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Two New Policies Approved

Two new benefit policies were recently approved pertaining to tuition waivers/discounts for employees and dependents. The full policies are provided below. Please contact Ms. Brenda Keith, Benefits and Compensation Manager (5346) with any questions you may have.

Faculty and Staff Tuition Waiver Program

Faculty and staff are eligible to receive tuition waivers for courses taken at Western Kentucky University, any of the other Kentucky public universities, or any institution in the Kentucky Community and Technical College System. The purpose of this policy is to provide guidelines for taking academic course work under this plan. The intent of the policy is to enhance the benefits available to Western Kentucky University employees and to encourage employee development and the pursuit of higher levels of education for all employees.

A. Western Employees Who Take Courses at Western Kentucky University

- **Eligibility** 1. Regular full-time employees are eligible to have tuition and mandatory fees remitted for up to six (6) credit hours per semester (six hours in each of the Fall and Spring semesters and six hours during the summer). Individuals must be employed on or before the last day of "regular" registration during the semester in which the course is offered to be eligible for the tuition benefit. Note: Tuition waived under this policy is limited to six (6) credit hours per semester/summer term at Western or any combination of institutions. Refer to Section B. 2. Part-time employees are eligible to have tuition and mandatory fees remitted for up to three (3) hours per semester (three hours in each of the Fall and Spring semesters and three hours during the summer). Part-time faculty must be employed for one (1) full semester prior to the start of a class to be included in this policy. Part-time staff must be employed for six (6) months before becoming eligible for this benefit. There is no accumulation of this benefit. No part-time employee, including faculty, may exercise this benefit by attending classes or participating in course work during scheduled work hours.

- **Regular full-time employees who are on an approved leave of absence may continue to be eligible for the tuition waiver for the duration of the approved absence. Retirees of Western Kentucky University are eligible for tuition waivers under the same provisions as regular full-time employees.**

- In order to participate in the tuition waiver program, the employee must meet general admission requirements and any specific program requirements of the University. 5. Employees must maintain a minimum grade point level of 2.0 on a 4.0 grade scale on their WKU grade point average. If the GPA falls below 2.0, the employee will be ineligible to participate in the tuition waiver program until the GPA improves to 2.0. 6. Employees must be or remain employed during the entire term of the class/course in order to have tuition waived. If an employee resigns or is terminated during the time the class/course is being taken or prior to its completion, the employee will be required to pay all tuition and fees for that class/course.

- **General** 1. The Faculty and Staff Tuition Waiver Program includes the full tuition and mandatory fees for courses taken under the program. Fees which are not considered a part of this policy include extended campus fees, lab fees, student teaching fees, and other similar fees. 2. This program applies to all courses offered for credit, but does not include non-credit continuing or community education courses, courses offered through overseas programs and audited courses. Correspondence and bi-term courses are included in this policy. 3. With the approval of the department head, an employee may take one course during normal working hours, 8:00 a.m. to 4:30 p.m. without being required to use vacation time or lunch time to make up for time spent in class. Although supervisors/department heads are encouraged to approve an employee's request to take a class during regular working hours unless the taking of a class would adversely affect the work unit, it is expressly provided herein that divisions/departments of the University may implement additional and/or more specific provisions relating to the taking of a course during normal working hours.

A request to take a class during working hours should be in writing, submitted to the employee's department head or immediate supervisor no later than thirty (30) days prior to the first meeting date of the class. If the request is disapproved, the department head will indicate, in writing, the specific legitimate reasons or basis for the denial within ten (10) days.

Upon receipt of a department head's written denial, the employee shall have two (2) working days to appeal the denial to the Director of Human Resources. The appeal must be in writing, copied to the department head, and must detail the specific reasons why the department head's denial should be reversed. The Director of Human Resources will review and issue a decision within three (3) working days of receipt of the appeal. In the event a faculty member appeals a decision, the Director of Human Resources will, after consultation with the Assistant Vice President for Academic Affairs, review and issue a decision within three (3) working days of receipt of the appeal. If either the department head or employee is not satisfied with the decision, within three (3) working days of receipt of the Director's decision either may appeal the decision to the Chief Administrative Officer (CAO) of that division. The appeal must be in writing and must detail the specific reasons why the Director's decision should be reversed. The CAO will review and issue a written decision within three (3) days of receipt of the appeal. The CAO's decision shall be final on all issues. 4. It is the employee's responsibility, in conjunction with his/her supervisor, to ensure that productivity in the performance of the employee's duties is not...
diminished. If, as a result of taking a class/course during normal working hours, tasks are insufficiently addressed or productivity is diminished, then the employee, with the supervisor's consent, must be willing to perform those tasks or related duties in a manner at a time convenient to the employee and the department.

