I. PURPOSE

To summarize the insurance benefits available under the Group Benefits Program (GBP) of CTCD, which includes Health, Life, Accidental Death and Dismemberment (AD&D) and Optional Insurance Coverage.

II. SCOPE

This policy applies to all full-time staff working 40 hours per week, full-time faculty as designated by the College Board of Trustees, extended category adjunct faculty and full-time employees working 20 hours or more per week but less than 40, who work primarily in the State of Texas; to all full-time employees who were full-time employees of record outside the State of Texas on August 31, 1999 and who were actively participating in the GBP; to all members of the College Board of Trustees who were actively participating in the GBP on August 31, 2003; and to all employees who retire(d) under the Teacher Retirement System (TRS) or the Optional Retirement Program (ORP) of the State of Texas with ten or more years of creditable service.

III. POLICY

CTCD makes available a GBP for eligible employees, members of the College Board of Trustees and retired employees through the Employees Retirement System of Texas (ERS) in accordance with the Insurance Code, Chapter 1551, Texas Employees Group Benefits Act.

Eligible participant benefits are contingent upon appropriations received from the State of Texas.

A. Basic Health, Life and Accidental Death and Dismemberment

1. Health

A comprehensive traditional health insurance plan is provided to the employee unless the employee waives this coverage in writing.

a. Currently, 100 percent of premium is paid by the State or by CTCD for all eligible full-time employees and staff budgeted to work 40 hours per week; employees budgeted to work 20 hours or more per week but less than 40 who were employees of record on August 31, 2003; faculty; extended category adjunct faculty and members of the College Board of Trustees who were actively

participating in the GBP on August 31, 2003 (does not apply to Service Contract Act employees).

b. Currently, 50 percent of premiums are paid by the State or by CTCD for all eligible employees who are budgeted to work 20 hours or more per week but less than 40, with an employment date as of September 1, 2003 (does not apply to Service Contract Act employees).

2. Life

Employees enrolled in the GBP health insurance plan are currently provided $5,000 of group term life insurance**.**

3. Accidental Death and Dismemberment

Employees enrolled in the GBP health insurance plan are currently provided $5,000 of accidental death and dismemberment insurance.

B. Optional Benefits (premiums paid by employees through payroll deduction)

The following benefits are currently available to eligible employees and members of the Board of Trustees:

1. Health insurance coverage for eligible dependents.

2. Additional group term life insurance up to twice their annual salary or three or four times annual salary with evidence of insurability.

3. Additional accidental death and dismemberment insurance up to $200,000.

4. Dependent life insurance in the amount of $5,000 per eligible dependent.

5. Short-term disability insurance with a monthly salary cap of $10,000.

6. Long-term disability insurance with a monthly salary cap of $10,000.

7. Dental Insurance.

Enrollment in basic health is required for Optional Benefit number 1.

Enrollment in Optional Benefits numbers 2 through 7 do not require participation in basic health.

C. Employees on Family/Medical Leave

Employees on Family/Medical Leave (FML) are entitled to the State or to the CTCD contributions for basic health. Employees must contact the Employee Benefits office to discuss payment of optional premiums (if any) if employees do not expect to receive wages every payroll period during their absence.

D. Employees on Leave Without Pay

Employees on leave without pay (excluding FML) for an entire month are not entitled to the state or CTCD contribution to basic health and are responsible for that month's insurance premium for coverage for themselves and their dependents (if any). Employees who anticipate being on leave without pay for more than 30 days must contact the Employee Benefits office prior to taking leave to discuss payment of premiums.

E. Texflex

Employees eligible for enrollment in the GBP, even if in waived status, are eligible for enrollment in Texflex. Texflex, administered by the ERS, offers two flexible spending accounts with tax-saving features:

1. Flexible Spending Account - Health Care (FSA-Health)

   Allows employees to pay for health care expenditures incurred by the employees and their eligible dependents with pre-tax dollars. Employees designate specified amounts to be withheld from their paychecks to use for health care expenses.

2. Flexible Spending Account - Dependent Care (FSA-Day Care)

   Allows employees to pay for child, adult and elder care with pre-tax dollars. Employees designate specified amounts to be withheld from their paychecks to use for dependent care expenses.

F. Premium Conversion

Employees are automatically enrolled in premium conversion. Premium costs (except Dependent Life and Disability) are deducted from salary on a pre-tax basis.

