrollment Information” section of the packet.

If you apply for coverage after the first 30 days of employment or if you apply for coverage for a family member, complete the *Application for Insurance* which may also be found in the “Enrollment Information” section of the packet.

A postage paid envelope is provided for your convenience.

Questions

If you have questions about this benefit, you may either call the John Hancock Customer Service Center at (888) 383-2700 or you may visit the University of Northern Iowa Long-Term Care website at <http://uni.jhancock.com> (username: uni; password: mybenefit).

Other UNI Benefits

State Workers' Compensation

Coverage is automatic. Provides benefits for injury or illnesses that are the result of your employment at UNI. Coverage under the Iowa Workers' Compensation Act includes physician and hospital care, surgical services, braces, appliances, etc.

Access is limited to providers designated by Iowa Workers' Compensation. No other providers will be paid by Iowa Workers' Compensation. The current provider for work comp injuries is the Arrowhead Medical Center in Cedar Falls.

Workers' Compensation also pays compensation for loss of work time after a three-day waiting period and compensates for total or partial permanent disability. There is provision for compensation for dependents in the case of the death of an employee if the death is job-related.

Employee Assistance Program

UNI offers the services of the Employee Assistance Program (EAP) to employees and their families. The EAP is a confidential resource established for persons who experience a concern that may interrupt or impact negatively on job performance or life adjustment.

Services offered by the EAP include assessment of concerns or problems, consultation, education, referral and resource management, review and recommendations, and support, advocacy, and follow-up.

Sick Leave

Full-time Faculty accrue sick leave at the rate of 72 hours per semester with accumulation limited to 120 days. Part-time faculty accrue amounts equivalent to their fractional appointments.

Holidays

The following are University holidays which fall during the academic year.

- Martin Luther King's Birthday
- Independence Day, if scheduled during the Summer Session
- Labor Day
- Thanksgiving Day
- Friday following Thanksgiving Day

Other Payroll Deductions

Federal and State governments may require the following deductions:

- ***Federal Income Tax:*** Compulsory for most employees. Deducted from your salary per paycheck.
- ***State of Iowa Income Tax:*** Compulsory for most employees. Deducted from your salary per paycheck.
- ***Federal Social Security and Medicare Tax:*** Compulsory for most employees. Deducted from your salary per paycheck. Social Security withholding is subject to maximum deduction as set by Federal law.

Savings Bonds

In cooperation with the U.S. Government Savings Bond program, U.S. Savings Bonds may be purchased by payroll deductions. Further information is available on request from the UNI Payroll Office, 103 Gilchrist, (319) 273-2656.

Wellness and Recreation Services

UNI Wellness and Recreation Services offer a wide range of opportunities for students, faculty and staff. Some of the services include:

- Self-Help Materials,
- Fitness/Recreation Programs and Classes,
- Consultation Services,
- Climbing Wall,
- Medical Self-Care Services,
- Whirlpool,
- Relaxation Activities,
- Leisure and Lap Pools,
- Training Programs, and
- Family Activities.

Faculty and staff are charged a yearly user fee. The user fee entitles you to unlimited use of the Wellness/Recreation Center, East Gym Pool, Health Beat (in the East Gym) and free admission for family members to designated family events and activities.

Parking on Campus

Parking permits are available at the Department of Public Safety, 030 Gilchrist, during posted business hours. Faculty and staff may purchase a G, A, B, or R parking permit. G permits are sold on a lottery basis. The lottery is held the third week of August.

G permit holders may use the G, A, B, C, or R lots. A permit holder may use A, B, C, or R lots. B permit holders may use B, C, or R lots. C permit holders may use C or R lots.

The purchase of a parking permit does not guarantee the holder a parking space. Faculty and staff are expected to know and to comply with the State of Iowa motor vehicle laws, the traffic ordinances of the City of Cedar Falls, and the University of Northern Iowa traffic and parking regulations. Vehicles in violation may be ticketed and towed away. The person registering the vehicle with the University will be responsible for all parking violations involving the vehicle.

Initial COBRA Notification

It is important that all covered individuals (employee, spouse, and dependent children) take the time to read this notice carefully and be familiar with its contents. Employees are responsible for providing this notification to all covered dependents. Additional copies of this notice are available from the Office of Human Resource Services, University of Northern Iowa, 027 Gilchrist, Cedar Falls, IA 50614-0034. The telephone number is (319) 273-2422.

Under federal law, the University of Northern Iowa is required to offer covered employees and covered family members the opportunity for a temporary extension of health and dental coverage at group rates when coverage under the plan would otherwise end due to certain qualifying events. This notice is intended to inform you (and your covered dependents, if any) of your options and obligations under the continuation coverage provisions of the law.

Qualifying Events for Covered Employee:

If you are an employee of the University of Northern Iowa, you may have the right to elect continuation of coverage if you lose your group health and dental coverage because of a termination of your employment or a reduction in your hours of employment.

