Summer Break Benefits for Graduate Student Employees – Staff Instructions

Glossary

A&M Care -	Medical plan offered to all employees (BCBSTX plan)
ACA -	Affordable Care Act
AHP -	Academic Health Plans
BCBSTX -	BlueCross BlueShield of Texas
Grad Plan -	Medical plan offered to eligible GSEs (BCBSTX plan managed by AHP)
GSE -	Graduate Student Employee
SBA -	System Benefits Administration
SHIP -	Student Health Insurance Plan
Waiver -	Process by which an international student with another plan can be waived out of automatic enrollment into SHIP (process managed by AHP)

For Benefit Processors:

This document goes into specifics about handling GSE benefits over the summer, which can be problematic. There is a lot of detail at the beginning that is processor specific. The last couple of pages are separate instructions for LWOP handling and Active handling that can be modified and shared with your departments. Workstation Benefit Processors may access more information in the Benefit Procedure Manual.

Common benefit problems:
- People who are kept on active payroll and have had summer premiums taken (even if that's $0 for the Grad plan), have a reasonable expectation their benefits will continue through the summer.
- Even if a person isn't in an active appointment or not getting a paycheck, if their insurance is active on the 106 screen, the eligibility and the money goes to the carrier each month.
- If the department leaves the person in an Active status on BPP beyond when the reasonable expectation to return to employment ceases to exist, and SGIP is used to pay for his/her benefits, it's a potential misuse of state funds.
- When an employee is taken off of payroll during the summer when a current appointment doesn't exist, Canopy/BPP requires you to use the last date in an active appointment. This drives the termination date, including benefit dates, to be back-dated to the active appointment end date. Often, the employee has a reasonable expectation to be covered if it hasn't been otherwise communicated. This also requires a manual process through HR and TAMUS System Benefits to correct the dates, amend required COBRA notifications and refund any premiums for overpaid months. Delaying processing the termination just makes things worse.

OPTIONS FOR HANDLING GSEs IN THE SUMMER OR DURING BREAKS

This chart provides suggestions for handling employees for "benefit bridging" purposes. Depending on circumstances, benefit-eligible employees may be able to continue benefits during periods not worked, normally over the summer. Not all workstations offer all of these options. Check with your institution for approved methods.

Employee Type/Option	Benefits-eligible during the time not worked	SGIP eligible during the time not worked	Waiting period upon return	Other notes
Adjuncts or Graduate Student Employees				These employees often return over several years, but each appointment may fluctuate
Option 1 **Take the employee off of payroll (terminate) at the end of each appointment (often 4.5 months). Ensure any summer premiums are NOT paid in the spring.**	Not eligible	Not eligible	Required when/if re-hired	Required for re-hire: New hire paperwork I-9 Background check
Option 2 **Place the employee in a leave without pay status at the end of the appointment. Ensure any summer premiums are NOT paid in the spring.**	Eligible	Not eligible	Not required when put back into Active status	Must follow Leave Without Pay procedures for approval
Option 3 **Leave the employee in an active status after the appointment expires. Allow summer premiums to be paid in the spring. They will also be included for annual enrollment purposes.**	Eligible	Eligible	Not required	Relies upon a "reasonable expectation to return" either from the employee's or the department's point of view. See below for more information.

More on Graduate Student Employees and Adjuncts/Lecturers.

Generally speaking, these people are a blend. They often return each year, but their specific appointment can change. The appointments are short-term (often 4 ½ months or 9-10 months), are benefit-eligible (sometimes partial, sometimes full), and by nature of the position, can be inconsistent for a number of reasons:

- The position in the department is dependent on funding or the number of positions needed may fluctuate some from year to year.
- The position can change if a particular class section does not have sufficient enrollment and is subsequently cancelled.
- The employee may find alternate employment, drop out of school, or otherwise not return.

This is why, in order to "bridge" benefits over a break (summer in the example we will use here), two things must exist:
- The employee must have been in a benefit-eligible position in the spring immediately prior to the summer
- There must be a reasonable expectation that the employee will return in the fall.
  That means BOTH from a
    o department point of view (the job will exist) AND
    o employee point of view (the person intends to return).

The point at which the reasonable expectation ceases to exist on either side determines the termination date for benefits purposes.

Process Recommendations:
- Discuss the various options listed with your institution regarding how summer "bridging" of benefits will be handled. See examples below of how to handle different situations if that helps.
- Regardless of which option is chosen, keep consistent and prepare processes for:
    - Summer premium handling (premiums taken in the spring?)
    - Leave Without Pay approval processes and entry into BPP – remember to follow System Regulations
    - Communication with the employee regarding how benefits will be affected during the summer
    - Handling the unique needs of international students who must have continuous coverage

Examples of options to handle benefits over breaks (all examples are GSEs):

Example	Active status with premiums taken in the spring or over each month.	LWOP status where benefits are suspended for the break	LWOP status where benefits are paid for through billing	Termination
GSE worked in Spring and will return after the summer to work in the Fall.	X	X (international students would need to get enrolled into SHIP)	X	X (international students would need to get enrolled into SHIP)
GSE worked in the Spring but a Fall appointment is not apparent (funding not clear)	Not the best choice because the intent to return does not exist.	X (international students would need to get enrolled into SHIP)	X	X (international students would need to get enrolled into SHIP)
GSE worked in the Fall and will return in the Spring	X	X Benefits won't need to be suspended since they will be in a paid status in consecutive months	X Benefits won't need to be paid through billing since they will be in a paid status in consecutive months	X Termination would require a new 60-day waiting period (international students would need to get enrolled into SHIP)
GSE worked in Fall and is anticipated to work the following Fall, but not Spring	Not available because bridging is during a full semester (not a summer break)	X (international students would need to get enrolled into SHIP)	X	X (international students would need to get enrolled into SHIP)
GSE worked in Spring and will return after the summer to work in the Fall so is left in Active status. Student informs you in July that he won't return.				X Benefits should stop at the end of July (i.e. not be bridged all the way through the summer) (international students would need to get enrolled into SHIP)

