Valdosta State University
Human Resources & Employee Development
Policies and Procedures

Employee Benefits

The availability of employee benefit programs has become one of the prime factors in establishing and maintaining an effective work force; and the University, as any responsible employer, is very sensitive to this need.

In addition to the liberal leave programs previously mentioned, the following benefits are made available to each new regular employee working at least one-half time in a regular budgeted position.

SECTION 803.01

Social Security.
1. Terms, conditions, requirements, reservations, benefits, privileges, and other conditions of Title II of the Social Security Act, as amended, shall apply to all officers and employees of the University System except those specifically excluded under the agreements with the Employee's Retirement System of Georgia providing coverages.

2. Under agreements between the Employee's Retirement System of Georgia and the Board of Regents, University System of Georgia, Social Security coverage was extended to the following classes of employees:

a. All employees eligible for the Teachers Retirement System of Georgia. **b.** All full-time custodial and maintenance personnel and hourly employees (not eligible for Teachers Retirement System).

3. The following employees are not covered by Social Security: student assistants, graduate assistants, laboratory assistants, and employees working less than half-time. Non-immigrant aliens are not exempt, in accordance with the provisions of their visas.

4. There shall be withheld from any salary or compensation due any employee covered by Social Security a percentage of salary, wage or compensation required to be withheld by the Act, whether computed in cash, quarters, subsistence, or in kind and reserved in an institutional agency account for quarterly remittance to the Employees' Retirement System of Georgia. Rules and regulations of the Employees' Retirement System of Georgia for administration of the Act shall be followed.

The provisions of the Federal Old Age and Survivors Insurance System were extended to employees of non-profit institutions in 1950.

a. Enrollment. Covered employees are automatically enrolled on the initial date of employment with no forms or physical examinations required.

Each employee must have a social security number and should be certain that this information is properly recorded on his payroll records.

b. Payroll Deduction. Social security tax deductions are made to the Federal government through the Employee's Retirement System of Georgia. This amount is reflected on the W-2 form provided at the end of each year. The employee should notify the Department of Human Resources immediately if an error is noted in this deduction.

5. Mandatory Medicare Coverage.

The 1985 Consolidated Omnibus Budget Reconciliation Act (COBRA) mandates Medicare coverage for certain employees otherwise exempt from Social Security. The current contribution rate is 1.45% for the employee and is matched by the University.

SECTION 803.02

Worker's Compensation.
All employees of the University, regardless of status, are covered by provisions of the Worker's Compensation Act, currently administered by the Department of Administrative Services. This protection provides benefits to employees who are injured on the job. Full details on worker's compensation procedures are available in the Department of Human Resources.
a. Reporting. When injured, an employee should report the accident, regardless of severity to his or her immediate supervisor. The First Report of Injury Form should be completed immediately, or as soon as practical, and forwarded to the Department of Human Resources.

b. Medical Treatment. Injuries requiring medical treatment should be attended immediately. Employees injured on the job are encouraged to report to the Student Health Center. If possible, notify the health center that you are "on the way" and a University physician will provide medical attention immediately upon your arrival.

Should you elect not to use the University health services, you must use a physician who is on the posted worker's compensation panel of physicians. This will eliminate potential problems. The list of the panel of physicians is posted in prominent areas throughout the campus.

1. Emergency Treatment - Should the nature of the injury require emergency treatment at a facility equipped to handle trauma, an employee can report to the emergency room or similar facility and charges are covered.

c. Reimbursement of Expenses. If an injured employee incurs personal expenses for drugs, ambulance, etc., he should furnish receipted bills to the Department of Human Resources so that reimbursement for such expense can be expedited.

d. Payment of Benefits. Following a seven day waiting period, an injured employee is eligible for weekly indemnity from worker's compensation. An employee may use sick leave in addition to the worker's compensation benefit in order to maintain his or her normal level of compensation. In no case will income from combined sources be allowed to exceed an individual's regular rate of compensation. Absence due to injury may also be considered against the twelve week Family Medical Leave availability.

The Department of Administrative Services will furnish the agreement as to compensation forms to be signed by the employee, and return to duty forms to be signed by the supervisor. When these forms are completed, the compensation checks will be sent to the supervisors with specific instructions for their proper handling.

