I. POLICY STATEMENT

Faculty Benefits Handbook

The Faculty Benefits Handbook is the official source for all policies and procedures governing the employment of all faculty personnel. Full-time, nontemporary and temporary faculty with three consecutive years of full-time employment are eligible for the following employee benefits.

Tax-exempt Benefit Payments
Section 125 of the IRS code covers tax-exempt benefit payments. Premiums for health, dental, optional life and retirement are paid with "pre-tax" dollars through payroll contribution. This is income earned before federal, state and social security taxes are withheld. Changes to coverage during the plan year cannot be made unless there is a qualifying event.

Flexible Spending Accounts (FSA)
Flexible Spending Accounts are IRS-approved, tax-free accounts that save you money on medical and dependent care expenses. This benefit is provided by Aetna and participation begins after 30 days of employment. You authorize an annual election and deposits are made to your FSA account from your before-tax salary on a per-pay-period basis. Expenses are reimbursed daily through an electronic fund transfer (EFT) process to your savings/checking account. You can elect up to $5,000 for medical and/or $5,000 for dependent care expenses annually. For more information, see our Flexible Spending Account webpage.

Health Insurance
To help you evaluate costs when making a decision on your Humana Health Care needs, the Employee Benefit Bulletin is a great tool that shows different plan options with a personalized cost analysis on items such as copays, coinsurance amounts, payroll costs, deductibles and many other important variables that are all part of your decision on healthcare. For more information, see our Health Coverage web pages.

Dental Insurance
Dental coverage is provided and underwritten by Aetna Dental. Dental benefits begin on the first of the month following 30 days of employment. Rates are guaranteed through December 31 of the same year. All eligible employees must complete an application with the provider to be covered. There are different plans to choose from on the Employee Health Benefit Bulletin. The Preferred plan is a model that has in-network and out-of-network levels of benefits depending on whether the dental provider participates. The university currently pays for single level coverage for the preferred plan. The Premier plan is a traditional open network and provides one level of benefits.
regardless of participation. Aetna Dental's website (http://www.aetna.com) contains more information on the provider networks. For more information, see our Health Coverage web pages.

**Life Insurance**

NKU partners with UNUM for eligible employees’ life insurance needs. The available options allow you to select the coverage that best meets your needs and your family situation. The coverage will remain the same for the calendar year. You may only change coverage during annual enrollment in the fourth quarter of each year (for the next calendar year) or within 30 days of a change in your family status such as marriage, divorce, etc.

Life insurance offers a benefit to your designated beneficiary in the event of your death for any reason. Accidental Death and Dismemberment provides an additional benefit equal to your life insurance benefit to your designated beneficiary in the event of your death as a result of an accident. A Dismemberment benefit is paid to you in the event of loss of limb, eyesight or hearing as a result of an accident.

**Eligibility:** The Eligibility Chart for your employment classification indicates if you are eligible for this benefit and when coverage begins. Eligibility Chart (This will link to the Eligibility Chart which will have links to each employment classification).

You are automatically enrolled in Basic Life/AD&D and do not need to elect this benefit. Enrollment in Optional Life/AD&D and Dependent Life is required to obtain coverage. You may enroll when first eligible or at annual enrollment. (Refer to Evidence of Insurability section for more details.)

**Options:**

- Basic Life/Accidental Death and Dismemberment (AD&D)
- Optional Life/AD&D for you
- Dependent Life for you and your spouse and dependent children.

**Basic Life**

**Eligibility:** You are automatically enrolled in Basic Life/AD&D and do not need to elect this benefit.

**Coverage:** Basic Life/AD&D equal to your annual base pay (rounded up to the next thousand) is provided by NKU. Your annual base pay is frozen as of the later of your date of hire or January 1 of each year.

**Cost:** There is no cost to you for Basic Life/AD&D; NKU pays the entire cost of coverage. If your Basic Life coverage is in excess of $50,000, you pay imputed income on the cost of coverage in excess of this $50,000 limit from your regular pay. This is calculated using IRS imputed income tables.

**Optional Life**

**Eligibility:** Enrollment in Optional Life/AD&D is required to obtain coverage. You may enroll when first eligible or at annual enrollment. (Refer to Evidence of Insurability section for more details.)
Coverage: Your options are:
- 1 times Basic life
- 2 times Basic life
- 3 times Basic life
- 4 times Basic life
- 5 times Basic life.

Cost: The cost of Optional Life/AD&D is age-based in 5 year increments. The cost of coverage is based on your Basic Life amount and your age both frozen as of January 1, and the selected coverage option (1 times, 2 times, etc.). Your cost will not change during the year. You pay for Optional Life/A&D through aftertax payroll deductions. Biweekly employees’ deductions are made from the first two pays in a month.

