

DRAFT



OnePurdue  
*HR Benefits*

## Overview of Benefits in OnePurdue

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## **General Information**

With the implementation of the new system, benefits administrators and employees will enjoy a streamlined benefit enrollment and management process. Additionally, the process to manage benefit deductions will become more accurate and timely.

To appropriately enroll employees into the correct benefit plans, the new system requires that core data be established based on the following items:

### **Attributes Based on Position**

As employees are hired into positions, certain attributes of the position will trigger the assignment of an appropriate benefit area, benefit group, and benefit status for the employee. These values can be overridden if necessary.

#### **Benefit Area**

The benefit area could be defined as a benefit plan pool. In the new system, campus locations will be used as benefit areas.

#### **Benefit Group (1<sup>st</sup> Program Grouping)**

The benefit group is used to sort employees into distinct groups based on plan eligibility. In the new system, we will use the following groups:

- Pay with Benefits
- Pay without Benefits
- Non Pay with Benefits
- Non Pay without Benefits

#### **Benefit Status (2<sup>nd</sup> Program Grouping)**

The benefit status is used to further sort employees within a benefit group into a more distinct sub-group based on plan eligibility. The benefit status will also be used to select the benefit plans presented to enrollees through Employee Self Service. In the new system, we will use the following statuses:

- Admin/Prof
- Clerical
- Continuing Lecturer
- Faculty
- Fellow Post Doctoral
- Fire/Police BW Salary
- Fire/Police Management
- Graduate Staff
- Management/Professional
- Non Exempt Prof
- Operation Assistants
- Paraprofessionals
- Police Hourly

- Police/Fire Administrative
- Post Doc Associate/Vet Intern/Res
- Service
- Visiting Emeritus Faculty
- FEHB
- PAA/PRF/1PO4
- Other Non-Eligible
- LTD
- Retiree
- COBRA

### ***Benefit OnePurdue Terminology***

OnePurdue terms that are used in the benefits module to describe the activates:

1. Arrearage Installations
2. Prorations
3. Savings Plans (Retirement Plans currently)

## **Benefits concepts Overview**

### Employee Self Service

A key component of the new benefit administration process is the use of Employee Self Service (ESS). Benefit options will be presented to employees through ESS during the new hire process, a life change event, or during open enrollment. Employees will have access to on-line program information and the ability to enroll, change, and view information as appropriate. For those employees who do not have access to a computer, paper enrollment forms may be generated.

### Electronic Signatures

Another key component of the new benefit administration process is the acceptance of an electronic signature. Both core and optional benefit offerings will be elected on-line, eliminating the paper enrollment forms kept for signature authorization today.

### Automatic Proration of Some Deductions

OnePurdue provides the capability to prorate deductions. Health and insurance plan deductions will be prorated on a daily basis. Savings plans and flexible spending accounts do not offer a proration feature. (These are explained below).

### Calculating and Collecting Arrearage Installations

The new system will calculate amounts due when an employee does not have enough net pay to handle all deductions and then attempt to collect any amounts due from the employee's next pay.

### Simplified Creation and Maintenance of Benefit Plans

In the future, benefit plans will be created and maintained by staff in Benefits.

Each regional campus that will manage their employees' enrollment, change in family status actions, EVPR monitoring, etc. at their respective campuses instead of forwarding documents to West Lafayette.

Reporting will be managed by the Benefits Administrators and each campus will manage their own reports.

### ***Arrearage Installations***

This concept is totally new to Purdue. OnePurdue will calculate amounts due when an employee does not have enough net pay to handle all deductions. If the deduction wage type is "arrear eligible", the system will record any deduction that could not be taken due to insufficient funds, then attempt to collect any amounts due from the employee's next pay. The system also provides the ability to establish a re-payment plan for employees with significant arrearages.

### ***Proration of Benefit Deductions and Reductions***

The new system provides the capability to prorate deductions. The current legacy system will only take a deduction for the full amount if the coverage is effective for the entire pay period. (This is also true for refunds--no automatic refund if coverage ends earlier than the end of the pay period).

OnePurdue will prorate benefit deductions based upon the type of benefit. ONEPURDUE groups benefits into four major plan areas for proration purposes. The plan areas are medical plans, insurance plans, savings plans, and FSA plans.