SECTION 803.03

Group Insurance Programs.
Regular employees working half-time or better have made available upon employment a comprehensive group insurance program. Coverages include life, health, dental, major medical and long-term disability, and long-term care protection. Certain of these programs are paid in full by Valdosta State University with participation in others ranging from 75% to non-contributory. The following sections outline the various programs and are accurate at date of publication; however, changes in coverage do occur, and the employee should always review the appropriate brochure in the Department of Human Resources before assuming certain coverages are in effect.

a. Basic Life Insurance. Valdosta State University provides a basic life insurance program to all regular employees working half-time or better. This program features an accidental death and dismemberment benefit of equal value and a disability income provision for those covered prior to November 1, 1980.

This program is continued into retirement for employees having ten years of current, consecutive service, with Valdosta State University paying 100% of the program's cost. The amount of insurance available in retirement depends upon the employee's salary upon retirement.

b. Supplemental Life Insurance. Employees may purchase additional life insurance to supplement their estate. Such coverage is based on a multiple of contract salary (budgeted salary), with premiums based on age. Portions of the supplemental life amount can be carried into retirement providing the employee has met eligibility requirements. Premiums for supplemental life may be paid on a pre-tax basis at the election of the employee.

c. Dependent Life Insurance. Family life insurance with a maximum limit of $10,000 per eligible dependent may be purchased for a total of $4.70 monthly. Dependent coverage, for eligible employees, may be continued at a reduced level upon retirement.

d. Insurance Benefits for Employees on Leave. Any employee of the University who is on an approved leave of absence may elect to continue his group insurance coverage. Such coverage for those on leave without pay shall not exceed one year; whereas, those on leave with pay shall have this option for the duration of such leave. Premium payments shall be made by the employee on a regular basis while on leave.

e. Life Insurance Benefits at Retirement. University employees who are eligible for retirement as set forth in Section 803.08 or Section 803.081 of the policy manual are allowed to continue their life insurance programs into retirement. Reduction of life insurance in force occurs upon date of retirement and upon attainment of ages 60 and 70, dependent upon the initial date of coverage under the basic and/or supplemental life insurance programs.

Charges for supplemental life insurance amounts are the retiree's responsibility. Lost amounts of supplemental life insurance coverage which is the result of reduction factors may be converted to individual programs, if desired. Charges for such will obviously be higher than the group rates. Premiums for such coverage are payable on the first of each month immediately upon retirement.

The following schedules of life insurance are based on current policy provisions and are defined in the insurance brochure.

1. Employees insured for Supplemental Life subsequent to 11-1-80.

Life coverage upon retirement will be 50% of the total in force or the amount shown on the following schedule, which ever is less. A D & D coverage is cancelled upon retirement.

Yearly Pay at Retirement	Basic	Supplemental
Less than $3,000	$4,500	-0-

$3,000 - $4,000	$6,000	-0-
$4,000 - $5,000	$8,000	-0-
$5,000 - $6,000	$10,000	-0-
$6,000 - $7,000	$12,000	-0-
$7,000 - $8,000	$15,000	-0-
$8,000 - $9,000	$l6,500	-0-
$9,000 - $10,000	$20,000	-0-
$10,000 - $12,500	$24,000	-0-
$12,500 - $15,000	$25,000	$3,500
$15,000 - $17,500	$25,000	$8,250
$17,500 - $20,000	$25,000	$13,000
$20,000 and over	$25,000	$15,000

There is a maximum of $40,000 for retirement coverage.

2. For Employees Insured for Supplemental Life Prior to 11/1/80.

Life coverage upon retirement will be based on the following schedule to determine the maximum amount of available coverage. Reductions in coverage will occur at age 67 and age 70. AD & D is cancelled upon retirement or attainment of age 70 if the individual is actively employed.

In the event of a permanent disability prior to retirement, a monthly income which reduces the basic life value up to $20,000 is available for a 60-month period and premiums for any remaining life insurance for which the employee is eligible is waived.

