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| <p>Office of Employee Benefits</p> <p>Administrative Manual</p>  | <p>RETIRED EMPLOYEE ELIGIBILITY AND ENROLLMENT</p> | <p>220</p> |
| | <p>INITIAL EFFECTIVE DATE: September 1, 2003</p> | |
| | <p>LATEST REVISION DATE: September 1, 2010</p> | |
| | <p>PURPOSE: To provide guidelines for determining the eligibility of Retired Employees for the Employee Group Insurance Program and their enrollment options</p> | |
| | <p>SCOPE: Retired Employees of The University of Texas System and their Dependents</p> | |
| | <p>STATUTORY AND ADMINISTRATIVE REFERENCES: Texas Insurance Code, Chapter 1601</p> | |

1.0 BACKGROUND

This Policy describes the Program coverage options for Retired Employees. Program coverage options for Employees are described in Policy 210 of this Administrative Manual. Program coverage options for Dependents are described in Policies 230 and 231 of this Administrative Manual.

2.0 ELIGIBILITY FOR U.T. GROUP INSURANCE

A Retired Employee of a U.T. institution is benefits eligible if the Retired Employee meets the following eligibility requirements. For a quick reference, download the [Retirement Eligibility Flowchart](#).

2.1 Employee Who Retired On or Prior to August 31, 2003

An individual who was participating as a Retired Employee in the Program as of August 31, 2003 may continue to participate as a Retired Employee.

A Retired Employee who was enrolled in the Program as of August 31, 2003 as a Retired Employee and subsequently cancels coverage after September 1, 2003, may be subject to Evidence of Insurability (EOI) or other restrictions if the Retired Employee wishes to re-enroll at a later date. See Policy 270 (Evidence of Insurability) and Policy 310 (Change in Status) of this Administrative Manual for more information.

2.2 Employee Who Retires After September 1, 2003

An individual who retires from a System institution after September 1, 2003 and at the time of retirement meets the requirements as described in this section will be eligible to participate in the Program as a Retired Employee.

Important: A terminating Employee who inquires about future access to benefits as a Retired Employee should be reminded that Employee and Retired Employee Program benefits are created by statute and subject to continued funding by the Texas Legislature. Program benefits may be subject to change or even elimination in the future. In addition, terminating Employees who lack sufficient years of service to qualify for benefits as a Retired Employee should never be advised that they will be able to return to U.T. System employment at a later date in order to qualify for Program coverage as a Retired Employee.

2.2.1 Individual Employed at U.T. on August 31, 2003

2.2.1.1 Employee Retires on or after September 1, 2003

An individual who was employed at a System institution in a benefits-eligible position on August 31, 2003, and subsequently retires from the System may participate in the Program as a Retired Employee if:

- (a) The individual meets the Rule of 80 (total of age plus years of state service credit equals or exceeds 80), or the individual is at least age 55 with five (5) years of state service credit; and
- (b) The individual has at least three (3) years of service with the System for which the individual was eligible to participate in the Program; and
- (c) The individual's last place of state employment before retirement was with a System institution ; and
- (d) The individual retires from System under the jurisdiction of the Teacher Retirement System of Texas (TRS); the Employees Retirement System of Texas (ERS); or the Optional Retirement Program (ORP) established by Chapter 830, Government Code or any other federal or state statutory retirement program to which the System has made employer contributions.

2.2.1.2 Employee Terminates Employment After August 31, 2003 Without Retiring

An individual who was actively employed at a System institution in a benefits-eligible position on August 31, 2003, and then subsequently terminates System employment on or after September 1, 2003, is eligible to enroll in the Program as a Retired Employee if the individual subsequently meets all of the eligibility requirements set forth in Section 2.2.1.1 of this Policy, regardless of whether the Employee is subsequently re-employed by the same or another U.T. System institution.

Important: An individual who withdraws from membership from his or her retirement system or program (TRS, ERS or ORP) loses eligibility to participate in the Program.