Dependent Life

Eligibility: Enrollment in Dependent Life is required to obtain coverage. You may enroll when first eligible or at annual enrollment. (Refer to Evidence of Insurability section for more details.)

Options: Your options and the relationship coverage amounts are:
- Spouse only $10,000
- Children only $5,000
- Spouse and Children (see above).

Cost: The cost of Dependent Life is based on the option chosen. The cost for Children is the same for one child or more than one child. You pay for Dependent Life through after-tax payroll deductions. Biweekly employees’ deductions are made from the first two pays in a month.

Basic and Optional Life/AD&D: You elect the beneficiary of your Basic and Optional Life/AD&D. You may elect one or more primary beneficiaries to receive a benefit in the event of your death. You may also designate contingent beneficiaries who would receive a benefit in the event of the death of your primary beneficiaries. You may choose multiple primary and contingent beneficiaries by designating a percentage of the total benefit with the sum of the percentages equaling 100. You are automatically the beneficiary for any accidental disability benefits that may be payable.

Dependent Life: You are automatically the beneficiary for Dependent Life coverage. No other beneficiary can be designated.

Important About Designation of Beneficiaries (This will link to a one pager from UNUM with definitions of Primary, Contingent beneficiaries and Trusts).

Evidence of Insurability: Evidence of Insurability is proof that the individual applying for coverage is a reasonable risk for the insurance company. Evidence is provided initially by completing a short online questionnaire on the UNUM website. If additional information is required, UNUM contacts you or your dependent in writing at the address provided on the questionnaire. UNUM provides written communication to you and NKU Benefits of approval or denial. When Evidence of Insurability is required coverage and payroll deductions do not begin until UNUM approves your coverage. A link to the UNUM online evidence of insurability questionnaire is provided in the annual enrollment materials/website.
Evidence of Insurability IS NOT required when:
- You choose Optional life when first eligible.
- You choose Dependent life when first eligible or within 30 days of when you acquire a dependent (e.g. upon marriage, upon birth or adoption).
- You choose Optional life/AD&D initially and wants to increase coverage by one option (e.g. from 1 times to 2 times Basic life) during annual enrollment.

Evidence of Insurability IS required when:
- You initially decline coverage (Optional or Dependent) and want to elect coverage at a later date during annual enrollment.
- You choose Optional Life/AD&D and want to increase coverage by more than one option (e.g. from 1 times to 3 times Basic life) during annual enrollment.

**Short-Term Disability**
The university offers employees the ability to participate in a voluntary Short-Term Disability program provided by The Hartford. Short-term disability benefits provide income replacement when an eligible individual has been off work more than 30 days due to illness or injury.

Benefits are available at various levels up to 60% of your basic weekly salary, up to the $1,000 weekly maximum. Participating employees may receive benefits on approved claims for up to 22 weeks or until they are no longer disabled. A pre-existing condition limitation applies for any condition that exists within three months prior to the effective date of coverage for the first 12 months that an employee is enrolled under the plan.

**Long-Term Disability**
NKU partners with The Hartford to provide Long Term Disability coverage to eligible employees. Long Term Disability provides monthly income should you become unable to return to your job after six consecutive months of absence as a result of a non-work related illness or injury.

**Eligibility:** The Eligibility Chart for your employment classification indicates if you are eligible for this benefit and when coverage begins. Eligibility Chart (This will link to the Eligibility Chart which will have links to each employment classification). Eligible employees are automatically enrolled and do not need to elect this benefit.

**Benefits:** If your claim is approved you will receive monthly income from The Hartford equal to 60 percent of your before-disability base pay not to exceed $10,000 monthly income. Your monthly LTD benefit may be reduced by other sources of income such as, but not limited to, Social Security Disability Income benefits for you and your dependents. Monthly income will generally continue until you recover or become eligible for normal Social Security retirement. Benefits Staff will work with you during your absence to determine if you should apply for LTD benefits and will assist you in the application process.

**Cost:** NKU pays the cost of Long Term Disability coverage for eligible employees. When received Long Term Disability income benefits are considered taxable income.
Retirement
The university has a 403(b) defined contribution plan for all full-time, nontemporary faculty members through TIAA-CREF. Participation in the plan is mandatory the first of the month following 90 days of employment. For members that have previously contributed to a TIAA-CREF retirement plan, participation may begin immediately. The university contributes 10% of contract salary each pay period and the participant contributes 5%. Contributions are made on a pre-tax basis. Faculty members may contribute additional monies to the plan as provided by law.

