

5.0 Benefits Program

This section provides an overview of benefits that are available to the faculty. The benefits section of the Human Resources department should be contacted to obtain detailed information pertaining to the benefits programs or to make changes. The website address is www.hr.vt.edu/benefits/.

Faculty benefits are classified as either required benefits that are mandated by federal, state, or university regulations; or optional benefits that are available to be used at the discretion of faculty members.

5.1 Required Benefits

The following benefits are mandatory, and with the exception of faculty long-term disability benefits, the employer pays the premiums for mandatory benefits.

5.1.1 Group Life Insurance

Participation in the group life insurance program is required of all full-time and part-time salaried faculty. The university pays the monthly premium for the group life insurance.

Coverage is effective on the first day of employment. The amount of the insurance is determined by taking the annual salary rounded up to the nearest thousand dollars; then doubled. Thus, if the salary is \$49,400, the amount of insurance is \$100,000. The insurance is term and the premium is based on annual salary. In cases of accidental death, the insurance is four times salary. In the example above, the insurance payout would be \$200,000.

A faculty member who leaves the university may convert the term insurance to a private policy if the request is made within 31 days after termination. Faculty who retire from the university either on disability or after age 50 with at least 10 years of state service will have paid-up life insurance.

The life insurance program is administered through the Virginia Retirement System with Minnesota Life as the insurance carrier.

5.1.2 Long-Term Disability Insurance (Required for Faculty)

Long-term disability insurance provides coverage for 60 percent of salary, with offsets against Social Security, federal retirement (if applicable), and Virginia Retirement System benefits. The maximum monthly benefit is \$15,000 with a minimum benefit of \$100 per month. In addition to paying a monthly benefit, a contribution of 10.4% of base salary is paid into a pension plan for those faculty receiving disability benefits. The Standard Life Insurance Company underwrites the program.

5.1.3 Faculty Retirement

All eligible faculty are required to participate in either the defined-benefit Virginia Retirement System plan (VRS) or a defined-contribution Optional Retirement Plan (ORP), which offers a choice of retirement programs. The following information is applicable. Faculty have 60 days from the time of hire to choose either the defined-benefit plan or the optional retirement plan. If no choice is made, the retirement default is the Virginia Retirement System.

Effective August 10, 2005, part-time salaried faculty members working half time or more for at least six months on a calendar year appointment or one semester if on an academic year appointment are eligible to participate in either the university's defined contribution retirement program or the Virginia Retirement System to the extent permitted by VRS.

5.1.3.1 Virginia Retirement System

The Virginia Retirement System (VRS) plan is qualified under IRS code section 401(a). Vesting occurs after five years of credited service; however, there is a 5% contribution paid by the employer from date of hire on base salary into the employee account that is available to faculty members when they terminate services with the University. These funds may be withdrawn or rolled into other accounts at the time of termination in lieu of leaving them with the state retirement system and if vested, drawing a retirement income at a later date. The retirement income benefits are based on a formula that utilizes the highest consecutive 36 months of salary, years of service, and age at retirement. Investment risks are borne by the employer and the employer makes all contributions into this plan. There is post-retirement cost-of-living allowance tied to the CPI-Urban not to exceed five percent per year under current law.

5.1.3.2 Optional Retirement Plan

Within 60 days of the date of hire, eligible faculty may select the Optional Retirement Plan (ORP) in lieu of the defined benefit Virginia Retirement System. The university contributes 10.4% of base salary to the 401(a) ORP account. Benefits at retirement are based on contributions, net earnings, and age. The faculty member can choose among a number of investment options. The ORPs are qualified under IRS code section 401(a) and vesting is immediate. Investment risks are borne by the employee with risks varying based on types of funds selected.

Cost-of-living adjustments are not provided; however, payouts can be structured to allow for inflation.

5.1.3.3 Disability Income Protection

New faculty are provided several types of income protection in cases of short-term and/or long-term disability. In general, regular faculty are provided with 1040 hours of sick leave at the time of hire. This equates to six months of income protection, i.e., short-term disability coverage. After short-term disability, the faculty long-term disability program outlined above takes effect and provides disability income to age 65 or for five years if over age 60 at the onset of disability.

Certain grant-funded faculty or faculty on restricted appointments who enroll in the Virginia Retirement System should consider the Virginia Sickness and Disability Plan (VSDP) that provides short-term disability for six months and long-term disability to age 65 or later depending on age at the time of disability.

5.2 Optional Programs

There are several insurance plans and benefits programs available for faculty members. Some have a portion of the premiums paid by the university; others are totally the employee's responsibility.

5.2.1 Long-Term Care

An optional long-term care plan is available through Aetna. Individuals may also apply for long-term coverage for spouse, parents, and parents-in-law. Enrollment procedures are found on the Human Resources website www.hr.vt.edu/benefits.

5.2.2 Accidental Death and Dismemberment Insurance

Accidental death and dismemberment insurance is an optional program available to faculty and staff members on at least half-time appointment.

Accidental death and dismemberment insurance is available in multiples of \$5,000, in a range of benefits from \$10,000 to \$250,000. The premium is paid entirely by the employee. Coverage is effective the first day of the month following the month in which the application is received by the Human Resources department. An employee may enroll at any time in this program.

