

Memo to: All UH-Downtown/PS Holders
From: Dr. Loren J. Blanchard, President
Subject: Employee Fringe Benefits Policy

UH-Downtown/PS 02.A.12
Issue No. 7
Effective date: 04/20/2023
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1. PURPOSE

This PS defines fringe benefits for which University of Houston-Downtown (UHD) eligible employees may qualify upon employment.

2. DEFINITIONS

- 2.1 FTE: An abbreviation for full-time equivalency that refers to the percentage of time and effort for a position.
- 2.2 Benefits-eligible employees: Employees who work at least 20 hours per week for at least 4.5 continuous months or for a full semester, excluding students employed in positions that require student status as a condition of employment.

3. POLICY

- 3.1 UHD provides many benefit programs for benefits-eligible employees, including group insurance covering health, dental, vision, disability, and life insurance plans, tax-advantage programs, retirement programs, leave benefits as well other fringe benefits for eligible employees. Detailed fringe benefits information and plan eligibility requirements are available in the Office of Human Resources (HR).
- 3.2 Standard employee benefits programs are developed and administered in accordance with the rules and regulations of the [Employees' Retirement System of Texas \(ERS\)](#), the Teacher Retirement System (TRS) of Texas and the Texas Higher Education Coordinating Board (THECB), and other applicable state and federal laws and regulations.
- 3.3 The group insurance benefits offered to employees include medical plans, dental plans, vision, life insurance, disability plans, and flexible spending accounts.
 - 3.3.1 Coverage for health insurance for the employee and enrolled dependents becomes effective the first day of the month following a 60-day waiting period and ceases on the last day of the month during which the employee terminates. The State pays the full premium for the employee and half for any dependents. Eligible employees that work less than 30 hours per week are required to pay half of the premium for health coverage. Eligible full-time employees are automatically enrolled in basic plan coverage for employees only on the first day of the month following their 60th day of employment.

- 3.3.2 Continuation of group health coverage for employees and qualified beneficiaries after termination is available through the [Consolidated Omnibus Budget Reconciliation Act of 1985 \(COBRA\)](#) under certain conditions.
 - 3.3.3 Optional coverages and flexible spending accounts do not require a waiting period. An employee may elect optional coverages to become effective on the first day of employment by completing and submitting the enrollment forms on or before the first day of employment. Otherwise, the optional coverage will become effective on the first day of the following month. Enrollment in all optional coverage must occur within 30 days of employment.
 - 3.3.4 Opt-out credit is available to employees who choose not to enroll in health insurance. Under the opt-out credit, employees are eligible to receive a portion of the state funding toward purchasing dental, vision, and Accidental Death and Dismemberment (AD&D) coverage. Employees have 60 days from date of hire to opt-out.
 - 3.3.5 Changes to benefits are limited to the annual enrollment period and may require evidence of insurability. Changes can also occur for a qualifying life event, such as marriage, death, divorce, etc.
- 3.4 A regular employee is required, as a condition of employment, to be a member of the Teacher Retirement System (TRS) or the Optional Retirement Program (ORP). All benefits-eligible employees are eligible to participate in TRS, but only employees holding certain positions are eligible to participate in ORP. A State contribution is made through payroll toward the employee's retirement plan (TRS or ORP) based on a percentage of the employee's gross salary. The percentage rate for the State contribution and the rate for the employee contribution are set by the State Legislature for TRS and ORP.
- 3.4.1 Membership in the [Teacher Retirement System \(TRS\) of Texas](#) is available for all benefits-eligible employees. Vesting occurs after five years of state service. Current information on the state and employee contributions is available in HR. TRS is the default plan.
 - 3.4.2 Full-time faculty and other benefits-eligible employees may enroll in the Optional Retirement Program (ORP) in lieu of participation in TRS. Eligibility for participation in this plan is restricted to those employees meeting eligibility criteria as provided by the [Texas Higher Education Coordinating Board](#). Participation in ORP is a one-time election and must be made in writing within 90 days of the date an employee becomes eligible. Vesting occurs after one year and one day of ORP participation. Current information on the state and employee contributions is available in HR.

