

Procedure: Continuing Benefits during an Unpaid Leave of Absence

INTRODUCTION

The purpose of this document is to establish a procedure for continuing benefits while on an unpaid leave of absence that is both effective and in compliance with the Patient Protection and Affordable Care Act (PPACA) standards, the South Carolina Public Employee Benefit Authority (PEBA) guidelines and Clemson University policies.

PROCEDURE

Obtaining Approval for Unpaid Leave of Absence Status

An unpaid leave of absence from Clemson University requires approval from the college/division. Employees who anticipate or have experienced an unpaid leave of absence can obtain approval by following the steps outlined below:

1. For an unpaid leave of absence of 30 or more consecutive days:
 - a. Submit a completed [Extended Leave of Absence form](#) to your HR partner.
 - b. Upon college/division approval, the University leave administrator (Office of Human Resources) enters a Leave of Absence transaction into PeopleSoft (CUBS-HR).

2. For an unpaid leave of absence of fewer than 30 days:
 - a. Enter a leave request into the Kronos timekeeping system for supervisory approval.
 - b. Upon supervisory approval, the departmental leave administrator enters a leave of absence transaction into the human resources information system.

Application for Continuing Benefits during an Unpaid Leave of Absence

If an employee is actively participating in state insurance, state retirement, non-state insurance and/or supplemental retirement programs, the following process is used 1) by the Benefits counselor to determine the employee's eligibility for continuing these benefits and 2) by the employee to elect to continue (or discontinue) such benefits while on an unpaid leave of absence.

Eligibility for Continuing State Insurance Benefits (health, dental, vision, life insurance and long-term disability) during an Unpaid Leave of Absence

Employees on Military Leave, FMLA, or Worker's Compensation

1. Employees on military leave under the Family Medical Leave Act (FMLA) who are using paid leave accruals **AND** employees on worker's compensation leave who are receiving supplemental payments or using paid leave accruals are not considered to be on unpaid leave; state insurance benefits continue as normal.

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2. Employees on military leave, FMLA or worker's compensation leave who extend unpaid leave after their military leave, FMLA or worker's compensation leave expires are considered to be on unpaid leave and must go through the eligibility process for continuing state insurance benefits during an unpaid leave of absence.

Ongoing Employees on Unpaid Leave of Absence

For employees who have been employed at Clemson University from the previous year's October 4th through the most recent October 3rd (standard measurement period), the calendar year following October 3rd is used as the stability period in which the leave or portion of leave occurs. Ongoing employees who, during the standard measurement period, average 30 or more work hours per week are eligible to continue state insurance benefits during that stability period. If unpaid leave crosses stability periods, then the standard measurement period for the stability period in which the portion of leave occurs is used to determine eligibility for continued benefits.

Ongoing employees who averaged fewer than 30 work hours per week during the standard measurement period are not eligible to continue state insurance benefits while on unpaid leave. In such cases, OHR notifies the employee of the termination date for benefits and the effect this status will have on the employee's eligibility for COBRA.

New Employees on Unpaid Leave of Absence

For insurance eligibility purposes, an employee is considered a new employee until he or she has completed either 1) a standard measurement period and its administrative period or 2) an initial measurement period and its administrative period. Once the employee completes both the measurement period and the administrative period, he or she is considered an ongoing employee. See above for eligibility information for ongoing employees.

New employees are not eligible to continue state insurance benefits while on unpaid leave of absence. In such cases, OHR notifies the employee of the benefits termination date and the effect this status will have on the employee's eligibility for COBRA.

Payment Process for Continuing Benefits during an Unpaid Leave of Absence

Employees who are eligible to continue state insurance benefits while on an unpaid leave of absence are invoiced by OHR for the currently enrolled state insurance premiums.

State Insurance Benefits (health, dental and vision)

Employees who wish to continue their health, dental and/or vision programs are required to pay the employee's portion of the premium to Clemson University. If the employee fails to pay the employee's portion of the premium to Clemson University, coverage is cancelled due to non-payment. If coverage is cancelled due to non-payment, neither the employee nor the employee's dependents are eligible for COBRA continuation coverage. Eligible employees can re-enroll in state insurance during the next open enrollment period.

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Eligible employees who do not wish to continue state health, dental, and/or vision programs can voluntarily terminate their state coverage in order to enroll in coverage through the Health Insurance Marketplace. The employee is required to contact OHR to terminate coverage. Once coverage is terminated, neither the employee nor the employee's dependents are eligible for COBRA continuation coverage.

State Life Insurance

For employees enrolled in life insurance, the life insurance benefits continue for up to 12 months after the last day the employee worked, provided the employee continues to pay the employee's portion of the premium to Clemson University.

