

BENEFITS FOR UNIVERSITY OF UTAH EMPLOYEES ON MILITARY LEAVES OF ABSENCE

The University of Utah fully complies with the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"). **For leaves of absence 30 days or less, current University benefits continue at the employee rate without interruption.** University benefits for employees absent from work for 31 days or more as a result of service in the uniformed services of the United States may be continued and reinstated as follows:

Vacation/Personal Preference/Comp Time

Employees taking a military leave of absence ("military LOA") may use accrued vacation, personal preference leave, comp time, or other similar accrued paid leave time (not including sick leave). While employees are receiving pay, they will continue to receive vacation and sick leave accruals. If the employee chooses to use paid leave time, it must be used at the employee's regular FTE and work schedule. During periods of unpaid leave, no sick, vacation or personal preference time will accrue.

Health Care and Dental Coverage

An employee on military leave of 31 days or more may elect to continue health and dental coverage for up to 24 months or until the day after the employee fails to report to work, whichever occurs first. The employee will be required to pay the full cost of coverage (including the amount usually paid by the employee's department), plus 2%. In the event the employee does not elect to continue coverage, it will be terminated at the end of the pay period in which the employee last worked. Health and dental coverage may be reinstated at employee rates when the employee returns to work (if such return is within the time limits set by USERRA), without a pre-existing condition waiting period.

Retirement

The University will discontinue contributions to the retirement accounts of employees on military LOA and employees participating in the Utah State Retirement Systems plan will not accrue service credit during a military LOA. If an employee returns to work within the time limits set by USERRA, all missed retirement contributions will be made for employees participating in the 401(a) Plan and employees participating in the URS plan will receive service credit for the military LOA period. Contributions will be made by the department that employed the employee immediately prior to the military LOA and be calculated on compensation the employee would have earned during the military LOA at the rate of pay the employee would have received but for the military LOA.

Supplemental Retirement Accounts: If an employee participates in the University's 403(b) or 457(b) supplemental retirement accounts, the employee will be allowed to make up any missed contributions upon return to work if the employee returns to work within the time limits set by USERRA. The employee will have three times the period of his/her military LOA (up to five years) to make up the missed contributions. Employees with outstanding loans may contact the investment provider to notify them of the military LOA and request that the interest rate on loan be lowered to 6% during the military LOA. In order to receive the lower interest rate, the employee must: (1) Have a loan outstanding prior to military service; (2) request the lower rate in writing and provide a copy of the military orders; (3) be "materially affected" by the military service and state the impact of the military service (e.g., lower income or increased expenses); and (4) the request must be submitted no later than 180 days after returning from the military leave (the change in interest rate will be made retroactive to the date the active duty began).

Life Insurance

Life insurance will be continued through the last day of the pay period in which the employee last worked or was paid. Employees on a military LOA may terminate coverage and reinstate without evidence of insurability when they return to work if they return to work within the time limits set by USERRA and apply for reinstatement within 31 days of their date of return. Employees who wish to continue life insurance coverage during the military LOA must pay the entire cost of the coverage (employee plus University cost) and may continue to pay monthly premiums through the Benefits Department.

Alternatively, employees may obtain a conversion policy within 30 days of the date they begin the military LOA. If an employee converts coverage to an individual policy, he/she must provide evidence of insurability in order to reenroll in group coverage through the University upon return to work.

Accidental Death & Dismemberment

AD&D coverage is not available during a military LOA of more than 30 days. Coverage may be reinstated at any time upon return to work.

Long Term Disability

Employees on military LOA may terminate LTD coverage or obtain a conversion policy. If the employee terminates coverage and returns to work within the time limits set by USERRA, coverage may be reinstated within 31 days of the employee's return without evidence of insurability. If the employee does not apply for reinstatement within 31 days of his/her return to work, the employee must provide evidence of insurability to obtain coverage.

Long Term Care

Employees on a military LOA may continue long term care coverage by making premium payments directly to the insurance carrier. Employees may arrange for direct billing through the Benefits Department or may contact the insurance carrier directly. If the employee does not continue paying premiums during the leave, coverage will be terminated as of the end of the period in which the employee last paid the required premium. The employee may apply for reinstatement upon return to work and must go through underwriting.

Flexible Spending Accounts

If the employee is participating in flexible spending accounts, participation will continue as long as the employee is receiving pay from the University (using vacation or other eligible accrued paid leave time.) When the employee begins an unpaid leave, the employee may choose one of the following options:

- **Terminate Participation In Flexible Spending.** The employee will have access to the annual elected amount through the date of termination of participation and expenses incurred prior to termination of participation may be submitted for reimbursement. No expenses incurred after termination of participation may be submitted for reimbursement.
- **Pay in Advance.** The employee may have the remaining amount of the plan year election withheld from the final paycheck(s) the employee receives from the University. The employee will have access to the entire amount elected for expenses incurred through the end of the plan year.
- **Pay Monthly Payments.** The employee may pay the monthly amount previously withheld by the University each month for the remainder of the plan year. The employee will have access to the entire annual amount elected for expenses incurred during the entire plan year.
- **Catch Up.** If the military LOA is expected to last less than one year, the employee may elect, prior to the leave of absence, to catch up payments upon return to work. The employee will have access to the full plan year amount for expenses incurred through the date the last amount was withheld from the employee's pay. After the employee returns and payments are caught up, the employee may submit expenses incurred after the last amount was withheld and before the end of the plan year for reimbursement.

Within three months of the date the employee returns to work, the employee may make a new flexible spending election for the remainder of the then current plan year.

More Information

For more information on USERRA, employees may visit the Department of Labor's web site at: http://www.dol.gov/ebsa/FAQs/faq_911_2.html