Annual compensation at Retirement	**If age at retirement is less than 67**		**If age at retirement is 67 but less than 70**		**If age at retirement is 70 or greater**	
	Basic	**Supplemental**	**Basic**	**Supplemental**	**Basic**	**Supplemental**
Less than $3,000	$9,000	-0-	$5,850	-0-	$4,500	-0-
$3,000 BLT $4,000	$12,000	-0-	$7,800	-0-	$6,000	-0-
$4,000 BLT $5,000	$15,000	-0-	$9,750	-0-	$8,000	-0-
$5,000 BLT $6,000	$18,000	-0-	$11,700	-0-	$9,000	-0-
$6,000 BLT $7,000	$21,000	-0-	$13,650	-0-	$10,500	-0-
$7,000 BLT $8,000	$25,000	$2,000	$17,550	-0-	$13,500	-0-
$8,000 BLT $9,000	$25,000	$8,000	$21,450	-0-	$16,500	-0-
$9,000 BLT	$25,	$15,000	$25,000	$1,000	$20,000	-0-

$10,000	000					
$10,000 BLT $12,500	$25, 000	$23,000	$25,000	$6,200	$24,000	-0-
$12,500 BLT $15,000	$25, 000	$32,000	$25,000	$12,050	$25,000	$3,500
$15,000 BLT $17,500	$25, 000	$41,500	$25,000	$18,250	$25,000	$8,250
$17,500 BLT 20,000	$25, 000	$51,000	$25,000	$24,400	$25,000	$13,000
$20,000 BLT $22,500	$25, 000	$60,500	$25,000	30,575	$25,000	$15,000
$22,500 BLT $25,000	$25, 000	$75,000	$25,000	$40,000	$25,000	$15,000
$25,000 BLT $30,000	$25, 000	$80,000	$25,000	$43,250	$25,000	$15,000
$30,000 BLT $35,000	$25, 000	$85,000	$25,000	$46,500	$25,000	$15,000
$35,000 BLT $40,000	$25, 000	$90,000	$25,000	$49,750	$25,000	$15,000
$40,000 BLT $45,000	$25, 000	$95,000	$25,000	$53,000	$25,000	$15,000
$45,000 and over	$25, 000	$100,000	$25,000	$56,250	$25,000	$15,000

3. Schedule of Supplemental Life Insurance Premiums. The following life insurance premiums are those in effect since October 1, 2002 for supplemental life coverage. Attained age as of January 1 for all employees.

ACTIVE EMPLOYEES		**RETIRED EMPLOYEES**	
Age	**Rates/$1000**	**Age**	**Rates/$1000**
Under 25	$0.06	Under 25	$0.06
25 - 29	$0.07	25 - 29	$0.07
30 - 34	$0.09	30 - 34	$0.09
35 - 39	$0.10	35 - 39	$0.10
40 - 44	$0.12	40 - 44	$0.12
45 - 49	$0.17	45 - 49	$0.17
50 - 54	$0.26	50 - 54	$0.27
55 - 59	$0.49	55 - 59	$0.51
60 - 64	$0.77	60 - 64	$0.78
65 - 69	$1.52	65 - 69	$1.55
70 & Over	$2.46	70 & Over	$2.60

***** AD&D is an extra $0.03 per $1000
Enrolled in supplemental life before 1980, upon retirement, AD&D coverage is effective until age 70.
Enrolled in supplemental life after 1980, upon retirement, AD&D coverage is terminated.
Rates shown above are for each $1,000 of insurance and include a charge for accidental death and dismemberment benefits.

a. Pre-Tax Premium Option
Employees may elect to pay for supplemental life using the pre-tax premium option. This serves to reduce salary subject to Federal, State and Social Security tax withholdings.

f. Group Health Insurance. The group health insurance program provides extensive coverage for the health care costs of University employees. This is a self-insurance program with a third party administrator adjudicating the claims. The cost of the program is shared, with the University paying approximately 80% of the premium. Employee premiums are paid on a pre-tax basis, thus reducing the cost of their monthly outlay.

1. Enrollment - Employees and eligible dependents, as defined by the policy, must enroll within 31 days of said eligibility or await the open enrollment period. Those failing to enroll during their initial eligibility period will be subject to pre-existing condition clauses once insured.
2. Plan Year - The University group insurance programs are based on the plan year, January - December, and changes in elected coverages in absence of a qualifying event are disallowed in accordance to Internal Revenue Code.
3. Benefit Features - Details of available coverages are found in the insurance booklets, and the Human Resources Office staff is available to assist in claims handling or problems encountered.

