40-8 Employee Benefits

1. **Purpose.** The purpose of this policy and procedures is to set forth the benefits (other than compensation in salary, wages and leave) that Eastern New Mexico University System (the System) provides for its employees.

2. **Policy.** The general policy of the System regarding employee benefits are as follows:

   A. The System provides a diversified package of insurance benefits including but not limited to health, dental, vision, life, long-term disability and accidental death and dismemberment insurance. The System may pay a portion of these insurance costs.

   B. Certain System employees are required by the New Mexico Educational Retirement Act (ERA) to participate in the Educational Retirement System.

   C. Pursuant to NMSA 1978, § § 52-1-1 to – 15 (1984 as amended through 2016) the System provides coverage and certain forms of compensation to employees who incur an injury or illness arising out of and in the course of their employment.

   D. The System extends unemployment coverage to non-student employees in accordance with the New Mexico Unemployment Compensation Act.

   E. Employees may enter into contracts for tax-deferred annuities, covered by Section 403(b) and/or 457(b) of the Internal Revenue Code, and have the annuity payments made by bi-weekly payroll deduction. Employees may thus postpone paying income tax on that portion of earnings until retirement.

   F. The System has a Flexible Spending Accounts (FSA) program allowing eligible employees to set aside a portion of their annual salary before taxes are calculated to pay qualified, unreimbursed medical expenses and qualified dependent care expenses incurred during the year.

   G. As a benefit of employment, the System shall pay the tuition for eligible employees (or spouse) and retirees according to the guidelines established by each campus.

   H. This policy provides an overview of the System benefits. The extent of these benefits and procedures for receiving them may vary across the campuses. Employees should consult their HR office or their employee handbook for details.

The foregoing general policies are implemented by the following.

More Specific Policies and Procedures

3. **Administration.** This policy and procedures are administered by the ENMU System director Human Resources (SDHR), with oversight by the ENMU System chief financial officer (CFO).

4. Insurance Benefits. The System makes most insurance benefits available through the campus insurance carrier to be received by eligible individuals.

A. Eligible Employees. Staff or faculty members working twenty (20) hours or more per week (.50 FTE or greater), as well as adjunct/resource faculty teaching more than 9 credit hours per semester shall be eligible for benefits. Student employees to include graduate assistants are not eligible for this benefit.

B. Eligible Dependents. Eligible employees as described above may choose insurance coverage for eligible dependents. Legal documentation is required to verify dependent status. Dependents shall include the following:

(1) A legal spouse;

(2) Natural or adopted children to age twenty-six (26), with the exception of vision insurance, for which age varies;

(3) Stepchildren (under limiting age) living with the employee and dependent upon the employee for support;

(4) Foster children (under limiting age) for whom the employee has a placement order;

(5) Other children (under limiting age) for whom the employee has legal guardianship and/or

(6) Children over the age of twenty-six (26) who became disabled as specified in the eligibility requirements of the insurance coverage prior to age twenty-six (26) and who qualify as disabled through proof provided no later than thirty-one (31) days prior to the child's twenty-sixth birthday.

C. Retirees. Eligible faculty and staff employees retiring from the System may apply for insurance coverage through the New Mexico Retiree Health Care Authority (NMRHCA).

(1) Eligibility. To be eligible, they must have met the criterion for either the state of New Mexico Educational Retirement Act (ERA) or the Alternative Retirement Plan (ARP).

(2) Coverage. Available coverage shall be determined by the NMRHCA.

D. Enrollment and Coverage. Please refer to your campus insurance carrier's program guide or website for further details on enrollment rules and regulations. Also, please note that your campus insurance carrier policy regarding eligibility and coverage will always supersede ENMU policy due to annual changes.

(1) Enrollment Requirements**.** Employees may choose to apply to enroll in single coverage. If an employee chooses to apply to enroll one eligible dependent, the employee must enroll ALL eligible dependents unless the employee meets certain criteria, as defined in the your campus insurance carrier program guide (Example: Dependent child has coverage through Medicaid).

(2) Deadlines for Employee and Dependent Enrollment. An employee may apply to enroll him or herself and eligible dependents for employee benefits within 31 days from the employee's hire date or within 31 days from a qualifying event that changes your status. Change of status includes but is not limited to birth, marriage, adoption, incapacity of a

child, legal guardianship of a child, divorce or annulment, change from a part time position to a full-time position with a salary increase. Coverage for the employee and dependents (if selected) shall usually begin on the first day of the month following submission of the signed enrollment form to the Human Resource or Payroll office.