State Supplemental Long-Term Disability

For employees enrolled in supplemental long-term disability insurance, the supplemental long-term disability coverage ends 30 days after the employee's last day worked.

State Money Plus Accounts (Medical Spending, Dependent Care, Limited Use Medical Spending and Health Savings Account)

1. Employees who wish to continue their MoneyPlus accounts have the option to prepay contributions before their unpaid leave of absence begins. In this case, the Office of Human Resources and the employee complete a new MoneyPlus Account form to reflect the prepaid contributions.
2. If the employee chooses to continue to contribute to a MoneyPlus account while on unpaid leave, the employee must pay after-tax contributions directly to the vendor.

State Retirement

Certain employees are eligible to continue retirement contributions during an unpaid leave of absence. Employees interested in continuing contributions to retirement during unpaid leave should follow the steps below:

1. Contact OHR regarding eligibility and payment information.
2. If eligible to continue contributions, work with OHR's Benefits unit to set up a payment plan.
3. Write a check to the Public Employee Benefit Authority (PEBA) for the amount due for retirement and send the check to the Benefits unit. Upon receipt, the Benefits unit remits payment to PEBA.

Supplemental Retirement Programs (401K, 457(b), and 403(b) Plans)

Employees on unpaid leave cannot contribute to supplemental retirement programs.

Non-State Insurance Benefits (AFLAC and MetLife life insurance)

1. Employees who wish to continue AFLAC and MetLife life insurance programs during unpaid leave are required to pay the employee's portion of the premium to Clemson University.

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2. If the employee chooses not to pay the employee’s portion of the premium to Clemson University, the Office of Human Resources notifies the vendor that the employee did not pay the premium.
3. Upon notification, the vendor invoices the employee and the employee coordinates with the vendor for payments, cancellation or suspension of insurance.

DEFINITIONS

Term	Definition
Administrative Period	As pertains to state insurance benefits eligibility for ongoing employees: a state-designated period running from October 3 rd to December 31 st , during which Clemson University and PEBA identify individuals eligible for state insurance coverage. Clemson offers coverage to and accepts enrollment from eligible employees during the plan’s open enrollment period, which ends October 31 st . PEBA uses the remainder of the administrative period to process enrollments to ensure employees have access to coverage at the beginning of the stability period.
Initial Administrative Period	As pertains to state insurance benefits eligibility for variable-hour employees: a review period that begins the day after the initial measurement period ends, and ends the last day of the same month. Clemson University uses this time to review the employee’s hours over the initial measurement period, and, if the employee is eligible, offers state insurance benefits to the employee the first of the following month.
Initial Measurement Period	As pertains to state insurance benefits eligibility for variable-hour employees: a review period that begins the first of the month after the date of hire and ends 12 months later. Clemson University reviews the employee’s hours over the initial measurement period to determine future eligibility for benefits.
Initial Stability Period	As pertains to state insurance benefits eligibility for variable-hour employees: a review period that begins the day after the initial administrative period ends and lasts for 12 months. During this period an employee cannot lose eligibility for benefits regardless of the number of hours worked unless employment ends.
New Employee— Standard Hours 30+	As pertains to state insurance benefits eligibility: A newly hired employee who has not completed an entire standard measurement period and who was determined by the employer, as of the date of hire, to be eligible for the state insurance package.

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New Variable-hour, (Standard Hours ≤ 28), or Seasonal Employee	As pertains to state insurance benefits eligibility: A newly hired employee who has not completed an entire standard measurement period and who is not expected, as of the date of hire, to be credited an average of 30 hours per week for the entire measurement period. Therefore, the employer cannot reasonably determine eligibility for the state insurance package as of the date of hire.
Ongoing Employee	As pertains to state insurance benefits eligibility: any employee who has worked with Clemson University for an entire standard measurement period; used to calculate state insurance benefits eligibility.
Standard Measurement Period	As pertains to state insurance benefits eligibility: a 12-month period—October 4 to October 3—used by the University to determine an employee’s state insurance benefits eligibility for the upcoming plan year.
Standard Stability Period	Begins on January 1 st and ends 12 months later on December 31 st . This is the period of time during which an ongoing employee cannot lose eligibility for state insurance benefits regardless of the number of hours worked. An employee deemed eligible for coverage during the Administrative Period remains eligible for the entire plan year, as long as the terms of employment remain the same.
Unpaid Leave of Absence	An approved leave of absence during which the employee is not paid.

For more definitions, click [HERE](#) to access the OHR Glossary of Terms.