Employees are encouraged to become familiar with policy provisions to assure prompt and accurate claims handling. Additionally, failure to follow certain procedures may result in financial penalties or otherwise negate the coverage.

g. Group Dental Insurance.
A program of dental insurance is available upon employment to all employees and their eligible dependents as defined by the policy. Dental coverage is not open enrolled unless a special enrollment period is declared by the Board of Regents. Initial enrollment must be accomplished within 31 days of initial eligibility or from date of qualifying event.
Premiums are paid with pre-tax dollars and the University does not share in the cost of the program. Details of coverage are found in the booklets available in the Human Resources Department.

h. Medicare Coordination. Employees and their dependents who are eligible for Medicare must enroll upon eligibility as our self-insurance program requires benefit coordination. Premium reduction for Medicare coordination is allowable and employees so effected should report Medicare insurance inception to the Department of Human Resources immediately.

i. Health Coverage at Retirement. University employees who are eligible for retirement as set forth in Section 803.08 or Section 803.081 of the policy manual can continue their group health/dental insurance programs into retirement. The University will continue its participation in the cost of the program, as defined by Board of Regents policy.

1. Health Coverage for Dependents of a Deceased Employee. In the event of the death of an employee or retired employee, provisions for continuation of the health insurance program have been made. The Human Resources will advise dependents of such rights upon the death of an employee.

j. Continuation of Coverage Following Termination of Employment or Loss of Eligibility. The Consolidated Omnibus Budget Reconciliation Act (COBRA) which became effective July 1, 1986, requires an employer to extend coverage under the group health program when certain qualifying conditions are met.

Qualifying Events - The following circumstances are those directly addressed by the law and which will require the employer to offer extended coverage for the designated period.

1. Coverage months must be offered to employees and/or dependents if health coverage would terminate due to:

1. Layoff.
2. Reduction to less than 20 hours weekly.
3. Voluntary termination of employment.
4. Discharge for reasons other than "gross misconduct."

When these "qualifying events" occur, coverage for an 18 month period is available. Should the individual be re-employed, become covered by another group, become eligible for Medicare, or fail to make timely premium payments, such coverage will be cancelled immediately.

Following an 18 month period, such coverage will automatically terminate.

2. Coverage for a 36 month period will be offered should any of the following "qualifying events" occur.

1. Death of an employee who has less than 10 years of current consecutive service.
2. Divorce or legal separation of the employee and spouse.
3. Ceasing to be a "dependent" according to plan definition.

Any of the following events eliminate the employer's liability and result in immediate benefit cancellation:

Remarriage and coverage under any other group plan for a widowed or divorced spouse, subsequent coverage as a dependent child under any other group plan, coverage as an employee under any other group plan, eligibility for Medicare, and/or failure to make timely premium payments.

3. Premium Payments - Individuals desiring extended coverage are responsible for advanced premium payments and must pay the entire premium for the plan plus a 2% administrative charge. Failure to pay such advanced premiums will lead to cancellation of coverage on the first day of the month. Therefore, all such premiums should be paid no later than the 25th of each month for the ensuing month's protection.

4. Employee Responsibility - An employee or covered individual is required to notify the employer should any of the mentioned "qualifying events" occur.

5. Employer Responsibility - Once notified, the employer must allow at least 60 days for an eligible individual to elect coverage under the group plan.

k. Long-Term Disability A program designed to guarantee up to 70% of an employee's contract salary at date of disability to age 70, dependent upon age at disability, is available on employment. This program features an option of a three-month or a five-month waiting period and coordinates all income available through employment sources in reaching the 70% guarantee. In the event an employee's income exceeds the guaranteed level, a minimum benefit of 10% is payable. Those employees having no income available from disability sources shall have a 60%

guaranteed income.

1. Dividends. Any dividend received as a result of favorable experience shall be held in a premium stabilization reserve account and used to increase benefits of the plan and/or maintain or reduce associated employee costs.
2. Optional Retirement Participants (ORP). Staff employees having the optional retirement program, by virtue of their appointment, rather than the Teachers Retirement System (TRS) shall have a long-term disability program that does not coordinate with their pension program in that the ORP values, unlike that of the TRS generally continue to increase in value the longer they are held.

Cost of the program is born by the employee, and further details can be found in the insurance booklet, which is available in the Department of Human Resources.

I. Long Term Care.
A program to cover portions of the costs associated with long term care is offered by the university. This program is available upon employment and may be open enrolled at any time with proof of insurability. This coverage is not Medicare coordinated and the employee may elect various levels of coverage. Premiums for the program are based on the desired reimbursement level and the employee's age at date of employment.
Further details on the program are available in the insurance office.

