

## 31.02.02 Group Insurance Programs

Revised [November 22, 2019](#)

Next Scheduled Review: November 22, 2024

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### Regulation Summary

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This regulation provides general guidance to all members of The Texas A&M University System (system) for uniform administration of the group insurance programs with respect to enrollment and state contribution eligibility.

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### Regulation

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#### 1. GENERAL

In System Policy *31.02, Employee Insurance and Retirement Benefits*, the system Board of Regents delegates authority to the chancellor or designee to administer group insurance programs for system employees and to establish guidelines in accordance with state law.

#### 2. GROUP INSURANCE PLANS

- 2.1 The system maintains a self-insured health plan that complies with the basic coverage standards of Chapter 1601, Texas Insurance Code. The system may also offer HMOs and other health care delivery programs.
- 2.2 As required by state law, the system includes basic life insurance with each health benefits plan.
- 2.3 The system offers optional dental, vision, accidental death and dismemberment (AD&D) and life insurance, which employees and retirees may elect to purchase. The system offers optional long-term disability coverage, which employees may elect to purchase, as well as Health Care and Dependent Day Care Flexible Spending Accounts. Employees and retirees may elect to purchase health, dental, vision, AD&D and life insurance for their dependents.
- 2.4 The contract between the system and each carrier (or the plan document when a contract does not exist) that is in effect at the time a service is rendered or a covered event occurs determines the plan's benefits.

#### 3. PREMIUMS AND STATE CONTRIBUTION

- 3.1 State law authorizes the system to contribute to the group health premiums of each benefits-eligible employee and retiree. The system's contribution for each employee is based on the employee's health plan premium category and whether the employee works

full-time or part-time. The system's contribution for a retiree is based on the retiree's health plan premium category. See System Policy 31.02 and Chapter 1601, Texas Insurance Code, for more information on eligibility for insurance benefits and the state contribution.

- 3.2 State law determines the date on which employees and retirees become eligible to receive the state contribution. This is called the "state contribution eligibility date." If a member chooses to fund all or part of the state contribution from non-general revenue funds prior to the eligibility date, it must do so for all new employees subject to the wait period. The amount of supplement must be consistent for all types of employees but may be tiered based on the category of health coverage elected (employee only, employee and spouse, employee and family, employee and child).
- 3.3 An employee or retiree pays all insurance benefit costs not covered by the state contribution and/or any supplement provided by the member. Each employee may receive a state contribution from only one state agency or institution. An employee's share is paid through payroll deduction. A retiree's share is typically paid by bank draft or the retiree is billed.
- 3.4 In the following situations, an employee is eligible to receive the state contribution and continue insurance coverage.
  - (a) When an employee transfers temporarily to wages before separating from employment to provide a training period for a replacement;
  - (b) When an employee is on a paid leave;
  - (c) When an employee is on an unpaid leave of less than a full calendar month;
  - (d) When an employee is on a Family and Medical Leave Act leave with or without pay; or
  - (e) During the months an employee does not work if the employee is scheduled to work less than 12 months, was a regular employee during the semester immediately preceding the time off and is expected to continue employment in the following fiscal year.
- 3.5 In the following situations, an employee is not eligible to receive the state contribution.
  - (a) When an employee's employment is reduced to less than 50% effort;
  - (b) When an employee is on an unpaid leave for a full calendar month or longer, unless the leave is part of the employee's Family and Medical Leave Act leave entitlement;
  - (c) During the months an employee does not work if the employee is scheduled to work less than 12 months and has resigned, been terminated, or for any other reason is not expected to continue employment in the following fiscal year; or
  - (d) When an employee's employment ends, unless the employee is eligible to receive retiree coverage.
- 3.6 In the following situations, an individual can continue coverage although the individual will not receive the state contribution.

- (a) An employee may continue coverage by paying the full cost while on leave without pay; or
- (b) The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) allows certain employees, former employees and dependents to continue health, dental, vision and health care spending account participation for a limited time after it would otherwise end by paying the full cost.

### 3.7 Application of Contribution

- 3.7.1 The state contribution will be applied to payment of health insurance premiums which includes basic life insurance premiums.
  - 3.7.2 If an employee's or retiree's health insurance premium is less than the maximum state contribution, the additional amount may not be used to pay other group insurance premiums.
  - 3.7.3 If an employee or retiree waives health insurance through the system and indicates that the employee or retiree has other health insurance coverage, half of the applicable employee-only state contribution may be applied toward optional insurance premiums. This includes Alternate Basic Life insurance coverage of up to \$50,000 of life insurance. An employee or retiree cannot have both Alternate Basic Life coverage and optional life insurance coverage. The state contribution may not be used to pay optional life or dependent life premiums.
- 3.8 An employee paid from (or retiree who was paid from) non-general revenue, a grant and/or a contract is eligible to receive a group insurance contribution. The same proportion of funds used to pay the employee's salary is used to pay the contribution. If a retiree's former funding source is no longer available, the retiree's contribution may be paid from general revenue funds.

## 4. ENROLLMENT

- 4.1 The member human resources office must provide benefits orientation to a newly benefit eligible employee and permit the employee to enroll on or before the employee's first day of work. A newly benefit eligible employee will have 45 days and a newly retired employee will have 60 calendar days from the date of eligibility or retirement to make benefit elections.
- 4.2 An employee who does not waive coverage or choose a health plan by the end of the employee's enrollment period or state contribution eligibility date, whichever is earlier, will be enrolled in the basic benefit plan on the state contribution eligibility date. A graduate student employee will be defaulted into the graduate student insurance plan.

## 5. PERSONNEL ACTIONS

- 5.1 Personnel actions that affect benefit eligibility must be completed and processed in a timely and correct manner.
- 5.2 If an initial appointment in a non-budgeted position is for less than 4-1/2 months, the employee is not eligible for benefits. If the department head anticipates that a reappointment will be added to the initial appointment, an effort should be made to

appoint the individual at the outset to a longer than 4-1/2 month position so that the employee can be provided with benefits at the start of employment. If the employment is extended by reappointment added to the initial position, benefits eligibility begins with the extension of the appointment.

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## **Related Statutes, Policies, or Requirements**

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[Tex. Ins. Code Ch. 1601, Uniform Insurance Benefits Act for Employees](#)

[The Consolidated Omnibus Budget Reconciliation Act of 1986 \(COBRA\)](#)

[System Policy 31.02, Employee Insurance and Retirement Benefits](#)

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## **Member Rule Requirements**

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A rule is not required to supplement this regulation.

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## **Contact Office**

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