2.2.2 New Hire Begins Employment On Or After September 1, 2003

An individual who begins employment at System in a benefits-eligible position on or after September 1, 2003 must meet all of the following requirements in order to be eligible for participation in the Program as a Retired Employee:

- (a) The individual meets the Rule of 80 (total of age plus years of state service credit equals or exceeds 80) with at least ten (10) years of state service credit, or is at least age 65 with ten (10) years of total state service credit; and
- (b) The individual has at least ten (10) years of service with the System; and
- (c) The individual's last state employment before retirement was with an institution of the System; and
- (d) The individual retires under the jurisdiction of the Teacher Retirement System of Texas (TRS); the Employees Retirement System of Texas (ERS); or the Optional Retirement Program (ORP) established by Chapter 830, Government Code or any other federal or state statutory retirement program to which the System has made employer contributions.

2.2.3 Former Employee Who Met Retired Employee Eligibility Requirements On or Before August 31, 2003

A former Employee who met the eligibility requirements for retirement in place on August 31, 2003 as stated in Section 2.2.1.1 of this Policy, terminated employment before August 31, 2003, and elected not to retire upon termination will continue to be eligible to retire under the requirements as described in Section 2.2.1.1 of this Policy.

2.2.4 Former Employee Who Did Not Meet Retired Employee Eligibility Requirements On or Before August 31, 2003

A former System Employee who terminated employment prior to August 31, 2003 and did not meet the eligibility requirements for Retired Employee group insurance at the time of the Employee's termination, as stated in Section 2.2.1.1 of this Policy and subsequently applies to enroll in coverage as a Retired Employee must meet the requirements for new hires on or after September 1, 2003, as stated in Section 2.2.2 of this Policy.

Example 3: Jane Jones terminates employment from a benefits eligible position at a U.T institution on May 31, 2003 at the age of 52 with 7 years of service. She works elsewhere for 8 years and then returns to U.T. employment. Since Ms. Jones was not employed at U.T. on 8/31/03, she must meet the requirements in Section 2.2.3 of this Policy to be eligible for group insurance as a U.T. Retired Employee.

2.2.5 Former Employee Who Meets Retired Employee Eligibility Requirements Except U.T. Is Not the Last Place of State Employment

A System Employee who terminated employment and subsequently worked for another state agency or state institution of higher education and does not qualify for retiree insurance coverage under that agency or institution may be eligible to participate in the U.T. group insurance program if the former Employee meets the minimum applicable requirements described in this Policy and does not meet the requirements for an annuitant under the Employees Retirement System of Texas (ERS) group insurance program.

Example 4: John Smith was employed at a U.T. institution on August 31, 2003. He terminates employment on December 31, 2005, with 7 years of service. He goes to work in a benefits eligible position at a Texas A&M institution. When John is ready to retire, if he does not qualify for Texas A&M coverage as a Retired Employee, he may be able to qualify for U.T. System program coverage. In this case, since John was employed at U.T. System on August 31, 2003, he would need only 3 years of service at a U.T. System institution to meet the requirements in Section 2.2.2 of this Policy as a Retired Employee.

2.3 Newly Retired Employee Not Eligible for U.T. Group Insurance

An Employee who is enrolled in the Program and subsequently retires from the System, but does not meet any of the retirement eligibility requirements described in this section, is not eligible to participate in the Program as a Retired Employee. Such an individual may be eligible to participate in COBRA benefits. See Policy 250 of this Administrative Manual for information about COBRA.

3.0 PREMIUM SHARING FOR RETIRED EMPLOYEES

A Retired Employee is eligible to receive the same Premium Sharing toward group insurance coverage as a benefits-eligible Full-time Employee for the following coverages:

- (a) 100% of the premium cost of health and Basic Group Term Life (GTL) coverage for the Retired Employee; and
- (b) 50% of the premium cost for the Retired Employee's dependent health coverage.

Example 5: During the last year of employment at a System institution, an Employee was working less than 40 hours and therefore was classified as part-time. This Part-time Employee received 50% of the Premium Sharing amount toward the payment of the group insurance premiums. If the eligibility requirements have been met at the time of retirement, the individual will be eligible to participate in the Program as a Retired Employee and receive 100% of Premium Sharing.