SECTION 803.04
Flexible Benefit Options.
The benefit of the "flexible benefit" plan is made available to all employees who are eligible for benefits. Authorization for the establishment of a flexible benefit program is found in the Internal Revenue Service Code, Section 125, and the Board of Regents program has been approved by the Internal Revenue Service and the State of Georgia Attorney General.
The following are offered in the flexible benefit program and are briefly described below. Complete details may be requested from the Department of Human Resources.

1. Flexible Premiums - An employee may elect to participate in the flexible premium program for supplemental life insurance. Essentially, the employee selects the group insurance coverage desired and then advises the Department of Human Resources to pay these premiums with pre-tax dollars. The salary reduction for premiums avoids federal, state and social security taxation on the premium amount. Group health and dental insurance premiums are paid with pre-tax premium dollars automatically.

2. Spending Accounts - This option takes two forms, dependent care and non-reimbursed medical expenses. The basic principal is the same as with the premium account; however, employees must make reasonable estimates of cost to insure the salary reduction is not excessive. The spending accounts are more difficult to determine in certain situations and excess reductions which are not spent for the designated expense are lost at the end of the year.

> **a. Dependent Care** - Those individuals having a qualified dependent for whom they incur day care or similar expense in order to work may elect to reduce their salary for the amount of such charges and pay the expenses on a pre-tax basis. Employees pay for such expenses, and upon completion of a reimbursement voucher are "paid back" from their spending account.
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> **b. Medical Spending Account -** The payroll and reimbursement procedure is the same as with dependent care; however, the reduction is more difficult to project in certain cases. Non-reimbursed medical expenses are "paid back" to the employee from the spending account upon receipt of the required documentation.

SECTION 803.05

Open Enrollment for Benefits.
November is the established open enrollment month for certain University benefits with coverages to become effective January 1 of the ensuing year. The plan for University benefit programs is the calendar year, and changes in benefit programs covered by the Section 125 pre-tax premium programs cannot be altered, barring a qualified event, in other than the open enrollment period. The open enrollment period can be extended by approval of the Board of Regents but will never be less than the month of November.
The life insurance programs, long-term care program and the long-term disability insurance program require medical insurability to the satisfaction of the insurer prior to becoming effective.

SECTION 803.06
Imputed Income.
Section 79 of the Internal Revenue Service Code (IRC) stipulates that when an employer provides group life insurance in excess of $50,000, additional income (imputed income) to the employee may occur where the premiums charged for such coverages are less than the premium rate established by the Internal Revenue Service. Such income is subject to income and Social Security taxes. Employees should be aware of the fact that income taxes are not withheld from the imputed income and might, in certain cases, result in a significant tax liability. The Department of Human Resources advises employees annually, in January, of anticipated imputed income in excess of $50 to allow employees to adjust their withholding exemptions, if required.

1. Retiree Imputed Income.

Retirees are subject to the imputed income calculation and are assessed the FICA Medicare deduction for such income. This is added to the insurance premium billing, and the income is reported on the W-2 form, as with active employees.

SECTION 803.07

Tax Sheltered Annuity Programs.

Employees of the University may elect to participate in various tax deferred annuity programs wherein they invest a portion of their monthly salary to provide a current tax benefit. Income invested in such programs is not subject to taxation until it is withdrawn at a later date.

The University does not approve or disapprove any plan or underwriting company, as proper investigation of the program is the employee's responsibility.

a. Enrollment. Employees should be certain to have the required forms in to the Office of Finance and Administration by the l5th of the month so the necessary payroll adjustments can be made.

b. Solicitations. The overall policy on solicitations also applies to solicitations for tax sheltered annuity programs. The authorized agent of the company must obtain approval for on-campus solicitation in the Office of Finance and Administration. Such solicitation must always be through prior appointment and employees should notify the Department of Human Resources should this policy be violated.

c. Annuities Having Life Insurance. Although the University discourages annuity programs from having life insurance, such will be allowed if the company will provide the amount of such insurance and the cost in the Amendment of Salary Agreement. The cost of such premiums must also be reported to the employee as income by the company, as the University will reduce the taxable income on the Form W-2 by full amount of the agreement.

d. Compliance With IRS Codes. Employees and participating companies are required to comply with all I.R.S. requirements in the establishment of and participation in a 403(b) program(s). The Department Human Resources will provide general guidelines if assistance is needed in this area.