Qualifying Events for Covered Spouse:

If you are the covered spouse of an employee of the University of Northern Iowa, you may have the right to elect continuation of coverage for yourself if you lose group health and dental coverage for any of the following reasons:

- A termination of your spouse's employment or reduction of your spouse's work hours;
- The death of your spouse;
- Divorce or legal separation from your spouse; or
- Your spouse becomes entitled to Medicare.

Qualifying Events for Covered Dependent Children:

If you are the dependent child of an employee of the University of Northern Iowa covered by the group plan, you may have the right to elect continuation of coverage for yourself if you lose group health and dental coverage for any of the following reasons:

- A termination of the employee's employment or reduction in the employee's work hours;
- The death of the employee;
- Parent's divorce or legal separation;
- The employee becomes entitled to Medicare; or
- You cease to be a "dependent child" under policy definition.

Employee, Spouse and Dependent Notifications Required:

Under the law, the covered employee, spouse, or other family member has the responsibility to inform the Benefits Office at the University of Northern Iowa of a divorce, legal separation, or a child losing dependent status. This notification must be made within 60 days from whichever date is later, the date of the event or the date on which coverage would be lost because of the event. A notification form may be obtained from the Office of Human Resource Services. **If this notification is not completed in a timely manner, then rights to continuation coverage may be forfeited.**

Election Period and Coverage:

Once the Office of Human Resource Services at the University of Northern Iowa is notified that a qualifying event has occurred, they will in turn notify covered individuals of their right to elect continuation

of coverage. Each qualified beneficiary has independent election rights and will have 60 days from the later of the date coverage terminates or from the date of notification to elect continuation of coverage. If a qualified beneficiary does not elect continuation of coverage within this election period, then rights to continue health and/or dental insurance will end.

If a qualified beneficiary elects continuation of coverage and pays the applicable premium, the University of Northern Iowa is required to provide coverage that is identical to the coverage provided under the plan to similarly situated employees and/or covered dependents.

Length of Continuation of Coverage:

If the event causing the loss of coverage is a termination of employment or a reduction in work hours, then each qualified beneficiary will have the opportunity to continue coverage for up to 18 months from the date of the qualifying event.

Beneficiaries who are determined to be disabled by the Social Security Administration at the time of eligibility for COBRA or who are determined to be disabled within the first 60 days of continuation may be eligible for up to 29 months of continuation of coverage. The beneficiary must notify the UNI Office of Human Resources of the disability determination within 60 days of their receipt from Social Security and before the end of the 18 month COBRA period.

If the event causing the loss of coverage was the death of the employee, divorce, legal separation, Medicare entitlement, or a child ceasing to be a dependent under policy definitions, then each qualified beneficiary will have the opportunity to continue coverage for up to 36 months from the date of the qualifying event.

If, during the 18 months of continuation of coverage, a second event takes place (divorce, legal separation, death, Medicare entitlement, or a child ceasing to be a dependent), then continuation of coverage can be extended to a maximum of 36 months from the date of the original qualifying event date. If a second event occurs, it is the qualified beneficiaries' responsibility to notify the Office of Human Resource Services at the University of Northern Iowa.

Eligibility, Premiums, and Potential Conversion Rights:

A qualified beneficiary does not have to show that they are insurable to elect continuation of coverage. The University of Northern Iowa, however, reserves the right to verify eligibility status and to terminate continuation of coverage retroactively if you are determined to be ineligible, or if there has been a material misrepresentation of the facts. A qualified beneficiary will have to pay all of the applicable premium plus a 2% administration charge for continuation of coverage. These premiums may be adjusted in the future if the applicable premium amount changes. At the end of the continuation period, a qualified beneficiary must be allowed to enroll in an individual conversion health plan, if such a plan is available.

Notification of Address Change:

To ensure that all covered individuals receive information properly and efficiently, it is important that you notify the University of Northern Iowa of any address changes as soon as possible. Failure to notify may result in a loss of continuation of coverage options.

Cancellation of Continuation of Coverage:

The law provides that coverage may end prior to the maximum continuation period for any of the following reasons:

- The University of Northern Iowa ceases to provide any group health plan to any of its employees;
- Premiums are not paid in a timely manner;
- A qualified beneficiary becomes covered under another group health plan that does not contain any exclusion or limitation with respect to any pre-existing condition of such beneficiary;
- A qualified beneficiary becomes entitled to Medicare;

- A qualified beneficiary extended coverage to 29 months due to a Social Security disability and a final determination has been made that the qualified beneficiary is no longer disabled; or
- A qualified beneficiary notifies the University of Northern Iowa that they wish to cancel continuation of coverage.

If any covered individual does not understand any part of this summary notice or has questions regarding the information or your obligations, please contact the Office of Human Resource Services, University of Northern Iowa, 027 Gilchrist, Cedar Falls, IA 50614-0034 or (319) 273-2422.