

## Summer Insurance Premium Q&A for Less than 12 Month Employees

### **Q: Am I eligible for insurance benefits during the summer months?**

A: Typically, benefit eligibility only continues through the last day of the month in which you actively worked. However, System Regulation 31.02.02 does have a provision for those employees who are scheduled to work *less than 12 months* to allow benefit eligibility during the time they don't work (summer period) provided certain conditions are met. These conditions include:

1. You are a regular, benefits-eligible employee scheduled to work less than 12 months who satisfied that appointment, AND
2. You are expected to continue employment in a benefit-eligible position the following fiscal year (Fall term)

If you meet the above two conditions, then you are eligible to participate in the insurance plans and will maintain the employer contribution towards benefit premiums. Your eligibility would change at the point in which the *expectation* to return in the Fall is no longer applicable.

### **Q: As an employee who works less than 12 months during the year, how will I pay my summer insurance premiums since I am not receiving a paycheck?**

A: Summer insurance premium notifications were sent out via email on May 1st to employees who were listed in the payroll database with an appointment of **less than 12 months**. This letter specifically explains how your summer premiums will be handled. Individuals who are employed less than 12 months that are expected to return in the Fall will have their entire summer premiums deducted on their May paycheck.

### **Q: Will you explain the summer premium deduction for those who are working less than 12 months?**

A: The summer insurance premiums will be deducted in advance from the May paycheck to include the premiums for May, June, July and August.

- If you are paid monthly, these deductions will occur on the paycheck you receive on June 1st.
- If you are paid bi-weekly, these deductions will occur on the paycheck you receive on May 25<sup>th</sup>.

### **Q: Who should I contact if I have questions regarding the summer premium notification I received?**

A: If you have specific benefits questions related to your summer premiums you should contact Benefits at 979-845-2423. If you have specific questions regarding your employment status or appointment you should contact your department directly.

### **Q: How are my summer premiums impacted if I receive an appointment to work during the summer?**

A: Working a summer appointment may impact your summer premiums, but it ultimately depends on several factors. Below are some examples:

- Partial appointment for the summer – employees who are scheduled to work less than 12 months will pay their summer insurance premiums in advance on the May paycheck(s). If you have only a partial summer appointment you are still considered less than 12 months. Therefore, your summer premiums will pull in advance on the May paycheck. Any subsequent paycheck you receive will not include insurance deductions.

- Full appointment for the summer at the **SAME** percent effort – if you receive an appointment at the SAME percent effort and you will receive a paycheck each month during the summer, then your summer insurance premiums will be deducted evenly over each of those month's paychecks (provided the appointment is extended prior to the May payroll calculation).

- Full appointment for the summer, but at **DIFFERENT** percent effort – The employer contributions are calculated based off the funding and percent effort that is in affect at the time the deductions occur. Therefore, if the change in percent effort has a negative impact on the level of the employer contribution towards the insurance premiums and would decrease that amount, your insurance

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premiums will be determined and calculated based off your May employment effort as if you did not have the additional summer appointment. Therefore, the summer premiums will pull from the May paycheck at the higher employer contribution levels. Any subsequent summer paychecks would not include the insurance deductions because they were paid in advance. If the increase in effort has a positive impact on the employer contribution level or has no impact at all, then your summer insurance premiums will be deducted evenly over each of those paychecks (provided the appointment is extended prior to the May payroll calculation).

- Summer appointment as a student worker – Summer appointments as a student worker are considered a secondary appointment to your benefits-eligible graduate assistant position provided that you are returning to the graduate assistant position in the Fall. Therefore, the summer student worker position does not impact your summer premiums and they would continue to be handled as other employees working less than 12 months and deducted from your May paycheck. Insurance premium deductions would not occur on any pay received during the summer in the student worker position.

### **Q: Who should I notify if I know there will be change in my employment status during the summer?**

A: You should notify your supervisor and department when you are aware of changes in your employment status that will occur during the summer period. This includes intention to retire from Texas A&M AgriLife or to end your employment. To maintain summer benefit eligibility, you must have the expectation to return in the Fall. Once your department is notified that you will not be returning in the Fall, they are to complete the Business Process to end the employment relationship and your benefits will only go through the last day of the month in which that notification occurred.

### **Q: What happens to my summer benefits if I end my employment?**

A: You are eligible for summer benefits if you are expected to return to your benefit-eligible position in the Fall. When you end your employment or when it becomes evident that you are not expected to return to a benefit-eligible position, then your benefits will cancel at the end of the month in which either situation occurs. Any premiums that you may have paid in advance for any full month of coverage after cancellation will be refunded.

### **Q: What happens if my May paycheck does not have enough money to cover the summer premiums?**

A: Benefits receives a report of individuals whose May paycheck appears to not be large enough to cover the summer premiums and we have taken action to move those individuals to a summer billing system. If this applies to you, this would have been communicated in your summer premium notification. If you did not receive this communication in your summer premium notification and it turns out that your paycheck is not large enough to cover your summer premiums, you will be contacted by Benefits to collect the summer premiums owed.

### **Q: What if I cannot afford the summer premiums, can I drop coverage during the summer?**

A: Changes to benefit coverage outside the annual enrollment period require a qualified change of status as defined by IRS guidelines. The ability to pay for premiums is not considered a qualified change of status. Therefore, you would not be permitted to cancel or drop coverage unless you do experience an appropriate qualified change that would allow for that type of benefit change. If you have a qualified change of status, please contact Benefits at 979-845-2423 to discuss further.

### **Q: What should I do if I experience a qualified family change in status change during the summer that requires a dependent to be added or dropped from coverage and how does that impact my premiums?**

A: As with any time of the year, if you experience a qualified change in status you should complete the necessary benefit forms to request the appropriate change in benefits within the designated benefit change window (60-days of the change in status). If the change in status results in a change to your coverage tier (employee only, employee +children, employee + spouse, employee + family) an adjustment will need to be made to your summer premiums you had paid in advance. This could be either

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a refund of extra premiums paid or creation of a bill invoice for the additional premiums owed depending on the circumstances. Benefits will communicate directly to provide specific guidance for your situation.

**Q: How are my summer premiums handled if I have participated in the Save for Summer (Extended Pay Plan) throughout the year?**

A: If you participated in the Save for Summer (Extended Pay Plan) your summer premiums will be deducted from your May paycheck even if you receive a summer appointment. The premiums for May, June, July and August will be deducted from your May paycheck; however, you will receive an additional payment from your save for summer account to reimburse you for the summer premiums.