

## Benefit Implications due to Change in Appointment

Changes to appointments with the university can result in possible impacts to various benefits and retirement options. Questions about these changes can be address to the HRS Benefits unit at 509-335-4521 or [hrs@wsu.edu](mailto:hrs@wsu.edu).

<b>Reclassification or Taking a Position in a Different Employee Type</b>	
<b>Insurance Coverage:</b>	
<b>Medical, Dental and Life Insurance</b>	<p>As long as the new appointment continues to be a benefit eligible appointment (see <a href="http://hrs.wsu.edu/benefits-eligibility">hrs.wsu.edu/benefits-eligibility</a>), there will be no changes to the medical, dental or life insurance coverage.</p> <p>In the event the change in appointment results in a change in FTE or appointment term/length, please see the next section.</p>
<b>LTD Insurance</b>	<p>If enrolled in the optional LTD coverage, a change in classification could result in a change of premium charged, as well as level of coverage.</p> <p>The 60% wage replacement benefit would remain the same, but for employees participating in the WSURP plan vs. a PERS/TRS plan, they will pay a higher premium, due to an additional retirement benefit that is paid during approved LTD claims.</p>
<b>Retirement</b>	
<b>PERS, TRS and WSURP</b>	<p>Often changes in employee type will result in new retirement options being available, with a 30-day window to make changes. However, in some cases there may not be a new option available, and in others a retirement plan change will be required.</p> <p>Employees should contact HRS Benefits to determine what is applicable to them no later than 30 days from when the change in classification occurs.</p>
<b>Leave</b>	
<b>Leave Accumulations</b>	<p>Changes from one employee type to another could change the amount of annual leave an employee is able to accrue, as well as when a personal holiday will be acquired, and when it needs to be used.</p> <p>Contact HRS Records to determine if the change in appointment may impact your leave.</p>

*Next Section will address benefit impacts due to change in FTE or Appointment Term.*

<b>Changes to FTE or Appointment Term</b>	
<b>Insurance Coverage:</b>	
<b>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. Possible exception would be for Faculty who have been on benefits for two years or more; these individuals should contact HRS Benefits to see if they are able to extend benefit-eligibility.</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>
<b>LTD Insurance</b>	<p>This insurance is a wage replacement insurance policy, where the employee pays a certain percent on the actual base wage for premiums. Therefore, employees can expect to see a reduction/ increase in premiums with a reduction/increase of FTE or appointment term.</p>
<b>Flexible Spending Accounts (FSA)</b>	<p>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.</p>
<b>Dependent Care Assistance Plan (DCAP)</b>	<p>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.</p>
<b>Retirement</b>	
<b>PERS, TRS and LEOFF Retirement</b>	<p>Normally changes in FTE or appointments have no impact on <i>service credit</i>.</p> <p>For PERS 2, PERS 3 and TRS 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</p>

	<p>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>