- Medical and Insurance plans will be prorated to take deductions on a "daily basis" based on the effective date (so this allows getting contributions for a partial pay period.) Each infotype record that falls into the current payroll period is evaluated on either the begin date of the payroll period or the record date (whichever is later) and then prorated according to the number of calendar days on which the record is valid in the payroll period.
- Savings plans will be pro-rated by date, but will take the employee election, (either % or flat rate) for the entire pay period based on the last % or rate it finds. (EXAMPLE: Employee is making \$25,000 and gets an increase Aug 17th making their new salary \$28,000. The TIAA contribution taken when payroll is written Aug. 26th will be based on the \$28,000 for the whole month of August.)
- FSA contributions will not be prorated and will not have a final contribution taken if the employee terminates.

### ***New Employee enroll in Employee Self-Service***

Staff will make selections of their benefit choices on line. They can access the system and print their own confirmation statements to keep data confidential and out of the mail. Paper enrollment forms can be produced. They can be printed and given to the employee during hiring process instead of enrolling/making changes on line, but these will be printed only if the staff member requests it.

## ***Benefits deductions/reductions while not being paid***

If staff are not being paid (such as an unpaid leave of absence, EVPR) there are five choices of how they can pay for their benefits.

1. Deductions will automatically go into arrearage installations and the full amount will be taken when they return and have pay.
2. Deductions can be spread out over several pay periods before they leave, while the employee is still being paid.
3. Deductions can be spread out over several pay periods after the person returns to work and is being paid (this is different than arrearage installations in that arrearages are taken all at once, in their first paycheck after they return).
4. Deductions can be “pre-paid” in the form of a check for the full amount. If someone is off on leave of absence and want to prepay they will only be allowed to pay up to the end of the calendar year.
5. Billing through Accounts Receivable can be established only if no other option is reasonable.

## ***FY and AY deduction Frequency***

We will have the following deduction frequency for plans: Fiscal Year, Academic Year, Biweekly Academic Year (18 pay periods per year instead of 26). The "off cycle/BK,BJ" appointments will move to 10 month frequency so we collect the annual amounts we need for deductions. If they are not working, their deductions will go into arrearage installations.

## ***Benefits value based on FTE***

If an employee's FTE drops from 100% to 50%, the "value" and "cost" of benefits will also drop proportionally. EXAMPLE: annual salary at \$60,000 working 100% FTE (above tier for medical plan contribution). If FTE drops to 50%, and salary drops to \$30,000 then contributions would drop to below tier for medical AND value of life insurance would also drop to \$30,000 (if one times salary).

## ***Term Life Benefit Changes***

The University provides employees with term life insurance coverage equal to their annual budgeted salary. The current practice of keeping the value of the highest salary the employee has attained while covered under Purdue's plan will stop. The coverage will be based on the employee's current salary, plus their most recent summer salary if holding a 10-month appointment. There is no policy that supports this practice of “highest salary ever” and to try to continue this practice in OnePurdue would require a completely manual process that someone would have to monitor constantly

## ***EVPR guidelines***

With OnePurdue, it is our goal to reduce or eliminate the past problems associated with the EVPR participants. In general, the issues of identifying the EVPR participants and collecting arrearages or returning overpayments should be resolved. Refer to the memo titled: Early

Voluntary Partial Retirees - Process for Managing Appointments and Benefits in the New System dated 9/7/05 from John Beelke to Jim Almond.

### ***Retiree Benefits***

Retiree benefits will continue to be part of our system. Staff who are official university retirees under the age of 65 may elect medical and/or term life coverage. Annual or monthly billings for premiums will be handled through the Accounts Receivable system since this group does not receive pay. They will enroll on line in Employee Self Serve. (Retirees over the age of 65 are moved to Medicare coverage and will not remain eligible for coverage).

### ***Graduate Staff Benefits***

Benefits for Graduate Staff will be available in OnePurdue, with the grad options on the Employee Self Serve screens. Tax Deferred Annuities will be available to the grad staff and this offering will be communicated to them during enrollment.

### ***Date driven actions***

The system can be set to take deductions (or skip deductions) for a specific period of time, eliminating the need for making adjustments “just in time” for payrolls to be written. The date driven function assists the pro rating of plans for the medical and insurance deductions. Since deductions will be based on specific dates and not by pay period, these will be a true deduction rate amount being collected for the time specified.