Pension reform legislation enacted in 1996 places the non-compliance with I.R.S. codes on the individual participant and the University is not responsible for errors in calculations, etc. by the agent or participant.

e. Approved Providers.
Generally, a provider must contact the Human Resources Office to present their 403b program and describe the services provided to employees prior to being approved for solicitation. Once approved, the provider must then secure five participants prior to any contracts being signed and any remittal via the University payroll authorized.
New employees having had long term contracts in effect with non-approved providers may request an exception to this policy if they can show that a change to a new provider would create additional expense for them, higher commissions, withdrawal penalties, etc.

TAX SHELTERED ANNUITIES (403B) American Express Financial Advisor (229) 247-9810 American Fidelity Assurance Company (800) 662-1106 American Funds (Capital Guardian Trust Co.) (800) 421 0180 The Equitable (229) 247-1010 Fidelity Investments (800) 868-1023 Hartford Life (203) 547-5000 Horace Mann Insurance (229) 889-9417 Jefferson Pilot (229) 247-1616 Merrill Lynch (229) 244-2358 Metropolitan Life (800) 962-8320 New England Annuities (800) 777-5897 New York Life Insurance (800) 598-2019 Northwestern Mutual Life (229) 242-8069 Pioneering Services Corporation (800) 622-0176 Smith Barney, Inc. (229) 244-0310 Templeton Funds Trust Company (800) 527-2020 Teachers Insurance & Annuity Assoc.(TIAA-CREF) (888) 842-7782 Variable Annuity Life Ins. Company (VALIC) (229) 988-4035 Vangaurd Group Inc. (800) 662-2003

SECTION 803.08

Definition of a University System of GA Retiree/Eligibility for Retirement.

a. Effective November 1, 2002, to be eligible for retirement from the University System of Georgia, an employee must meet one of the following four conditions at the time of his/her separation from employment, regardless of the retirement plan elected by the employee:

1. An employee must have been employed by the University System of Georgia for the last ten (10) years in a regular, benefited position and have attained age 60; or
2. An employee must have at least 25 total years of benefited service established with a State of Georgia sponsored retirement plan, of which the last five (5) years of employment must have been continuous and with the University System of Georgia.
3. An early pension benefit penalty will apply to an individual who elects to participate in the Teachers Retirement System of Georgia, or in the Employees Retirement System, if he/she decides to retire with between 25 and 30 years of benefited service, prior to attaining age 60, or;
4. An employee must have at least 30 total years of benefited service established with a State of Georgia sponsored retirement plan, of which the last five (5) years must have been continuous and with the University System; or
5. An employee must be deemed to be totally and permanently disabled, as documented through the receipt of disability benefits from Social Security or from the Teachers Retirement System of Georgia, following nine and one/half (9.5) years of continuous service to the University System in a regular, benefited position.

b. An individual, who has retired from another State of Georgia sponsored retirement plan, may not count such retirement service toward meeting the eligibility criteria for retirement from the University System of Georgia.

SECTION 803.081

Career Employee.

A University System of Georgia employee, who is employed prior to November 1, 2002, and who has had a break in service, shall be eligible to retire as a ***Career Employee***, provided that, on the date of his/her separation from employment:

1. He/she has attained age 60 and he/she has a minimum of ten (10) years of benefited service established with a State of Georgia sponsored retirement plan. The last two years of employment with the University System of Georgia must have been served consecutively; or

2. He/she has a total of 25 years of benefited service established with a State of Georgia sponsored retirement plan, regardless of age. The last two years of employment with the University System of Georgia must have been served consecutively.

A State of Georgia employee, who became an employee of the University System of Georgia prior to November 1, 2002, and who remains as a current University System employee, shall be eligible to retire as a ***Career Employee***, provided that, on the date of his/her separation from employment:

1. He/she has attained age 60 and he/she has a minimum of ten (10) years of continuous benefited service established with a State of Georgia sponsored retirement plan. The last two years of employment with the University System of Georgia must have been served consecutively; or

2. He/she has a total of 25 years of benefited service established with a State of Georgia sponsored retirement plan, regardless of age. The last two years of employment with the University System of Georgia must have been served consecutively.

A State employee who is employed by the University System of Georgia; a previous University System of Georgia employee who is rehired by the System; or a new hire of the University System of Georgia; ***after October 31, 2002***, shall not be entitled to career employee status, and must otherwise meet the definition of a retiree as set forth in Section 803.08, to be eligible for benefits continuation into retirement.
An individual, who has retired from another State of Georgia sponsored retirement plan, ***may not*** count such retirement service toward meeting the criteria for being a ***Career Employee***.