(3) Special Enrollment Events for Medical Coverage Only**.** Events Enrollment for Health Insurance. Special enrollment events mandated by state and federal laws permit an employee to apply to enroll in medical coverage within thirty-one (31) days from the occurrence of the following special events: You suffer an involuntary loss because your spouse or child under another plan is terminated as a result of divorce, death, termination of employment, reduction in hours, legal separation, or termination of employer contributions. You get married. A child is born to you or your spouse. You adopt a child or a child is placed for adoption in your family. These provisions apply only to health insurance and must be submitted within 31 days of the special event.

(4) Open Enrollment. Periodically, open enrollment may be scheduled as determined by your campus insurance carrier. The insurance carrier schedules an annual switch enrollment period (usually for January coverage) allowing employees to make changes to insurance plans. HR facilitates this enrollment and notifies employees in advance. Employees may also change their Pre-Tax Insurance Premium Plan (PIPP) prior to the beginning of each calendar year.

E. Coverage While on Leave of Absence without Pay. An employee on approved leave of absence without pay (LWOP) may elect to continue insurance coverage. The portion of the monthly premium the employee must pay depends upon the nature of the LWOP. The employee must check with Human Resources to determine the conditions for continued coverage.

F. Coverage Termination. Coverage shall terminate as follows:

(1) Employees. Because most coverage is prepaid, in the event of separation from employment or decrease of FTE below .50, coverage will generally terminate at midnight of the last day of the first month following the employee's termination date, unless the employee arranges in advance for coverage to end the month of separation. Retirees and departing faculty members may have the option to extend insurance beyond the general terms (in some cases because the insurance is pre-paid). In all cases departing employees will need to contact Human Resources before departing in order to determine their coverage end date.

(2) Dependents. When a dependent is no longer eligible for coverage as described in section 4. A. above, insurance benefits shall terminate on the first day of the month following the event causing the loss of eligibility. In accordance with the COBRA continuation provision, ineligible dependents may elect to continue their health and dental insurance through your campus insurance carrier. [See section 4. G. below.]

G. Consolidated Omnibus Budget Reconciliation Act. Some insurance packages may be continued through your campus insurance carrier in accordance with the federal guidelines of the Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation provision. If a qualifying event occurs, an employee who is (or was) covered under the System's group health, dental and/or vision plan at the time may continue coverage through the System's insurance plans for eighteen (18) months. The covered individual must pay 102% of the premium costs.

H. Policy Conversion. Most of the insurance plans may be converted to an individual policy in accordance with the guidelines of each insurance contract.

I. Types of Insurance Coverage. The types of insurance benefits available include group health, dental, vision, life, accidental death and dismemberment and long-term disability. When an employee enrolls in any insurance plan in which she or he pays a portion of the premium, the premium shall be automatically deducted from the employee's paycheck. Basic life insurance coverage is fully paid by the System. The System shall contribute a percentage of the premium towards health, dental and long-term disability, and others depending on campus. Your campus HR Department can provide you with a list of the benefits to which the System will contribute. The percentage of premiums contributed by the System for applicable shall be determined by each campus and must at a minimum follow your campus insurance carrier rules.

(1) Health, Dental and Vision Insurance. The System's insurance program offers health, dental and vision coverage.

a. Both individual and dependent coverage are available to eligible employees.

b. Pre-Tax Insurance Premium Plan. Payroll deductions for health, dental and vision premiums can be made on a pre-tax basis, thereby reducing social security, federal and state income taxes. This reduces the employee's amount paid in federal, state and FICA (social security) taxes. This method of pre-tax payment generally increases the employee's take-home pay. If this method is used, the employee may not deduct health, dental and vision premiums when filing federal and state income tax returns. Additionally, the employee may have a slight reduction at the time the employee qualifies for social security income benefits.

(2) Life Insurance. A $25,000 Basic Life term insurance policy is available to employees. There are also supplemental life insurance options available.