Additional Retirement Savings
NKU encourages employees to contribute additional savings towards their retirement. Contributions are made on a tax-deferred basis as allowable under IRS regulations. Employees may choose from the 401(k), 403(b), or 457 plan designs. For additional detailed information on these plans please contact these respective vendors:
- TIAA-CREF: 403(b) plan: 1-800-842-2776 or www.tiaa-cref.org.

Long-Term Care Insurance
The university offers employees the opportunity to purchase long-term care insurance on a voluntary basis. Long Term Care Financial Group administers the plan. There are three different plan designs available. Premiums are at a group discount rate based on the participant’s age. Coverage may begin after 90 days of employment. Premiums are paid on an after-tax basis. Extended family members of the employee and the employee's spouse (i.e. parents, parents-in-law, brothers & sisters) are also eligible as long as they are working full-time (defined as 30 or more hours outside the home) and under the age of 65.

Employee Assistance Program
The Employee Assistance Program is a free, confidential service that is available to all employees that are eligible for health insurance benefits. NKU realizes that your family, job and wellness are central to your life. Occasionally, ordinary problems seem overwhelming and being able to talk to someone, no matter what the issue, would be a helpful. For more information, visit the Aetna Employee Assistance Program website. The phone number is 1-888-AETNA-EAP.

Tuition Waiver Plan
NKU provides a Tuition Waiver Plan to employees and their legal spouses and dependent(s). Employees can utilize the tuition waiver program for undergraduate, graduate or law classes. The plan allows for a maximum of six (6) credit hours per semester for full-time employees and three (3) credit hours for regular part-time employees. Classes may not be taken during an employee’s normal working hours. Employees will not be allowed to waive tuition if they have terminated employment, either voluntarily or involuntarily, or submit written notice of intent to terminate prior to the first day of the semester or summer session for which the waiver is requested. Tuition benefits may be applied to the statewide program to attend other state universities or colleges. The Tuition Waiver Plan allows for the participation of an employee's spouse and eligible dependent(s). Spouses and eligible dependent(s) must meet admissions
Payroll

Payday for monthly paid employees (exempt) is the last working day of the
Benefits Eligibility (Faculty)
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Payroll deductions are as follows: Federal income and FICA taxes; state income taxes; City of Covington tax (if the employee worked at the Covington campus); City of Cincinnati tax (if desired, a form must be completed); county tax (TANK); retirement; and benefits: credit union, health insurance dependent coverage, court-ordered garnishments, etc.

Direct Deposit of Paychecks
University employees may deposit their paychecks directly into a bank, savings and loan, credit union or other financial institution. Direct depositing gives you the following benefits:

- **Convenience:** Your net pay is available to you the first thing on the morning of payday. If payday occurs while you are on vacation or sick, your pay is waiting for you in your account.
- **Safety:** Direct Deposit eliminates the possibility of a lost or stolen paycheck.

Drug-Free Work Place Statement
Northern Kentucky University abides by the Drug-Free Workplace Act of 1988 and the Drug-Free Campus Act of 1989. All employees receive a copy of Northern Kentucky University's Drug-Free Workplace statement during the benefits orientation program.

University Statement: Asserting Respect for Human Diversity
Northern Kentucky University is a multicultural community of diverse racial, ethnic and class backgrounds, national origins, religious and political beliefs, physical abilities, ages, genders and sexual orientations. Our educational activities and everyday interactions are enriched by our acceptance of one another and, as members of the university community we strive to learn from each other in an atmosphere of positive engagement and mutual respect.

Because of the necessity to maintain this atmosphere, bigotry will not go unchallenged within this community. We will educate each other on the existence and effects of racism, sexism, ageism, homophobia, religious intolerance and other forms of invidious prejudice. When such prejudice results in harassment, intimidation or violence against persons or property, we will not tolerate such behavior.

All who work, live, study and teach in the Northern Kentucky University community should be committed to these principles, which are an integral part of Northern Kentucky University's focus, goals and mission.

Human Resources Information
- Office: Lucas Administrative Center 708
- Phone: (859) 572-5200
- E-mail: hr@nku.edu
- Office Hours: Monday through Friday 8:15 a.m. to 4:30 p.m. EST

Emily Sumner, Benefits Manager
(859) 572-6387 / sumnere1@nku.edu
Benefit Planning and Administration, Benefit Vendor Management, Benefit Communications and Benevolent Association.

Decca Buechel, Benefits Coordinator
(859) 572-5203 / buechel@nku.edu
Benefit Enrollment and Changes, Benefit Inquiries.
II. ENTITIES AFFECTED

Faculty

REVISION HISTORY

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