G. Retirement and Insurance Benefits

GBP eligible employees who retire under the Teacher Retirement System of Texas (TRS) or the Optional Retirement Program (ORP) with ten (10) or more years of creditable service are eligible for basic health and optional benefits through GBP, as appropriated by the State of Texas, either at age 65 or when they meet the rule of 80 (age plus years of service equals 80). Current benefits include:

1. Basic Health and Life

   a. Health. 100 percent of premium is paid by the State or by CTCD for all eligible retirees enrolled in the GBP health insurance plan.

   b. Life. Retired employees enrolled in the GBP health insurance plan are provided $2,500 of group term life insurance.

2. Optional Benefits (premiums paid by retired employees directly to the Employees Retirement System of Texas):

   a. Life. Additional group term life insurance of up to twice their annual salary at retirement without evidence of insurability if carried as an active employee. If not, up to $10,000 with evidence of insurability.

   b. Dependent Life. (If carried as an active employee)

   c. Dental

NOTE: At age 65, Medicare becomes "Primary" insurer for retirees. However, the Health Plan will stay primary insurer for retirees age 65 or older who are not eligible for Medicare and for retirees age 65 or older who live outside the U.S. where Medicare reimbursement is currently not available.

IV. PROCEDURES

A. Enrollment of Active Employees

1. Basic Health, Life and AD&D

   Eligible employees are enrolled in the GBP health insurance plan on the date of full-time employment without evidence of insurability. Coverage will start the first day of the month following the completion of a 90-day waiting period. If employees do not experience a break in GBP coverage on the date of full-time employment with CTCD, the waiting period is waived. Employees are required to complete an enrollment form. Employees who waive health insurance coverage are required to complete a Waiver of Group Insurance Coverage in addition to an enrollment form. Evidence of insurability may be required if employees wish to enroll in the GBP health insurance plan at a later date.

   Eligible employees within Texas who waive the GBP health insurance coverage and full-time employees outside of Texas who are not eligible for GBP will receive 25 cents per hour the first day of the month following the completion of a 90-day waiting period (does not apply to the wage determined health benefit). The 25 cents per hour benefit is capped at 40 hours per week.

2. Optional Benefits

   Optional benefits are available on the first day of employment. Eligible employees may enroll in optional benefits on the first day of employment or within 30 days thereof without providing evidence of insurability. If an employee does not enroll in optional benefits on the first date of eligibility, optional benefits will be effective the first day of the following month.

   After 30 days, employees may elect optional benefits only during the summer enrollment period for the new plan year or within 30 days of a qualifying life event. Evidence of insurability will be required except for dental and AD&D coverage.

3. Texflex

   Employees have 30 days from the first date of eligibility to enroll in Texflex. After 30 days, employees may elect to participate in Texflex only during the summer enrollment period for the new plan year or within 30 days of a qualifying life event. Employees have to elect participation in Texflex for the first (initial) year, every year TexFlex will renew automatically unless changes are needed or required.

NOTE: Eligible employees may enroll in optional benefits (except dependent health) available through GBP and in Texflex without electing health insurance coverage.

B. Enrollment of Retired Employees

Eligible retiring employees are not automatically enrolled in the GBP. Employees with 10 or more years of eligible service with TRS or ORP and who meet the "rule of 80" or are 65 years of age or older must complete an enrollment form before retirement to avoid a lapse in coverage. Changes to GBP can be made within 30 days after the retirement date without evidence of insurability.

Eligible employees with 10 or more years of service in TRS or ORP who either have left the employment of CTCD due to other employment or early retirement, must, at or after retirement, contact the Employee Benefits office within 30 days of their 65th birthday in order to enroll in the GBP without evidence of insurability. Health insurance coverage will start the first of the calendar month after a 90-day waiting period.

Optional benefits are available on the first day of retirement. If a retiree does not enroll in optional benefits by the first date of eligibility, optional benefits will be effective the first day of the following month. After 30 days, retirees may elect optional benefits only during the summer enrollment period for the new plan year, or within 30 days of a qualifying life event. Evidence of insurability is required except for dental coverage.

C. Qualifying Life Event or Change of Address

1. Current employees should contact the Employee Benefits office within 30 days of a qualifying life event in order to add or drop a dependent. Retired employees should notify ERS of any changes in family status as soon as possible.

2. Current employees should contact the Employee Benefits office immediately upon a change of permanent address. Retired employees should contact ERS. The address change may result in a change of health plan coverage.

Complete information on benefits and eligibility can be obtained from the Employee Benefits office. Group insurance benefits are subject to change. If any information contained in this policy conflicts with the rules and regulations established by the ERS and/or Insurance Code, ERS or the Insurance Code rules will apply.