- 3.4.3 In both TRS and ORP, the employee's contributions are tax deferred. Funds cannot be withdrawn for any reason unless the employee ceases employment.
 - 3.4.4 Once HR determines the employee has met all eligibility criteria for ORP, arrangements to enroll in the ORP are made between the employee and a carrier selected by the employee from a list of vendors approved by the University of Houston System. UHD assumes no liability for the employee's selection or financial performance of an approved carrier.
 - 3.4.5 Employees previously vested in ORP must remain with ORP as their retirement plan. Furthermore, when an eligible employee elects participation in ORP, the employee is no longer eligible for TRS unless employment with an institution of higher education in Texas ceases and the individual becomes employed by the Texas Public School System, or the employee moves to a position that is not eligible for ORP participation before completing the vesting requirements.
 - 3.4.6 A regular employee may also participate in supplemental retirement plans, with no contribution from the State or System, through the State's Deferred Compensation program (457), and/or the Tax Deferred Annuity (TDA) program, and/or the Roth 403 (b) program. Detailed information on these plans is available in HR.
- 3.5 Other fringe benefits available to eligible UHD employees are outlined below.
- 3.5.1 Hazardous Duty Pay: Law enforcement personnel are entitled to hazardous duty pay. Increments accrue each year after one full year of service with the University. Law enforcement officers eligible for hazardous pay are not eligible for longevity pay.
 - 3.5.2 Longevity Pay: With the exception of faculty members and commissioned police officers, regular full-time employees are entitled to receive longevity pay after completion of two years' employment with the state. Employees are responsible for informing HR about other employment with the State of Texas to have their longevity pay adjusted to reflect all such prior service.
 - 3.5.3 Paid Holidays: Regular employees are eligible for certain paid legal holidays authorized by the State Legislature. Holidays shall be established by UHD in accordance with state law. Employees will be notified of the holiday schedule each fiscal year.
 - 3.5.4 Paid Leave: UHD provides paid leave for regular employees in accordance with State and federal guidelines. Detailed information pertaining paid leave can be found in [SAM 02.D.01](#), Vacation and Sick Leave; [PS 02.A.09](#), Miscellaneous Leave Policy; and [SAM 02.D.02](#), Sick Leave Pool.

- 3.5.5 Social Security: As an employer, the University of Houston System complies with the relevant provisions of the Social Security Act. All employees are required to participate in the federal Social Security program as a condition of employment.
- 3.5.6 Staff Development and Training: UHD provides staff training and development benefits to all regular employees under the State Employees Training Act. For more information concerning staff training and development, refer to [PS.02.B.12](#), Staff Training and Development Policy.
- 3.5.7 Unemployment Compensation: All faculty and staff are covered by the Texas Unemployment Compensation Act and may be eligible for weekly benefit payments during a period of unemployment. The Texas Workforce Commission determines if a former employee is eligible for unemployment compensation. The cost of unemployment compensation insurance is paid by the System and no deductions are made from employee pay for this purpose.
- 3.5.8 Workers' Compensation: All System employees paid through the payroll system are eligible, under the provisions of the Texas Workers' Compensation Act, to receive monetary compensation and medical coverage for job-related injuries or illnesses in the event of injury, illness, or death while performing services. Detailed information pertaining to workers' compensation may be found in [PS 02.A.25](#).

4. PROCEDURES

See Section 3 for Procedures.

5. REVIEW PROCESS

Responsible Party (Reviewer): Vice President for Human Resources.

Review: Every three years on or before July 1st.

Signed original on file in the Office of Human Resources.

6. POLICY HISTORY

Issue #1: 04/25/94

Issue #2: 08/09/99

Issue #3: 07/11/08

Issue #4: 04/05/11

Issue #5: 07/09/15

Issue #6: 06/14/19

7. REFERENCES

[UH System Administrative Memorandum 02.C.01](#)
[Teacher Retirement System \(TRS\) of Texas](#)
[Employees' Retirement System of Texas \(ERS\)](#)