(3) Long-Term Disability Insurance. Long-term disability insurance is available to employees. After sixty (60) continuous days of a covered disability, an employee may qualify for a disability income benefit. The benefit is equal to 66 ⅔ % of the base monthly earnings to a maximum salary protection of $5,000 per month. If an employee is eligible for income from other sources because of the disability, the benefit shall be reduced by the amount of that income.

5. Retirement. The New Mexico Educational Retirement Plan is a qualified benefit plan, most employees are required to contribute to this plan. Employees may contact HR with questions or for information not covered below.

A. Excluded Employees. Certain categories of employees are excluded from the statutory requirement to participate in the Educational Retirement System: staff employees working .25 FTE (full-time equivalent) or less, student employees, graduate assistants and others as determined by New Mexico Education Retirement Plan.

B. Alternative Retirement Program. The Educational Retirement Act (ERA) permits the establishment of an Alternative Retirement Plan (ARP) for regular full-time or part-time faculty and other regular full-time or part-time professionals hired on or after July 1, 1991 with no prior service in the current ERA Plan. Eligible positions are listed below. Any eligible employee may select the plan that best fits her or his needs. The new employee has ninety (90) days from the day employment begins to make the irrevocable decision whether to have his or her retirement deductions deposited with the Educational Retirement Board (ERB) or one (1) of the two (2) companies selected by the legislature. If no decision is reached within the ninety (90) days, then the retirement contributions shall automatically be made to the ERB.

(1) Regular full-time or part-time faculty positions eligible include the following: instructors, lecturers, assistant professors, associate professors, professors (including visiting professors) and research professors (including both assistant and associate research professors).

(1) Regular full-time or part-time professional and at will positions eligible include the following: chancellor, president, vice president, dean, assistant or associate vice presidents or academic department chairs, directors, officers or managers who report directly to a vice president or assistant/associate vice president, executive director, intercollegiate athletics coaches, athletic at-will staff, senior institutional developers, and fund raisers

(2) ARP participants can switch to the ERB plan after seven (7) years. ARP participants have a 120-day window to enroll in the defined benefit plan. Eligibility begins on the first day of the month after the date on which an employee has made seven years of contributions to the ARP. The seven-year mark is the only opportunity employees will have to switch to the Defined Benefit Plan. If an employee makes the switch, he/she cannot switch back to the ARP.

C. Contribution and Withdrawal of Contribution. Retirement contributions are not subject to federal and state income tax in the year they are deducted, but they may be subject to these taxes if they are withdrawn. Upon termination, employees covered under the ERA may obtain refunds of their contributions only. System contributions cannot be refunded and shall remain in the retirement fund.

6. **Workers' Compensation.** The following are System policies and procedures for applying for workers’ compensation for injuries sustained during job-related activities as an employee of the System. The campus insurer administers these compensation payments and covers any person receiving a salary or wage from and acting in the service of the System. HR is the contact for workers’ compensation matters.

A. Notice of Injury. The System policy regarding notice of a job-related injury are:

(1) Employee’s Reporting Responsibility. Pursuant to NMSA 1978, § 52-1-29 (1959 as amended through 1990), the System requires an employee claiming to be entitled to compensation to give notice in writing to the System within fifteen (15) days after the employee knew, or should have known, of the injury. Such notice is not required when the employee’s supervisor had actual knowledge of the injury.

(2) Supervisors’ Reporting Responsibility. To ensure that no employee loses workers’ compensation benefits to which that employee may be entitled, it is the responsibility of all supervisors, directors and department heads to see that all injuries are reported immediately, and that a written report is filed within fifteen (15) days.

B. Where to Report. All workers' compensation claims within the System shall be initiated at the campus Human Resource office.

C. When to Report. A written report must be made following any work-related incident in which an employee may have been injured, even if the employee does not believe at the time that he or she requires medical care. If the injury requires immediate or emergency treatment, such medical attention must be the first priority. The claim must be filed as soon as possible after such treatment is obtained.

(1) Emergencies. When an injury or illness is life-threatening in nature, such as loss of a limb or a severe burn, the employee shall go to the nearest emergency facility. If possible, the employee should identify himself or herself as an ENMU employee and state that the need for medical care results from a work-related injury. The employee shall instruct the emergency facility to submit all bills for treatment, with treatment notes, to the campus insurance provider.

