

## Benefit Implications when Appointment or FTE changes

Benefits are normally minimally impacted based on FTE or appointment term changes.

<b>Public Employee Benefit Board (PEBB) Benefits:</b>	
<b>Applicable to PEBB Medical, Dental and Life Insurance</b>	<p>As long as the FTE remains at 50% or more, and the appointment is for 9 months or more, the employee will have 12 months of coverage. The monthly premium rates remain the same regardless of FTE or appointment term.</p> <p>For appointments less than 12 months, but at least for 9 months, the employee's portion of premiums for the off season will be collected from their paychecks the last pay cycle prior to the cyclic/academic break.</p> <p>If the FTE drops below 50%, the employee is no longer eligible for employer-paid benefits.</p> <p>If the appointment is for less than 9 months, the employee is not eligible for benefits during the off-season, and will be given the option to continue those benefits on a self-pay basis.</p> <p>NOTE: A benefit eligible employee must be in paid status a minimum of 8 hours per month to receive the employer contribution, except during the cyclic/academic break.</p>
<b>Medical/Dental</b>	No additional impacts to those listed above.
<b>Life Insurance</b>	There is no impact to the amount of life insurance the employee is able to carry based on FTE or appointment term. Although coverage under Part C – Optional Life is based on the employee's salary, the maximum amount allowed under Part C is determined by taking the full-time salary (regardless of FTE) multiplied by 12 months (regardless of the actual appointment).
<b>LTD Insurance</b>	This insurance is basically a wage replacement insurance policy, where the employee pays a certain percent on the actual wage for premiums. Since the coverage is based on the actual wage, employees can expect to see a reduction/increase in premiums with a reduction/increase of FTE or appointment term.
<b>Flexible Spending Accounts (FSA)</b>	Normally there would be no impact to the FSA benefit based on FTE change. If the appointment term is changed, there may be the possibility to adjust the contributions as a <i>Qualifying Event</i> for the remainder of the plan year, since initial contributions had been set up based on an identified number of pay periods which will have changed with the change of appointment term.
<b>Dependent Care Assistance Plan (DCAP)</b>	Normally the DCAP amount cannot be changed unless the employee has a qualifying change in status, which could be a change in FTE or appointment term. If the change results in the need for the dependent care, the employee can submit a request to change their previously identified DCAP.

<b>Retirement</b>	
<b>PERS Retirement</b>	<p>Normally changes in FTE or appointments have no impact on <i>service credit</i>.</p> <p>For PERS 2 and PERS 3 participants, if an employee is paid 810 hours in 9 out of 12 months (with the 12 month period being from September through August), they will earn a full year of service credit. 810 hours is the equivalent of a half-time, 9 month appointment.</p> <p>PERS 1 participants only need 630 hours in the 9 out of 12 months.</p> <p>A potential impact could occur in regards to the <i>average final compensation (AFC)</i>. Department of Retirement Systems (DRS) will review participant's salary history to identify the highest AFC that will be used when determining their retirement benefit. For employee's who reduce their FTE or have a change in their appointment term, the high AFC would probably be when the person was working full-time, and may be based on an historic salary.</p>
<b>WSURP</b>	<p>Retirement contributions are based on a percentage of the earnings. Therefore, changes to FTE's and appointment terms would result in less/ more money being contributed to their retirement plans, corresponding to either a decrease/ increase of FTE or appointment term.</p>
<b>Voluntary Retirement Programs</b>	<p>The maximum contribution levels would remain the same, regardless of FTE or appointment term.* Contributions would only be taken during the regular appointment term, and would not be collected from summer appointments.</p> <p>*If a reduced FTE or appointment term would result in a salary not being sufficient to support a maximum contribution, the employee would be required to adjust their contribution.</p>
<b>Leave</b>	
<b>Leave Accumulations</b>	<p>Changes to FTE would result in changes to the accrual levels of leave. Leave would be adjusted/pro-rated according to FTE, and leave would not be accrued during periods of non-appointment, if a position is for less than a 12-month appointment term.</p>