This coverage has full 24-hour, 365-days-a-year protection against accidents occurring in the course of business or pleasure. The insurance includes accidents whether on or off the job, occurring in or away from the home, traveling by train, airplane, automobile, or other public and private transportation. The benefits provided under this plan are payable in addition to other insurance that may be in effect at the time of accident. There are no geographical limits on this coverage.

5.2.3 Health Insurance

Health insurance is an optional program available to all full-time faculty and staff members. Employees may participate in the state employees' group hospitalization and surgical insurance plans by proper application through the Human Resources department.

The employer pays a major portion of the employee's health care premium. Employee plus one and family coverage is also available under this plan. Coverage is offered for the member's spouse and for eligible dependents through the end of the year that they reach age 23 as long as the dependents are unmarried and remain in the family household.

Coverage is effective on the first day of the month if employment starts on the first day or first workday of the month and the application is completed by the first workday of the month. If

employment starts on a day other than the first day or first workday of the month or the application is completed after the first workday of the month, the health insurance coverage is effective the first day of the following month.

Enrollment or enrollment changes cannot be made outside of the open enrollment period unless there are status changes such as marriage, divorce, adding or dropping dependents, which must be made within 31 days of the event.

Open enrollment is held during mid-April to mid-May of each year for those employees desiring to enroll or to make changes in their health care program. The coverage or changes in coverage are effective on July 1 for changes that are made during this open enrollment.

5.2.4 Employee Assistance Program

The Employee Assistance Program (EAP) is a counseling and referral service available to faculty and staff to help them deal with the range of problems that might have an impact on their work lives as well as personal lives. The EAP provides confidential short-term intervention, assessment, and referral services. Employees may self-refer to the EAP, or a referral may be made by a supervisor or manager as an informal recommendation or as a mandatory requirement.

With appropriate approvals by senior administrations, an employee may be referred for a mandatory fitness-for-duty examination in cases where the employee poses a hazard or risk to self or others, or if a determination of the employee's medical or psychological fitness to perform his/her essential job functions is needed. Protections for employees to assure the privacy of their personal health information and to prevent abuse of mandated referrals by supervisors are included in policy 4345, "Employee Assistance Policy."

The complete EAP policy and procedures are available at www.policies.vt.edu.

5.2.5 Tax-Deferred Investments/Deferred Compensation/Cash Match

These programs offer opportunities for employees to invest a portion of their salaries and/or wages and delay tax liabilities until a later date. The employee must complete a salary-reduction agreement in order to start a tax-sheltered program or deferred compensation program. Full-time or part-time salaried faculty and staff are also eligible for the employer-paid cash match program.

Information packets are available in the Human Resources department. These packets contain a brief description of the tax sheltered annuity or deferred compensation plans, and the agent's name and address. Information is also available on the 401(a) cash match plan.

5.2.6 Savings Bonds

U.S. savings bonds can be bought through payroll deductions. Faculty and staff members may enroll in this program at any time.

5.2.7 Credit Unions

Employees may use the services of two credit unions. Payroll deductions may be made for the Freedom First Credit Union. Its main office is located on South Main Street, Blacksburg, with ATMs and/or branch services available in several on-campus areas.

Any state employee who is on a permanent payroll is eligible for membership in the State Employees' Credit Union, Inc. Its office is located in Richmond, and 808 West Broad Street, Richmond, VA 23220, 804-367-9000. Payroll deductions are not available for the State Employees' Credit Union.

Employees desiring information or membership in either credit union should contact the credit union directly.

5.2.8 Charitable Deductions

Payroll deduction may be made for participation in the Commonwealth of Virginia Campaign (CVC), which provides contributions to many national, state, and local social and health charitable organizations, including several local United Way organizations.

5.3 Special Programs

There are two special insurance protection programs covering university faculty and staff. All employees are covered against job-related illness or injury by state worker's compensation. Employees who lose their job through no fault of their own are covered by unemployment insurance.

5.3.1 Unemployment Insurance

All employees of the university are covered under unemployment insurance. If for some reason employees become unemployed by no fault of their own, they may qualify for this insurance. If employees lose their jobs, they should contact the Virginia Employment Commission immediately to file an unemployment claim.

5.3.2 Worker's Compensation

All employers are required to provide protection to their employees for job-related injuries and illnesses. The aim of the program is to ensure that all university faculty and staff members injured in the course of their employment and arising out of their employment with the university are offered fixed, certain, and speedy relief.

5.3.2.1 Reporting Work-Related Injuries

An injured employee is required to immediately report an accident or illness to his or her direct supervisor. Upon the employee's notification of injury to the departmental supervisor, the department is required to offer the employee a Worker's Compensation panel physician selection form. The employee must select a physician for treatment by completing the panel physician selection form. The department must submit the signed form to Human Resources' benefits office.

Employees in need of immediate medical treatment for serious injuries may visit the emergency room. They must report the injury as Worker's Compensation at the time treatment is received. All follow-up treatment must be provided by a Worker's Compensation panel physician.

Once an employee reports a job-related injury, the supervisor must immediately file the employer's accident report (form VWC no. 3) available at www.hr.vt.edu. The employer's accident report must be e-mailed to Teresa Lyons (tlyons@vt.edu) and Kathy Gibson (gibsonk@vt.edu) within 24 hours of the date/time of the injury. A claims adjuster from Managed Care Innovations, the university's Worker's Compensation carrier, will be assigned to handle the claim.