

Arizona State University

PRE-COLLECTED BENEFITS DEDUCTIONS

Benefits-eligible faculty members paid on an academic pay schedule will notice additional deductions on their paychecks beginning April 11. These deductions will cover Summer insurance premiums and will be taken for medical, dental, vision, supplemental life, dependent life, and short-term disability insurances.

Most faculty, who enroll in benefits by April 1, will have six pre-collected deductions:

- four pay dates in the Spring (April and May) and
- two pay dates in the Fall (Aug. 29 and Sept. 12).

For faculty members whose benefits begin after April 1, the number of pre-collected deductions will be determined by the number of pay dates between April 11 and Sept. 12.

Two deductions for each benefit plan will appear on the paychecks: standard benefits deductions plus the pre-collected deductions.

NEED ASSISTANCE?
 OHR Faculty Services
 Employee Service Center
480.727.9900 (7.9900)

www.asu.edu/hr

EXAMPLE
 If benefits begin April 1, there will be six pre-collected deductions: April 11, April 25, May 9, May 23, Aug. 29 and Sept. 12.

If ASU hires a faculty member in May and benefits begin June 1, there will be only two pre-collected deductions: Aug. 29 and Sept. 12.

DEDUCTION EXAMPLES							
<small>(NOTE: Most faculty will pay the standard rate plus the pre-collected rate for six pay dates.)</small>							
LOW-COST PLANS	STANDARD RATE	PLUS PRE-COLLECTED RATES (BASED ON NUMBER OF PAY DATES)					
		Number of Pre-Collects	None	2	3	4	5
Medical—SINGLE EPO	11.54		34.62	23.08	17.31	13.85	11.54
Dental—SINGLE EDS	1.86		5.58	3.72	2.79	2.23	1.86
Vision—SINGLE	2.93		8.79	5.86	4.40	3.52	2.93
Dependent Life—2K	0.47		1.40	0.93	0.70	0.56	0.47
	\$16.80		\$50.39	\$33.59	\$25.20	\$20.16	\$16.80
HIGH-COST PLANS							
Number of Pre-Collects	None	2	3	4	5	6	
Medical—FAMILY PPO	180.00	540.00	360.00	270.00	216.00	180.00	
Dental—FAMILY Delta	24.99	74.97	49.98	37.49	29.99	24.99	
Vision—FAMILY	7.93	23.79	15.86	11.90	9.52	7.93	
Dependent Life—15K	3.25	10.58	7.04	5.28	4.23	3.25	
	\$216.17	\$649.34	\$432.88	\$324.66	\$259.73	\$216.17	
Short-Term Disability Aetna Supplemental Life Standard Supplemental Life	EMPLOYEE-PAID BENEFIT (COST VARIES BY SALARY) To calculate: Multiply the standard biweekly benefits rate as indicated on your paycheck by six (6) Summer pay periods. Divide by the number of pay dates you will pay pre-collected benefits.						
Basic Life	EMPLOYER-PAID BENEFIT						

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OTHER APPOINTMENTS AND PAY SCHEDULES

I am a faculty member paid by sponsored accounts and will change from fiscal pay to academic pay beginning in July. How will ASU handle my benefits deductions?

To assist you with this transition, ASU will deduct three equal pre-collected benefits: April 25, May 9 and May 23. Your pre-collected premiums will equal your standard benefits premiums, since you will not be in pay status for three pay dates.

If I have elected a fiscal pay schedule or have a second position that pays me over 12 months, do I pay pre-collect benefits deductions?

No. If you are on a fiscal pay schedule or have a second position that pays you over 12 months, you will continue to pay the standard benefits premiums for 26 pay dates.

If I work less than 12 months a year but do not have a faculty position (e.g., classified staff), do I pay pre-collected benefits deductions?

No. Your benefits deductions will be suspended while you are not in pay status and then collected in one or two pay dates when you return to pay status.

IMPORTANT: Be sure to budget for the large deductions withheld from your first and—if required—second pay check in Fall 2008.

SUMMER PAY AND NEXT YEAR'S PRE-COLLECTED BENEFITS DEDUCTIONS

If ASU pays me on an academic pay schedule (and I do not have a second, 12-month job), will ASU take benefits and retirement from my Summer position/pay?

ASU handles benefits deductions and retirement contributions differently:

- ASU DOES NOT withhold benefits deductions from your Summer pay—as long as your organization handles your Summer job as a short-term, temporary position.
- ASU DOES withhold retirement contributions from Summer pay.
If you are an ASRS participant, ASU also will withhold long-term disability insurance.

When will my pre-collected benefits deductions begin for Summer 2009?

Beginning in March, ASU will deduct standard benefits plus six pre-collected benefits deductions, provided you remain on an academic pay schedule and do not have a second, 12-month position.

Why doesn't ASU simply equalize the deductions over the nine-month academic year?

The IRS does not allow ASU to collect pre-tax benefits deductions in one tax year for use in another tax year. The university must deduct pre-collected benefits premiums for the Summer in the same calendar year.

Why aren't pre-collected benefits premiums deducted each year between January and May?

Since the pre-collected amounts cover six pay dates in the Summer, ASU decided to take six pre-collected rates each year. If you pay pre-collected benefits premiums for six pay dates, the additional pre-collected rate is the same as the standard benefit rate. (See the chart on page 1.)

Why does the start date for pre-collected benefits premiums vary by year (April in 2008 and March for the following years)?

Because of payroll system demands, ASU did not have pre-collected benefits system functionality available by March 2008.

NEW ELECTIONS AND CHANGES IN BENEFITS

If I enroll in benefits in Fall 2008, what will my deductions be?