## **The Benefit Process Overview**

### ***Employee Role***

This role is responsible for enrolling themselves in the various medical, insurance, savings and Flexible Spending Account (FSA) plans. Also, the employee is responsible for keeping their information updated by notifying Benefits within 30 days of a Change in Family Status event. Enrollment packets will no longer be distributed for Open Enrollment in the fall. Instead, employees will be notified that the system will be available for enrolling themselves on line.

Below is a screen shot of the HRBEN0001 transaction in which the employee clicks the “Get offer” button to select the choices of benefits offered to the individual. The options available to the person are based on the person’s status in the first and second program grouping when the record was established in the system.

The screenshot displays the SAP Enrollment system interface. At the top, the menu bar includes 'Enrollment', 'Edit', 'Goto', 'System', and 'Help'. The SAP logo is visible in the top right corner. The main window title is 'Enrollment'.

On the left side, there are input fields for 'Personnel no.' and 'ID number', along with a 'Select' button. Below these are icons for various actions like 'Print', 'Copy', and 'Paste'. A list of personnel is shown, with '22 ClericalNE12 Benefits' selected.

The main area is divided into several sections:

- Enroll:** Shows 'Name: ClericalNE12 Benefits' and 'on: 04/10/2006'. There is an 'Overview' button.
- Offer selection:** Includes buttons for 'Get offer', 'Print form', 'General Notice', and 'Error list'. A table lists 'Possible offers' and 'Enrollment period':
 

Possible offers	Enrollment period
Anytime Chg Ben Adm	01/01/1800 - 12/31/9999
Anytime Chg ESS	01/01/1800 - 12/31/9999
Automatic offer	
Default offer	
- Anytime Chg Ben Adm:** A detailed table of benefit plans with columns for 'Plan', 'Status', 'Validity period', and 'Activity':
 

Plan	Status	Validity period	Activity
Medical			
Purdue 500	■	04/10/2006 - 12/31/9999	
Incentive PPO		04/10/2006 - 12/31/9999	
Arnett Managed Care		04/10/2006 - 12/31/9999	
Medical Opt Out		04/10/2006 - 12/31/9999	
Purdue Spouse Opt Out		04/10/2006 - 12/31/9999	
Term Life			
Term Life		04/10/2006 - 12/31/9999	
STD			
STD	■	04/10/2006 - 12/31/9999	
STD		01/01/2007 - 12/31/9999	
LTD			
LTD	■	04/10/2006 - 12/31/9999	
Dep Life			
Dependent Life		04/10/2006 - 12/31/9999	
PAI Employee			
PAI Employee		04/10/2006 - 12/31/9999	
PAI Spouse			
PAI Spouse	■	04/10/2006 - 12/31/9999	
PAI Child			
PAI Child	■	04/10/2006 - 12/31/9999	
PERF Def Bene			
PERF Defined Benefit		04/10/2006 - 12/31/9999	
PERF Ann Saving			
PERF Annuity Savings		04/10/2006 - 12/31/9999	
TDA Am Cen-457			
TDA (457) - American Century		04/10/2006 - 12/31/9999	
TDA Fid-457			
TDA (457) - Fidelity		04/10/2006 - 12/31/9999	
TDA Lincoln-457			
TDA (457) - Lincoln		04/10/2006 - 12/31/9999	

At the bottom right, the status bar shows 'DE1 (1) 530 erpdev01 INS'.

## **Benefits Administrator Role**

This role is responsible for overseeing benefit processing. This person manages the employee arrears process. Executes the arrearage reports and completes data entry for one time & recurring deductions. Completes data entry of benefit enrollment information into OnePurdue. Prints enrollment and confirmation forms. Approves CIFS forms and enters appropriate CIFS reason into OnePurdue, Executes COBRA report daily to identify COBRA eligible actions created in the system. Completes data entry of the COBRA action items. Executes participation monitor reports to validate employee eligibility. Executes the automatic and default programs on a daily basis. Executes program to monitor waiting periods for TIAA and LTD plans. Executes standard and ad hoc queries as necessary to support the organization.

## **Benefits Processor Role**

The role is responsible for data entry, running reports, printing of enrollment, confirmation, and change in family status forms.