Example	Active status with premiums taken in the spring or over each month.	LWOP status where benefits are suspended for the break	LWOP status where benefits are paid for through billing	Termination
GSE worked in Fall and is anticipated to graduate soon and is therefore not eligible for GSE employment in Spring. Student is put into a Student Worker/ Technician position.	X Employee will stay in active status. Benefits should cease at the end of the month of the change to the new position. (international students would need to get enrolled into SHIP)			
GSE worked in Fall and is anticipated to graduate soon and is therefore not eligible for GSE employment in Spring. Student is put into a benefits-eligible Lecturer (or other) position.	X Employee will stay in active status. Enrollment in Grad Plan should cease at the end of the month of the change to the new position. New benefit options should be offered based on new position. (international students would need to get enrolled into SHIP if another medical plan isn't selected)			

GSE Warning report:

System Benefits Administration creates a monthly GSE Warning report which is sent to the Benefit Processor at each institution. This report shows GSEs who are in active benefits but are not necessarily in an active appointment, which, in general, is not allowed.

Sometimes students show up because the appointment hasn't gone through (an EPA in process), the benefits weren't updated for a person on LWOP, or there was some other oversight. We ask benefit processors, along with the departments, to appropriately disposition these GSEs.

As mentioned above, when a GSE is left with active benefits who is not eligible, it results in a misuse of state funds (state contribution toward benefits – SGIP). We anticipate a number of GSEs will be in a "bridged" status during the summer and show up on this report, but otherwise, we need to ensure benefits are turned on and off appropriately and timely. While we don't anticipate problems in cleaning up this report, if there are continued instances of GSEs remaining on a regular basis, we will require the department to pay the SGIP portion.

GRADUATE STUDENT EMPLOYEES (GSEs)
HANDLING SUMMER BENEFITS BY KEEPING GSE IN AN <u>ACTIVE</u> STATUS

- If you choose to keep an employee in an **active status** during a summer break, please do the following (you can often do this as a "batch" process in the summer, approximately the same time you are working on summer premiums):
    - Establish "reasonable expectation to return" in the Fall
        - Verify that an appointment will be available for the employee in your department
        - Verify that the employee intends to return
    - If reasonable expectation to return in the Fall exists, you may leave the person in an active status.
    - If reasonable expectation to return in the Fall does not exist, terminate the employment at the end of the appointment which will also turn off benefits or put the person in a leave without pay status as directed by your benefits department.
    - Inform the employee how summer premiums will be taken and that benefits will continue throughout the summer because it is anticipated the employee will return. Also explain that at the point the department knows the reasonable expectation to return does not exist, benefits will continue through the end of that month and any refunds required will be processed.
    - Please process terminations as soon as the reasonable expectation ceases to exist.
        - Process EPA normally which will include a termination date based on the last active appointment.
        - Communicate with your benefits processor regarding the actual "termination date" (date the department knows the employee is not coming back, including failure to have an available job). This is the date used to determine the benefits end date.
        - Communicate with the employee when benefits will end.
    - Benefits processor will
        - Update appropriate insurance end dates
        - Communicate with System Benefits to update end dates with the carrier
        - Update COBRA letter with appropriate end date (although the enrollment period begins with either the date of the letter or the end date of coverage, whichever is later).
        - Communicate with the International Student Office so the student can get back in the student health insurance plan.

GRADUATE STUDENT EMPLOYEES (GSEs)
HANDLING SUMMER BENEFITS BY KEEPING GSE IN AN <u>LEAVE WITHOUT PAY</u> STATUS

- If you choose to put an employee in **leave without pay (LWOP)** status during a summer break, winter break, or semester break:
  - Ensure that you are following System Regulation 31.03.04. This includes having CEO approval to put this person in a LWOP status, the guarantee of employment at the end of leave, and a leave that lasts no longer than 12 months. See regulation for complete and current detail.
  - Establish "reasonable expectation to return" (this may include returning in a future semester)
    - Verify that an appointment will be available for the employee from the department
    - Verify that the employee intends to return
  - If reasonable expectation to return exists, you may leave the person in LWOP status.
  - If reasonable expectation to return does not exist, terminate the employment at the end of the appointment which will also turn off benefits.
  - Follow your institution's LWOP process. This may include:
    - Informing the employee that SGIP will not be available, send COBRA information, and consider continuation through billing.
    - Explain that at the point the department knows the reasonable expectation to return does not exist, benefits will continue through the end of that month and any refunds required will be processed.
    - Take care to counsel international students in this situation as they must carry continuous coverage, either through billing or through the international office which will put them in the Student Health Insurance Plan.
  - Please process terminations as soon as the reasonable expectation ceases to exist.
    - Process EPA normally which will include a termination date based on the last active appointment.
    - Communicate with your benefits processor regarding the actual "termination date" (date the department knows the employee is not coming back, including failure to have an available job). This is the date used to determine the benefits end date.
    - Communicate with the employee when benefits will end.
  - Benefits processor will
    - Update appropriate end dates
    - Communicate with System Benefits to update end dates with the carrier
    - Update COBRA letter with appropriate end date (although the enrollment period begins with either the date of the letter or the end date of coverage, whichever is later).
    - Communicate with the International Student Office so the student can get back in the student health insurance plan.