3.1 Premiums

Since monthly premiums are not pro-rated, a full month's premium will be due for the first month of coverage regardless of when the coverage becomes effective during the month.

A Retired Employee is responsible for payment of the portion of the premium for Dependent health coverage that is not covered by state Premium Sharing plus the total cost of any other optional coverages for the Retired Employee and any Dependents.

3.2 Retired Employee Waiver of Basic Coverage

During a newly Retired Employee's initial period of eligibility, after a qualified Change in Status event or during Annual Enrollment, a Retired Employee may elect to waive the Basic Coverage Package, if all of the following documentation is provided to the former institution Benefits Office:

- (a) completed and signed [Certification of Health Insurance Waiver/Declination Election](#) form;
- (b) proof of other group health coverage; and
- (c) proof that the Retired Employee is not enrolled in another group insurance program funded by the State of Texas.

A Retired Employee who waives the Basic Coverage Package may receive up to one-half (50%) of the state Premium Sharing amount available for Full-time Employees who enroll in the Basic Coverage Package to purchase one or more of the following optional coverages:

- (a) Dental
- (b) Vision
- (c) Voluntary Group Term Life of \$7,000; \$10,000; \$25,000; or \$50,000 (EOI will be required for any increase in coverage. See Section 4.4 of this Policy for more information.)

4.0 RETIRED EMPLOYEE BENEFITS

An individual who meets the criteria for retirement, as described in Section 2.0 of this Policy, is eligible for the Program benefits for a Retired Employee, as described in this section. A required waiting period may apply (see Policy 141 of this Administrative Manual for detailed information). Exceptions for return-to-work and disability Retired Employees are described in Sections 8.0 and 11.0 of this Policy.

Except as noted elsewhere in this Policy, Retired Employees may retain only the following Program coverages for themselves and their Dependents:

4.1 Basic Coverage Package

All Retired Employees are eligible for the Basic Coverage Package which includes participation in a System health plan and Basic Group Term Life (GTL) insurance of \$6,000. The state Premium Sharing pays the entire premium cost for the Retired Employee's Basic Coverage Package. See Section 3.0 of this Policy for more information.

4.2 Health Insurance

An Employee who retires effective the beginning of the month following the last month in which the Employee was enrolled in UT SELECT coverage as an Employee is eligible for Program coverage as a Retired Employee without a Waiting Period or proof of

Evidence of Insurability (EOI) or other restrictions (see Policy 270 for more information about EOI).

An Employee who terminates U.T. employment without retiring and subsequently retires any time after his or her UT SELECT Employee coverage has ended may enroll in U.T. health insurance, but the Waiting Period described in Section 6.0 of this policy will apply. If the Retired Employee fails to apply for enrollment within 31 days of his or her retirement date, the Retired Employee must also provide proof of EOI. See Policy 141 (Funding) and Policy 270 of this manual for more information.

4.3 Basic Group Term Life Coverage

Basic GTL of \$6,000 is provided to Retired Employees enrolled in the Basic Coverage Package at no cost to the Retired Employee. Retired Employees are not eligible for Basic AD&D coverage.

Note: Employees who are receiving the Basic GTL coverage of \$20,000, who retire and enroll as a Retired Employee without a break in coverage, may opt to enroll in an additional \$7,000 individual policy by contacting the life Carrier within 31 days from the end of the month in which retirement occurred.

Dependents of Retired Employees are not eligible for Basic GTL insurance coverage.

4.4 Voluntary Group Term Life Coverage

A newly eligible Retired Employee may elect Voluntary GTL option amounts of: \$7,000; \$10,000; \$25,000; or \$50,000. However, if the elected coverage is greater than the Employee coverage amount in effect at retirement, the increased amount is subject to EOI.

An individual with Voluntary GTL coverage in effect on the last date of employment prior to retirement without a break in coverage between employment and retirement may elect any of the available amounts of Voluntary GTL upon retirement that is equal to or less than the amount the individual had on the last day of employment without EOI.

