



UNIVERSITY of NEW HAMPSHIRE

Office of Human Resources

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TO: UNH Managers

FROM: Sharon W. Demers, Director
Human Resources Operations

Date: July 31, 2002

RE: Benefit Changes

Over the past several months USNH has been engaged in a major effort to reduce the growth in the cost of benefits. In line with these efforts on June 27, 2002, the Board of Trustees approved the following changes summarized in this memo. **These changes affect employees hired on or after September 4, 2002.** Originally these changes affected employees hired on or after July 1, 2002, with the exception of employees with a written offer letter dated prior to July 1, 2002.

- **CORE BENEFITS** - All core benefits (medical, dental, life insurance, long term disability, and flexible spending accounts) are effective the first of the month following date of employment if enrollment is completed and received by Human Resources within 30 days of employment. If enrollment is completed between the 31st and 60th day of employment, benefits are effective on the first day of the month following receipt of all completed enrollment forms by Human Resources.
- **RETIREMENT** – Participation in the USNH Retirement Plan will be effective the first pay period of the month following enrollment in the plan. The first year of active participation at the higher contribution level of 6% (employee contribution) provides for a USNH contribution of 6%. After one full year of active participation USNH will increase its contribution to 11% effective the first pay period of the month following one year of participation in the plan. Participation at the alternate contribution level (2.5% employee and 5% USNH) continues to be available.
- **RETIREMENT VESTING** – Employees will be vested in the retirement program after three (3) years of employment and active participation in the retirement program. Vesting provides for retention of USNH contributions to the retirement plan upon termination.
- **TUITION BENEFIT** – A Faculty/Staff member is eligible for the tuition waiver benefit following successful completion of the initial introductory period following employment in a benefits eligible position. Generally, the introductory period is six months, however in some instances it can be up to 12 months. For the purposes of this policy, completion of the faculty initial introductory period shall mean following two semesters of benefits-eligible employment. A faculty or staff member must be employed in a benefits eligible position for one year on or before the first day of classes in the semester for which application is made for a tuition waiver for his/her spouse/dependents.

- **DISABILITY** (Long Term Disability or Worker's Compensation)- An employee approved for long-term disability or worker's compensation must have completed a minimum of five years of creditable service in order to be eligible for continuation of medical, dental and life insurance coverage for a specified period of time based on years of service.

EXCEPTIONS

CORE BENEFITS

These changes affect all employees hired on or after September 04, 2002 with the exception of AAUP faculty.

RETIREMENT

Current employees hired prior to September 04, 2002 who do not contribute to a USNH retirement plan, will be eligible for the 11% contribution and the prior distribution provisions upon enrollment if they enroll and make contributions to the plan prior to July 1, 2003.

MITIGATION STRATEGY

To help with the increased costs of the medical plans, the trustees approved a 4% salary increase for all eligible staff. All eligible full-time employees who do not receive at least \$900 from the 4% increase will receive a flat dollar amount for the difference between the 4% and \$900. The \$900 minimum will be pro-rated for percent-time employees.

There is an Employee Medical Contribution phase-in for the low cost medical plan for employees whose annual salary is \$40,000 (FTE) or below as of 12/1/02. The employee cost for year 2003 will be 4% Individual, 6% Two Person, and 8% Family.

There is a **one-time** opportunity to cash out up to five accrued vacation/earned time days in the period between 12/15/02 and 2/1/03. The cash out **will not** count toward minimum usage of vacation or earned time. All employees are eligible for the vacation/earned time cash out regardless of salary level. Information regarding the cash-out process will be forthcoming.

Please contact your Human Resources Partner or myself if you have questions.