

MONMOUTH UNIVERSITY

POLICIES AND PROCEDURES

Policy Name: Voluntary Financial Incentive - Medical

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Issued by:

Approved by: Patricia Swannack, Vice President for
Administrative Services

POLICY:

1. In an effort to control increasing health insurance costs, Monmouth University has implemented a Medical Voluntary Financial Incentive Program for all full-time employees. The Program is available to employees who are eligible for the University's Group Medical Insurance Program and opt to either drop their coverage completely or drop their eligible dependents. The Program is implemented on a one year basis. Monmouth University reserves the right to discontinue the Program at the end of one year or thereafter at its discretion.

PROCEDURES:

1. Employees must sign a Declination of Coverage form to decline medical benefits. These forms are available in the Office of Human Resources. This form requires you to identify the coverage that you have, and releases Monmouth University from any/all responsibility for medical claims incurred for non-insured dependents and/or for yourself, whichever is applicable.
2. Upon application for the Voluntary Financial Incentive Plan benefit, employees must provide the Office of Human Resources with documentation necessary to substantiate eligibility in the medical plan of a spouse, civil union partner ("partner"), or eligible dependent child (birth, adopted, legal ward or step-child) in order to be eligible to receive a financial incentive payment for waiving such eligible coverage. Examples of documentation include, but are not limited to, marriage certificate, NJ civil union certificate, and child's birth certificate or adoption papers.
3. Upon completion of the Declination of Coverage Form and receipt of any necessary documentation noted above, the Office of Human Resources will process a Personnel Action Form for the appropriate financial incentive amount to be paid in compliance with the schedule below.

Amount of Financial Incentive

1. An employee who is eligible for Family coverage and elects to cancel ALL insurance will be reimbursed a total of \$2,750 annually.

2. An employee who is eligible for Family coverage and elects to cancel all eligible dependents and retain Single coverage will be reimbursed a total of \$1,850 annually.
3. An employee who is eligible for Family coverage and elects to cancel his/her Spouse/Partner's insurance and retain Parent/Child insurance will be reimbursed a total of \$1,400 annually.
4. An employee who is eligible for Family coverage and elects to cancel his/her eligible dependent children and retains Employee + Spouse/Partner coverage will be reimbursed a total of \$1,400 annually.
5. An employee who is eligible for Parent/Child or Employee + Spouse/Partner coverage and elects to cancel ALL insurance will be reimbursed a total of \$1,850 annually.
6. An employee who is eligible for Employee + Spouse/Partner coverage and elects to cancel his/her spouse/partner's coverage and retain Single coverage will be reimbursed a total of \$1,400 annually.
7. An employee who is eligible for Parent/Child coverage and elects to cancel all dependents and retain Single coverage will be reimbursed a total of \$1,400 annually.
8. An employee who is eligible for Single coverage and elects to cancel ALL insurance will be reimbursed a total of \$1,400 annually.

PAYMENTS

1. Payments will be made on a quarterly basis as listed below and are included in the employees regular paycheck and are therefore subject to taxes and other mandated deductions:
 - The first quarter payment (or a pro-rated amount) will be made on the first pay date of October which represents the months of July, August, and September.
 - The second quarterly payment (or pro-rated amount) will be made on the second pay date of December which represents the months of October, November and December.
 - The third quarterly payment (or a pro-rated amount) will be made on the second pay date of March which represents the months of January, February and March.
 - The fourth quarterly payment (or pro-rated amount) will be made on the second pay date of June which represents the months of April, May and June.

EMPLOYEES WHO TERMINATE EMPLOYMENT

1. Employees who terminate employment will receive the amount reflected above through the last day of the month in which they terminate.

RE-ENROLLING

1. Employees and/or dependents who cease to be covered by their "alternate" insurance (non-University) as a result of loss of employment or another triggering event as defined by the Internal Revenue Code, must notify the Office of Human Resources immediately in writing. They will be eligible to re-enroll the first of the following month, following the date of the triggering event, in the University sponsored medical insurance program, provided the following requirements are met:
 - They complete a group insurance enrollment application in the Office of Human Resources within 30 days of the date the triggering event occurs.
 - They provide written proof from the prior carrier that they are no longer eligible for the insurance identified on the Member Declination of Coverage Form.

- They reimburse to Monmouth University any monies overpaid, if any, via the Voluntary Financial Incentive Program.
2. Employees may also elect to re-enroll in the University sponsored medical insurance program during any open enrollment period.

Should the University discontinue this Program, it shall afford employees the opportunity to re-enroll in a medical plan under the same terms and conditions applicable to other employees.

CHANGE IN STATUS

1. If there is a change in the status of an employee's marriage or civil union partnership, or a dependent child's attainment of the age of 26, the employee shall notify the University in writing within thirty (30) days of the effective date of such change. The employee's benefit under this plan will terminate or change to the appropriate level of coverage effective with the date of the change in status, or with respect to a dependent child who turns 26, as of the date in which the child attained age 26. Employees will be responsible for reimbursing the University for any overpayments they have received as a result of their failure to notify the Office of Human Resources of any such change in eligibility in a timely manner.

FALSIFICATION

1. An employee who makes false statements about satisfying the eligibility criteria under this policy or fails to notify the University of a change in status shall be subject to disciplinary action up to, and including discharge, loss of benefits and shall be responsible for reimbursement to the University for any costs it incurs.