Example 6: An Employee has Voluntary GTL coverage of \$40,000 (2 times annual salary). The Employee terminates active U.T. employment effective December 31, 2010 and retires effective January 1, 2011 without a break in coverage. This newly Retired Employee may elect Voluntary GTL coverage amounts of \$7,000; \$10,000; or \$25,000 without EOI effective January 1, 2011. EOI will be required if the individual elects Voluntary GTL coverage of \$50,000.

Example 7: An Employee has Voluntary GTL coverage of \$60,000 (3 times annual salary). The Employee terminates employment effective December 31, 2010 but does not retire until September 1, 2012. This individual is not automatically eligible for Voluntary GTL upon retirement, and EOI will be required for enrollment in any of the Retired Employee Voluntary GTL amounts.

A Retired Employee is responsible for the full payment of premiums for Voluntary GTL insurance coverage.

An Employee who retires without a break in coverage may exercise the option to convert the amount of Voluntary GTL insurance coverage in effect on the last day of employment

to an individual life policy without EOI. The individual must contact the life insurance Carrier and submit the required conversion forms within 31 days after the end of the month in which retirement occurred.

An Employee who has Employee Voluntary GTL and Spouse Voluntary GTL in effect and retires without a break in coverage may enroll their spouse in Voluntary GTL of \$3,000 without EOI.

4.5 Basic and Voluntary Accidental Death and Dismemberment Coverage

Retired Employees are not eligible for AD&D coverage.

There is no option available for Retired Employees to convert AD&D coverage in effect as an Employee to an individual policy with the life Carrier.

4.6 Dental and Vision Coverage

A Retired Employee may enroll in optional dental and/or vision plan. The Retired Employee also may enroll eligible Dependents in such coverage. EOI is not required for the dental and vision plans. The Retired Employee is responsible for payment of the full premiums charged for any dental and vision coverage elected.

4.7 Short Term Disability and Long Term Disability Coverage

Retired Employees are not eligible to enroll in either Short Term Disability (STD) or Long Term Disability (LTD) insurance coverage. Any STD or LTD coverage held as an Employee will be cancelled effective the date of retirement.

If an Employee enrolled in LTD coverage becomes totally disabled and is receiving LTD benefits at the time of retirement (either due to the disability or as a regular retirement), the Employee may be eligible to continue to receive disability benefits under the disability policy.

4.8 Long Term Care Coverage

Long Term Care (LTC) coverage is provided through an individual policy with the LTC Carrier. If the Retired Employee was not enrolled in LTC coverage as an Employee, the Retired Employee must be approved through the LTC Carrier's EOI process. Enrollment of qualified dependents always requires approval through the LTC Carrier's EOI process.

Individuals enrolled in LTC coverage are responsible for payment of full premium charged for LTC coverage to the LTC Carrier.

4.9 UT FLEX Participation

Retired Employees are not eligible to participate in the Insurance Premium Redirection Plan or the UT FLEX reimbursement accounts. An Employee participating in one of the UT FLEX reimbursement accounts during the year of retirement is eligible for reimbursement only for eligible expenses incurred prior to the last month in which the individual was employed at U.T. System.

5.0 ENROLLMENT

5.1 Initial Enrollment

An individual must enroll in the Program as a Retired Employee within 31 days of the date upon which the individual retires under the jurisdiction of a retirement system listed in Section 2.2.1.1(d) or 2.2(d) of this Policy and is either receiving an annuity (e.g. TRS or ERS) or has completed an ORP Declaration of Retirement form. An individual who fails to enroll within the 31 day period may not enroll until:

- (a) the next Annual Enrollment period; or
- (b) upon occurrence of a Qualified Change in Status event.

If an individual fails to enroll within 31 days of retirement, enrollment through the EOI process may be required unless the individual provides proof of other group coverage (see Section 6.0 of this Policy for additional information).