SECTION 803.082

Benefits Continuation into Retirement.
A University System of Georgia Retiree, or a University System of Georgia Career Employee, who upon his/her separation of employment from the University System of Georgia, meets the criteria for retirement as set forth in Section 803.08, Definition of a University System of Georgia Retiree/Eligibility for Retirement, or Section 803.081, Career Employee, shall remain eligible to continue as a member of the basic and dependent group life insurance and health benefits plans. The University System shall continue to pay the employer's portion of the cost for such benefits. Participants will be billed **monthly, quarterly, or some interval consistence with the institution's business calendar***. If a participant is more than sixty (60) days delinquent from the date of the bill, benefits should be terminated and collection procedures initiated to collect any outstanding balance.

SECTION 803.09

Teachers Retirement System.
The Teachers Retirement System of Georgia was established by the General Assembly in 1945 and placed under the supervision of a Board of Trustees.
Following the July 1978 amendments, all regular half-time or better employees are required to participate in the retirement program and optional participation for those previously non-covered employees was extended.
The following paragraphs summarize major provisions of the retirement system. Further details are available in the booklet, "TRS Facts" produced annually by the retirement system and available in the Department of Human Resources.

a. Membership.

Upon securing employment, eligible employees are required to complete an application for membership which is forwarded to the retirement system by the Department of Human Resources. Upon receipt, a membership number is issued, and the individual account is activated. Remittal of employee contributions is made to the retirement system and credited to the appropriate member number each month. The current employee contribution is 5% with the University matching in excess of 9%. Employee contributions are made on a pre-tax basis. These contributions are held by the retirement system until the employee retires or requests withdrawal upon termination of employment. The state contributions are never refunded to the employee but are maintained by the system to assure solvency of the fund.
1. Ineligible Employees. With the 1978 amendments covering virtually all half-time employees regardless of job classification, the following represents those who are not eligible for the program:

Student Employees - Those students employed in other than regular budgeted positions are not eligible for retirement benefits.

Temporary Employees - Those persons employed on a temporary basis not to exceed 90 days.

Part-time Employees - Those employed on a part-time basis of less than 20 hours weekly.

2. Withdrawal of Member Contributions. An employee who is leaving the University System may request a refund of contributions, plus interest accrued thereon, by completing the application for return of contributions. Normally processing on refunds requires six weeks but may be somewhat in excess of that during the June through September period. A significant tax penalty may be incurred on refunded accounts and employees are encouraged to review the tax implications prior to requesting a refund.

3. Service Credits. Employees may establish credit for certain military service from service in employment covered by the Teachers Retirement System but subsequently withdrawn, or from service to non-state public supported educational institutions. Those employees who feel they are eligible to establish such service should contact the Department of Human Resources to ascertain the requirements for such purchases.

4. Vesting An employee having ten years of creditable service is said to have "vested" interest in the Teachers Retirement System. Vested interest, simply put, is the guarantee of retirement income at the normal or permissible retirement age, regardless of the individual's employment status at that time.

b. Retirement Plans. A member having vested interest in the retirement system, and having attained age 60, can elect benefits from any of the following retirement plans without penalty. Employees having 25 years of service and having attained age 55 are eligible for benefits with substantial penalties imposed. The maximum salary used in retirement salary calculation is $170,000 per fiscal year.

1. Plan A - This is the retirement option which yields the maximum income to the member with no continued benefits to a beneficiary upon death of the member. The maximum allowance is based on the following formula (years of creditable service X multiplier X highest average salary for twenty-four consecutive months). Upon the member's death, unused contributions, if any, are refunded to the designated beneficiary.

2. Plan B - This series of options makes certain guarantees to designated beneficiaries and is a reduced benefit, discounting the Plan A benefit.

> **Option 1.** A reduced monthly benefit to the member with a refund of contributions and interest to the designated beneficiary upon death of the member, providing the benefits received do not exceed the annuity portion of the monthly benefit during the member's

lifetime.

Option 2. A reduced monthly benefit, based on the member and the beneficiary's age, payable as long as either is alive. Once retirement benefits have begun, the beneficiary cannot be changed.

Option 3. A reduced monthly benefit based on the member and beneficiary's age, guaranteeing 50% of the member's benefit to the beneficiary upon death of the member. Once retirement benefits have begun, beneficiaries cannot be altered.