You will pay standard benefits deductions from August 2008 through February 2009. In March 2009, you will pay standard benefits deductions plus six pre-collected deductions. (See the chart on page 1.)

How long do I have to enroll in benefits and when do coverage and deductions begin?

You have 31 days to enroll in benefits after the date you become eligible. Coverage begins the first day of the month after your eligibility date (i.e., date of hire), and ASU deducts premiums in that pay period.

EXAMPLE

If ASU hires you March 17 and you enroll online immediately, benefits coverage begins April 1. Standard benefits premiums, plus the first of your six pre-collected benefits premiums, will be deducted beginning with your April 11 paycheck.

Deductions: Medical EPO Single \$11.54 (standard rate) plus \$11.54 (pre-collected rate).

If ASU hires me March 17 and I enroll online April 10, when do benefits coverage/deductions begin?

You will be responsible for all deductions retroactive to the April 1 coverage effective date.

If your coverage begins during the pre-collection period, ASU will handle your premiums as follows:

Standard benefits deductions will increase by the amount of the retroactive premiums.

ASU then bases the first pre-collected benefits deduction on remaining pay dates. (See the chart on page 1.)

EXAMPLE

If ASU hires you March 17 and you enroll April 10 in benefits online, coverage begins April 1. Standard benefits premiums, plus the first of your five pre-collected premiums, will be deducted beginning with your April 25 paycheck.

Deductions: Medical EPO Single \$23.08 (standard rate doubled) plus \$13.85 (five pre-collected rate). Once ASU takes the retroactive deductions, your new biweekly deductions beginning on May 9 will be: Medical EPO Single \$11.54 (standard rate) plus \$13.85 (five pre-collected rate).

What happens to my standard and pre-collected benefits deductions if I change coverage in the Spring because of a qualified life event, such as a marriage, divorce or birth?

All faculty on an academic pay schedule start—and remain—on the same number of pre-collected rates (between two and six paychecks) for the entire year. If you change coverage and Summer premiums adjustments are needed, ASU will take additional deductions from your next paycheck. If you have overpaid for premiums, ASU will reimburse you in the same timeframe.

EXAMPLE

If you are on a five pre-collect rate schedule and get married and add a stepchild, standard benefits premiums change from Medical EPO Single (\$11.54) to Medical EPO Family (\$57.69) on your May 9 paycheck. Pre-collected benefits premiums change from the single rate (\$13.85) to the family rate (\$69.23) plus the \$55.38 difference between the single and family rate for the April 25 pre-collect pay date.

REMEMBER: Because you are prepaying for Summer family coverage, you must make up the difference between the two premiums on the pre-collected benefits portion withheld before you got married.

Deductions: \$57.69 (standard) plus \$124.61 (\$69.23 + \$55.38 pre-collected total). Once ASU takes the retroactive deductions, your new biweekly deductions begin May 23: Medical EPO Family \$57.96 (standard) plus \$69.23 (five pre-collect rate plan).

What happens to my standard and pre-collected benefits deductions if I have a qualified life event such as a marriage, divorce or birth and I change coverage in the Summer?

Any corrections for retroactive, pre-collected benefits premiums due (premium overpayment or underpayment) will be adjusted in the Fall.

CHANGES IN FACULTY PAYMENT OPTIONS

How do I change my pay schedule?

Faculty members can change their payment schedule for the next fiscal year (effective July 1) by completing a **Payment Options for Faculty on Academic Year Appointments** form no later than April 30.

Get this form (**Pay Options**) online at www.asu.edu/hr/forms.

If I change from an academic to fiscal pay schedule in July, what happens to my Spring pre-collect benefits deductions?

ASU will refund this money in July.

If I change from a fiscal to academic pay schedule in July, do I pay pre-collected benefits premiums?

No. For 2008 only, the three missed benefits deductions (in July and August) will be suspended and collected in one or two pay dates when you return to pay status.

IMPORTANT: Be sure to budget for the large deductions withheld from your first and—if required—second pay check in Fall 2008.

In 2009, your pre-collected benefits will begin in March.

FACULTY WHO DO NOT RETURN IN THE FALL

As required by The Provost's Office, all faculty benefits terminate on the same date, regardless of pay schedule (academic or fiscal).

If I do not work in the Summer, when do my benefits end?

No matter how you are paid (academic or fiscal pay schedule), your benefits end on the last day of the last pay period of the fiscal year, which will be June 29 in 2008.

NOTE: ASU will reimburse you for any overpayment of pre-collected benefits.

What happens if I notify my department after June 30 that I am not returning in the Fall?

If you do not notify your department before June 30 that you will not return, you might have to reimburse ASU for any overpayment of your compensation (if on fiscal pay schedule) and/or benefits claims paid after coverage terminates. Retroactive separation of employment dates mean retroactive termination of benefits and retirement.

IMPORTANT: OHR will notify health, life and disability vendors and you must reimburse them for claims paid after your benefits end. You can continue medical, dental and vision coverage at full cost (employee plus employer) under The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

ASU will refund any retirement contributions.

Contact Faculty Services at 480.727.9900 (7.9900) for any conversion rights available for life and disability insurances.

Can I continue benefits coverage longer if I didn't know before June 30 I was not returning?

You can—but only if your department agrees to extend your separation of employment date and both you and your department pay benefits premiums and make retirement contributions.

If I work in the Summer but do not return in the Fall, when do my benefits end?

For benefits-eligible positions, benefits and retirement terminate at the end of your last pay period. You can continue medical, dental and vision coverage at full cost (employee plus employer) under The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Contact Faculty Services at 480.727.9900 (7.9900) for any conversion rights available for life and disability insurance.

Check www.asu.edu/hr for retirement information.