5.2 Form Required for ORP Retired Employees

A U.T. Employee participating in the Optional Retirement Program (ORP) must meet the requirement for enrollment as a Retired Employee and complete the Optional Retirement Program Declaration of Retirement for Group Insurance Purposes form in order to enroll in the Program. This form can be obtained from the employing institution's Benefits Office and is available in the OEB Benefits Library.

The retiring Employee must sign and date the completed form and return the original to the institution Benefits Office.

6.0 WAITING PERIODS

6.1 No Waiting Period if No Break between Employment and Retirement

An Employee who retires and enrolls in Program coverage as a Retired Employee no later than the last day of the month in which the Employee leaves the payroll as an Active Employee (the Last Day of Employment) is eligible for Basic and Optional coverage as a Retired Employee the day after the Last Day of Employment.

6.2 Waiting Period for Any Break between Employment and Retirement

Eligibility for Basic coverage for all other individuals who enroll in Program coverage as a Retired Employee begins on the first day of the month following the 90th day after the date that the individual completes enrollment.

Exception: There is no waiting period for an Employee who terminates employment, immediately enrolls in Program coverage as a COBRA participant, and subsequently retires from TRS or ORP and enrolls in Program coverage as a Retired Employee before the COBRA coverage terminates.

6.3 No Waiting Period for Optional Coverages

There is no waiting period for optional coverages. A Retired Employee may elect for the effective date for optional coverages to be either:

- (a) the first day of retirement; or

- (b) the first of the month following retirement; or
- (c) the first of the month following the date the enrollment form is signed.

There is no waiting period to add a Dependent; however, the Retired Employee's coverage must be in effect in order for the Dependent's coverage to be effective. Therefore, if the Retired Employee has a required waiting period, the Dependent's coverage cannot become effective until the Retired Employee's coverage becomes effective.

See Policy 141 of this Administrative Manual for more information pertaining to the waiting period.

7.0 COVERAGE CHANGES

7.1 Annual Enrollment

Retired Employees have the opportunity during each Annual Enrollment period to make the following changes to their Program coverages. The effective date of these changes will be the following September 1:

- (a) Apply to add previously-eligible Dependents to the Retired Employee's UT SELECT coverage (EOI required);
- (b) Enroll Retired Employee and previously-eligible Dependents to the dental and vision plans (no EOI required);
- (c) Apply to enroll in or increase Voluntary GTL coverage (EOI required for any increase in coverage);
- (d) Apply to enroll the Retired Employee and/or any eligible dependents in Long Term Care insurance (EOI required); and
- (e) Drop or decrease current levels or amounts of coverages.

7.2 Mid-Year Coverage Changes

Changes cannot be made to coverage selections during the plan year unless they are the result of a qualified Change in Status. EOI may be required for enrollment in or changes to Program coverages during the plan year. For information about qualified status changes, see Policy 310 (Change in Status) of this Administrative Manual.

8.0 RETIRED EMPLOYEES RETURNING TO ACTIVE EMPLOYMENT

Employees who retire from a State of Texas retirement system who wish to return to active employment at a System institution may be limited in the amount of time and the percentage of hours per week they are allowed to work.

A Retired Employee, as described in Section 2.0 of this Policy, who returns to work for a System institution is eligible for Program benefits as described below:

8.1 Retired from the U.T. System

An individual who retires from System is never again eligible to participate in Program coverage as an active Employee, except as described in this section but continues to participate as a Retired Employee. The institution from which the individual retired

remains responsible for the Retired Employee's premium even if the individual returns to work at a different U.T. System institution.

Exception: An Employee, who has retired due to a disability and later is determined by TRS to no longer be disabled, is eligible to return to active employment. Therefore, this individual would be eligible for Program benefits as an Employee at their System employing institution.

8.2 Retired from Another State Agency or State Institution of Higher Education

An individual who begins employment in a benefits-eligible position with the U.T. System following retirement from any public or private retirement system is entitled to the same group insurance enrollment options available to other active benefits-eligible U.T. Employees. See Policy 210, Section 2.0 of this Administrative Manual for a definition of a benefits-eligible Employee.