(2) Non-Emergencies. Any non-emergency or follow-up treatment must be at the direction of the insurance provider.

D. Who Reports? The report must be made by the employee or the employee's supervisor. It is the responsibility of the immediate supervisor to see that a report is made.

E. How to Report. A report shall be made as follows:

(1) A completed Notice of Accident form must be filed with the HR.

(2) In the event of an injury, the priority must be to ensure that the injured employee receives immediate, needed medical attention.

(3) Ensure that the injured employee provides the necessary information for completing a ~~New~~ claim form with HR.

(4) Provide HR and insurance adjustor with any follow-up information pertinent to the claim.

F. Benefits. If the above procedures are followed, HR shall prepare and send to the campus insurance agency all documents required to ensure that the injured employee shall get whatever medical treatment and other benefits he or she is entitled to as an employee of the System. The general benefits available are:

(1) Payment for necessary medical treatment and

(2) Compensation for loss of salary during time the employee is unable to work due to the injury. (Such compensation shall be based upon a statutory schedule of benefits, may have time limits and is not equal to the salary paid to the employee.)

G. Determination of Benefits. The campus insurance agency makes all determinations of benefits and pays all benefits. No such determination may be made by the System.

H. Adjudication. If an employee claimant is dissatisfied with a benefit determination made by the campus insurance agency, the claimant may proceed to have the claim adjudicated as provided by New Mexico law.

7. **Unemployment Compensation.** Unemployment compensation coverage is designed to provide benefit payments for a short period to workers who, through no fault of their own, are unable to obtain gainful employment. The System pays the full cost of the coverage for its employees.

   A. Eligibility**.** The New Mexico Department of Workforce Solutions (DWFS) determines which individuals are eligible for unemployment compensation insurance benefits based on the circumstances of the separation and the provisions of the Unemployment Compensation Act (NMSA 1978, § §51-1-1 to-59 (1936 as amended through 2013).

   B. Procedure. The System unemployment compensation procedures are:

      (1) Departmental Responsibility. Departments must submit a completed Employee Separation form and other supporting documentation (i.e., letters of resignation, discharge notices, etc.) to the OHR within forty-eight (48) hours of the employee's separation from the campus.

         a. If a department receives any documentation from the DWFS, it should immediately forward the documentation to the HR.

         b. The New Mexico Department of Workforce Solutions allows an employer (the System) only five (5) days to respond to an unemployment compensation claim filed by the separated employee.

      (2) Individual's Responsibility. If an individual feels he or she qualifies for benefits, the individual must file a claim with the DWFS.

8. **Tax-Deferred Annuities.** Employees may enter into contracts for tax-deferred annuities, covered by Section 403(b) of the Internal Revenue Code, and have the annuity payments made by bi-weekly payroll deduction. The employee may thus postpone paying income tax on that portion of earnings until retirement, at which time the employee's income and tax rate may be lower. However, there are penalties for early withdrawal. Different vendors offer such tax-deferred annuities and a list of participating companies and payroll deduction forms may be obtained from HR. The System shall act only as a collector of the premiums without endorsing any of the participating companies.

   A. Employee Eligibility. The following employees are eligible to participate in tax-deferred annuities:

      (1) Staff employees who are full-time or part-time regular employees working twenty (20) hours or more per week and

      (2) Faculty members who are full-time or part-time regular employees working 50% or more of the academic year.

   B. Contributions. The maximum amount an employee may contribute to his or her tax-deferred annuity is defined by the Internal Revenue Code. The Internal Revenue Code rules described herein are subject to change without notice and are complex; therefore, employees who wish to participate in a tax-deferred annuity should consult with an annuity agent.

C. Company Guidelines. The System reserves the right to regulate the solicitation practices of all agents or companies conducting business on campus. Any companies interested in offering tax-deferred annuities (403[b]) to employees must contact the CFO, must comply with this policy and sign the System's Letter of Compliance. They must not discriminate in offering or administering tax-deferred annuities on the basis of race, color, sex, national origin, age, religion, handicap, veteran status, sexual orientation, marital status or medical condition.

D. Contracts with Non-Qualified Companies. System employees currently participating in a tax-deferred annuity with a company that does not meet the conditions set forth in this policy shall be allowed to continue payroll deductions for the existing contract. Employees may not request payroll deductions for additional contracts with a company that does not meet these conditions or change an existing contract, except to decrease the amount of the deduction, until the company has met all the conditions stated above.