Option 4. This option allows the member to take a reduced monthly benefit and guarantees a percentage of income to the beneficiary, other than the ones specifically provided in Options 2 and 3.

Option 5. "Pop Up Provision." Members electing Option 2 or 3 may take a further reduction of monthly benefits to allow a return to the Plan A Maximum in the event the beneficiary pre-deceases the member. The reduction is 3% or 2% monthly for those electing Option 2 or 3 respectively. Should the member die before the beneficiary, the monthly income to the beneficiary is that guaranteed by the option taken, less the reduction.

c. Disability Retirement. Any member having a minimum of 9 1/2 years of creditable service is eligible for disability retirement should such be medically documented and approved by the retirement system.

d. Tax Status of Retirement Contributions. Effective July 1, 1987, contributions to the Teachers Retirement System have the effect of reducing salary subject to Federal income tax. This was made possible by legislative action and is in keeping with the Internal Revenue Code which allows an "employer pick up" of mandated retirement contributions.

Retirement contributions became exempt from personal income tax in the State of Georgia in 1990.

e. Tax Status of Retirement Benefits. Monthly retirement benefits are subject to Federal and State income taxes. For those who prepaid taxes on contributions prior to the change in law in July 1986, taxable income is computed on a pro-rata basis with a certain portion of each benefit being tax exempt. For members joining the system after July l, 1987, all monthly retirement income will be taxable.

SECTION 803.10

Regents Retirement Plan (R.R.P.)

Certain administrative employees, as defined by the University Statutes, and all faculty members having Board of Regents' appointment may elect to participate in the Regents Retirement Plan in lieu of Teachers Retirement System. This plan is a defined contribution plan with no guaranteed benefits as in the Teachers Retirement System. Employee contributions are taken on a pre-tax basis, matched by the University and invested with the participant's company of choice. The R.R.P. is immediately vested to the employee.

Further details of this program are available in the Department of Human Resources.

The maximum fiscal year salary for employer matching in the R.R.P. is $170,000, as is the maximum for salary averaging with the Teachers Retirement System.

SECTION 803.11

Georgia Defined Contribution Plan (GDCP).
Temporary, seasonal and part-time employees of the University who are not covered by the provisions of the Employee's Retirement System or the Teachers Retirement System are covered by the provisions of the GDCP. Such employees are not covered by Social Security but will have Medicare deductions taken from their checks.
The contribution rate is 7.5% taken on an after-tax basis and is deposited in the individual account of the member. The University does not contribute to this program. Refund of contributions can be made upon request of the terminated covered employee.
Further details of the program are available in the Human Resources Office.

SECTION 803.12

Employment Beyond Retirement
When an individual has retired from the University System of Georgia, he/she may be reemployed by the University System of Georgia under the following conditions:

1. There must be a minimum break of 30 days between the effective date of retirement and the effective date of reemployment;
2. The reemployment of a University System of Georgia retiree must be approved by the Board of Regents;
3. The work commitment of the rehired retiree must be less than half-time;
4. The salary paid to a rehired retiree must be less than 50% of the annual benefit-base compensation that he/she was earning at the date of retirement; and
5. The salary that is paid to the rehired retiree must be consistent with his/her/ work commitment.
6. For more information concerning this topic go to the Voluntary Retirement Option FAQ page.

SECTION 803.13

Unemployment Insurance.

Regular employees of the University are covered by the provisions of the Employment Security Act which guarantees continued income to employees who are separated from University employment through no fault of their own

SECTION 803.14

Credit Union.
Employees of the University may participate in the Valdosta Educators' Credit Union which was established in January 1973. All deposits up to $100,000 are insured through the National Credit Union Administration. Employees desiring enrollment forms, payroll deduction authorization forms or other information should request such from the Credit Union.

SECTION 803.15

American Express Corporate Card.
Eligible staff employees may apply for an American Express Corporate Card to be used to charge necessary travel expenses associated with their required job function.

SECTION 803.16

Tuition Assistance Program (TAP)
The Tuition Assistance Program (TAP) replaced the Tuition Remission and Reimbursement Program (TRR) effective November 1, 2004. This program was implemented with the Spring Semester 2005. TAP is an employee supplemental educational assistance program.
Enrollment on a space available basis and registration must follow those policies set forth in the guidelines for the Tuition Assistance Program as adopted by the University. For more information go to the following web site http://www.usg.edu/employment/benefits/tuition/