Neither benefits-eligible Employees nor Retired Employees, nor their covered Dependents, are eligible for Premium Sharing from both the U.T. System group insurance program and any other state group insurance program including the Texas A&M System, the Employees Retirement System of Texas, and the Teacher Retirement System of Texas. This prohibition applies even if the individual is eligible as an active employee under one program and a retired employee or covered dependent in another. Any such individual must elect to receive Premium Sharing from only one of the state programs.

Important: UT System is required to pay TRS a surcharge for any TRS retired employee participating in TRS Care who is hired as a U.T. System employee. Such employees must drop TRS Care in order to participate in the U.T. System coverage as an active employee. TRS has advised that once an individual drops TRS Care, it is unlikely, due to the absence of an open enrollment period for TRS Care, that the individual will ever be able to re-enroll in TRS. Since a return to work retiree is unlikely to meet the service requirements as a U.T. System employee to qualify for coverage as a U.T. System Retired Employee, return to work TRS retired employees with TRS Care are **strongly** advised to remain in TRS Care.

9.0 DUAL PREMIUM SHARING PROHIBITED

9.1 Coverage Funded by Premium Sharing

State funding paid toward the enrollment by any participant in the coverages through the Program and any other state group insurance program is prohibited by state law. This means that a participant (Employee, Retired Employee, or Dependent) cannot exceed the appropriated amount of Premium Sharing funds for group insurance coverage from one or more state employers. In addition to the U.T. System, other state entities offering group insurance coverage funded by the State of Texas include: Texas A&M University System; Teacher Retirement System of Texas; and all agencies, departments and higher education institutions under the Employees Retirement System of Texas.

The following are examples of prohibited Dual State Premium Sharing:

- (a) An individual cannot receive state Premium Sharing both as an Employee and as a dependent of another individual who is an active ERS or Texas

A&M employee who is receiving state Premium Sharing for dependent coverage.

- (b) Two individuals cannot receive state Premium Sharing for dependent coverage of the same child.
- (c) An individual cannot receive state Premium Sharing both as a U.T. Retired Employee and as an ERS or Texas A&M System active or retired employee.

An individual, who is enrolled as a Dependent of a Retired Employee, is hired as an active state Employee during the month. To avoid double coverage for the first month of employment, the individual should waive the Employee coverage for the first month, terminate the Dependent coverage at the end of the month, and begin Employee coverage effective the first of the following month.

Note: The purpose of this prohibition is to prevent individuals from receiving duplicate or overlapping state Premium Sharing.

10.0 DUPLICATE PROGRAM COVERAGE PROHIBITED

An individual may not enroll in duplicate program coverage.

For example, an individual cannot be enrolled in Program Basic Health coverage as a Retired U.T. Employee and also as a dependent of another U.T. Employee or Retired Employee.

11.0 TERMINATION OF RETIRED EMPLOYEE COVERAGE

11.1 Voluntary Termination of Coverage

11.1.1 Re-enrollment Subsequent to Termination

A Retired Employee who is enrolled in Program coverage and then subsequently terminates coverage may re-enroll during Annual Enrollment or following a qualifying Change in Status event. Subsequent enrollment, including Dependent enrollment, in UT SELECT or Voluntary GTL coverage is subject to EOI.

11.1.2 Special Provisions for Life Insurance

A Retired Employee who voluntarily terminates Voluntary GTL coverage may exercise any available conversion feature provided. The Retired Employee is responsible for obtaining the required form(s) from the former employing institution's Benefits Office and submitting the completed application to the life insurance Carrier within 31 days of the end of the month in which termination of coverage occurred. The Retired Employee should contact the Carrier for specific information regarding conversion options.

11.2 Nonpayment of Premium

A Retired Employee's Program coverage will be cancelled, as set forth in Section 14 of this Policy, if timely payment of any portion of premium for which the Retired Employee is responsible is not made.

11.3 Death of Retired Employee

Upon the death of a Retired Employee enrolled in the Program, all coverage terminates on the last day of the month in which the death occurs.