E. Modification to Individual Contracts. The System shall allow employees to change existing contracts whenever necessary in compliance with the Internal Revenue Code. The employee's request must include a current MEA calculation from the employee's annuity company.

9. Flexible Spending Accounts Program. The Flexible Spending Accounts (FSA) Program, which is administered by a third party, is a fringe benefit authorized by the Internal Revenue Code and regulated by the Internal Revenue Service (IRS). IRS regulations define expenses that qualify for reimbursement under this plan. Nothing in this policy shall impose or limit requirements otherwise imposed by law. Exceptions to the regulations governing this program cannot be granted by the System or any campus within the System.

A. Flexible Spending Accounts. Employees can participate in the FSA Program by setting aside part of their pay on a before-tax basis to:

(1) Set up a Medical Reimbursement Account to pay certain qualified medical, dental, prescription, vision and hearing care expenses for eligible employees or their eligible dependents not covered by insurance plans. IRS identifies qualifying medical expenses in Publication 502, which is available from any IRS office. Examples of qualified medical expenses are listed in the FSA Plans booklet.

(2) Set up a Dependent Care Spending Account to reimburse the employee for dependent care at a licensed facility, services from unrelated individuals, care at dependent care centers and other qualified dependent care expenses.

B. Contribution. The money an employee sets aside for the FSA Program shall be subtracted from his or her gross pay before income and Social Security taxes are calculated, thus reducing taxable income. Employees must choose how much to contribute. The annual contribution amount chosen is equally divided into pay period deductions.

C. Reimbursement. To be reimbursed for eligible expenses, the employee must submit claims to the FSA administrator.

D. Plan Year. The plan year for the FSA Program begins on January 1 and ends on December 31. Continued participation requires active enrollment each year.

E. Eligibility. All staff and faculty employees at .50 or greater FTE are eligible to participate. Student employees to include graduate assistants are not eligible for this benefit.

F. Enrollment. Employees may enroll in the FSA Program during the open enrollment period, which normally occurs in October-November each year. Current participants must re-enroll during the open enrollment period to participate for the following plan year. New eligible employees may enroll no later than sixty (60) days following the date of employment. Employees may enroll in either one (1) or both of the Flexible Spending Accounts. Participants should carefully estimate their contribution to each of these spending accounts, since this type of plan is regulated by the IRS. Employees are encouraged to thoroughly read their plan documents carefully so that they understand the rules and regulations.

G. Changing Plan Election. Employees wishing to change or terminate their plan or who are retiring or separating from the System should consult with HR about this process.

10. Tuition Waivers. The ENMU System provides a tuition waiver to all regular employees working at least .50 FTE and all retirees. For specific campus procedures, employees should contact their HR office or their employee handbook. Student employees including graduate assistants and temporary employees are not eligible for this benefit

System employees attending classes shall be subject to the limitations set forth in this section.

A. With the permission of the employee's immediate supervisor, the employee may use the tuition waiver (course fees are paid by the employee). Semesters are fall, spring and summer (defined as the period between spring commencement and the first day of the fall semester).

B. If a course is offered during the employee's regular working hours as well as outside the employee's regular work hours, the employee must enroll for the course outside regular working hours. Time off during the workday to attend classes cannot be granted unless the employee's course leads to a degree or enhances the employee's professional development, as determined by the supervisor, and can be accomplished without compromising office operations.

C. At the discretion of the employee's immediate supervisor, an employee may be allowed to make up the hours missed to attend one class during work hours, so long as the time away from work does not compromise office operations. Otherwise these hours are unpaid or vacation leave.

D. Exceptions to the limitations stated above may not be made except by written approval of the employee's area supervisor and the branch community college president or chancellor.

E. This benefit is transferable to the employee's spouse any semester in which the employee does not use the waiver. If the spouse is also an employee, the employee shall use his or her own waiver and cannot add that of the spouse to the tuition waiver benefit.

11. Exceptions. Any allowable exceptions shall be approved by the campus president in writing.

Amendments approved by Board of Regents, November 6, 2015
Revisions approved by Board of Regents, November 1, 2019
Revisions approved by Board of Regents, March 13, 2020