If the deceased Retired Employee had a spouse and/or dependent children covered on the date of death, the Dependents may be eligible to continue medical, vision, and dental coverage, either as a surviving dependent or a COBRA participant, if they were enrolled in the Program on the date of death. See Policy 230 of this manual for more information.

12.0 DISABILITY RETIRED EMPLOYEES

The Teacher Retirement System (TRS) determines if a participant in TRS is eligible for disability retirement under TRS.

Upon application for disability retirement, the TRS Medical Board must certify that:

- (a) the applicant is mentally or physically disabled from the further performance of his or her System job duties; and
- (b) the disability is probably permanent.

The amount of the monthly annuity is determined by the applicant's years of service credit, age and salary at the date of the disability.

An Optional Retirement Program (ORP) participant will also qualify for disability retirement if the two conditions described in (a) and (b) of this section are met. In the absence of Higher Education Coordinating Board rules and TRS ability to determine the ORP participant to be disabled, determination of disability by the Social Security Administration or the Disability carrier will suffice.

12.1 Disability Retired Employee Benefits

If an individual is approved for disability retirement, the newly disability Retired Employee is eligible for the same group insurance benefits as other Retired Employees, as described in this Policy.

If the disabled Employee does not meet the requirements for eligibility for regular retirement, they are eligible to continue participation in the U.T. group insurance benefits for the same number of months as they were employed in a benefits eligible position.

12.2 Waiver of Premium for Voluntary Group Term Life

The Waiver of Premium provision is not available for basic GTL or for Retired Employees.

However, if an individual is actively employed at a System institution, is enrolled in Voluntary GTL coverage, becomes totally disabled, and is under the age of 60 on the date that employment ends due to the disability, any Voluntary GTL insurance benefits in effect as an Employee may continue upon approval of Waiver of Premium by the life insurance Carrier. The monthly premiums will be waived until the individual is no longer disabled or he/she reaches age 65, whichever occurs first.

To qualify as totally disabled, the Employee is unable to perform all of the material duties of any occupation for which the Employee is or may reasonably become qualified by reason of education, training or experience.

To qualify for Waiver of Premium, the Employee must submit proof of continued total disability without interruption for at least six (6) months. The proof must be submitted to

the life insurance Carrier within nine (9) months from the date that active employment ended due to the disability.

13.0 COORDINATION OF BENEFITS

When an Employee, Retired Employee, or Dependent has coverage with more than one group insurance plan, the coordination of benefits (COB) provision set forth in the plan terms will be used to determine the order in which benefits will be paid.

14.0 FAILURE TO PAY PREMIUM

In the event that a Retired Employee fails to remit payment of premiums for Program coverages by the end of the coverage period, the institution Benefits Office shall provide the Retired Employee with written notification of any past due premium(s), a specific due date to ensure continued coverage, and the address where the payment should be sent.

Once the premium has been outstanding for 45 days, the institution Benefits Office should reduce the Retired Employee's coverage to the level paid by the state Premium Sharing, and all coverages whose payments are in arrears will be cancelled retroactive to the first of the month following the last month that there was payment received for coverage, as set forth in Policy 707 of this Administrative Manual.

Example 8:

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| Coverage Period: | September 1 through 30 |
| Retired Employee Premium Billing: | October 15 |
| Premium Payment Due: | October 31 |
| Past Due Letter Mailed: | November 5 |
| Premium Payment Due: | November 15 |
| Coverage Reduced Effective: | September 1 |

A past due letter should be mailed on November 5th that clearly notifies the Retired Employee that the current Program coverages will be reduced if payment for the month of September is not received by November 15. If no payment is received at the institution Benefits Office, the Retired Employee's coverages that are paid out-of-pocket by the Retired Employee are cancelled, and the remaining coverage will be Subscriber Only health and basic group term life. The institution Benefits Office must mail a written notification of the action taken to the Retired Employee.

Important: An individual whose coverage is cancelled due to non-payment of premium is not eligible for continuation coverage under COBRA.