This policy is intended to encourage the educational advancement of Western Kentucky University employees without infringing upon earned leave benefits. If, however, an employee chooses to claim/use vacation time or use the lunch time period to take a course, then they may do so without retribution.

The satisfactory performance of duties shall be paramount at all times. It is the employee's responsibility to ensure continuous productivity in the performance of his/her duties regardless of the time spent in personal or professional endeavors. 5. This benefit program is not transferrable to a spouse or dependents. 6. Any tax liability incurred through participation in this program is the responsibility of the employee. It is understood that an employee who takes a class/course during his/her normal working hours or shift is not entitled to overtime wages for performance of job duties that, as a result of taking a class during normal working hours, must be performed and/or completed by the employee after normal working hours.

■ Procedure Employees who wish to take courses under the provisions of this policy should complete the Faculty/Staff Tuition Waiver Form and submit it to their respective supervisor/department head for approval. Upon approval by the supervisor, the employee should proceed to register for the desired course(s). A new form is required for each semester during which a course is taken and should be sent to the Department of Human Resources. The Department of Human Resources and the Department of Accounts and Fiscal Services are responsible for eligibility verification and accounting for benefits received under this program.

B. Western Full-Time Employees Who Take Courses at Another Kentucky University or Any Institution in the Kentucky Community and Technical College System

■ Eligibility 1. Regular full-time employees are eligible to have tuition remitted for up to six (6) credit hours per semester (six hours in each of the Fall and Spring semesters and six hours during the summer term). Note: Tuition waived under this policy is limited to six (6) hours per semester from WKU or any combination of institutions. 2. Regular full-time employees who are on an approved leave of absence may continue to be eligible for the tuition waiver for the duration of the approved absence. 3. In order to participate in the tuition waiver program at another institution, a WKU employee must meet the general admission requirements and any specific program requirements of the relevant institution. 4. Employees who terminate employment prior to the last day of "regular" registration at the respective institution will not be eligible for a tuition waiver under this policy.

■ General 1. Under the Faculty and Staff Tuition Waiver Program, a participating institution may elect to waive only tuition or both tuition and fees. 2. A participating institution may elect to exclude from the program correspondence courses, short courses, workshops, and courses offered by a continuing education program. 3. Employees may not take courses at another institution during their regular working hours unless specific approval is granted by the supervisor and department head. 4. This benefit program is not transferrable to a spouse or dependents. 5. Any tax liability incurred through participation in this program is the responsibility of the employee. The employing institution will be responsible for any appropriate tax withholdings and reporting.

■ Procedure Western employees who wish to take courses at another institution should contact the Department of Human Resources for an employment certification and eligibility form. A new form is required each semester. The approved form should be taken to the institution where the course is to be taken.

Tuition Discount Program for Dependents

Dependents of regular full-time employees are eligible to receive tuition discounts for courses taken at Western Kentucky University. This applies to all courses offered for credit, but does not include continuing or community education courses, courses offered through overseas programs, or audited courses.

Correspondence and bi-term courses are included in this policy. A 50 percent tuition discount applies to the full tuition and mandatory fees for courses taken. Fees which are not considered a part of this policy include extended campus fees, lab fees, student teaching fees, and other similar fees.

Dependent Children

Dependent children of regular full-time employees are eligible to receive a tuition discount of 50 percent on all undergraduate courses. In order to participate in the program, dependent children must meet general admission requirements and any specific program requirements of the University. High school students who take college work prior to graduation are also eligible for tuition discounts under this policy (please refer to institutional admission requirements for high school students).

A minimum WKU grade point criteria of 2.0 on a 4.0 grade scale must be maintained. If the GPA falls below 2.0, the dependent child will be ineligible to participate in the tuition discount program until his/her GPA improves to 2.0. Dependent children who have earned a baccalaureate degree from another institution may also participate in this program until the degree requirements for one baccalaureate degree at Western are met. The tuition discount is renewable each semester by application.

A dependent child is defined as one who is an unmarried natural child, adopted child, step-child or legal ward and is less than 25 years of age as of the first day of the semester for which application is made and who is claimed as a dependent by the employee for income tax purposes. In the case of legal separation or divorce, a natural or adopted child or legal ward may participate in this program regardless of which parent declares the child as a dependent for income tax purposes.

Eligible dependent children may receive the reduced tuition benefit only for classes which begin subsequent to the employee's employment date. For purposes of this policy, the employee, through which this tuition discount is gained, must begin employment on or before the last day of "regular" registration for the dependent child to receive the tuition discount for that semester. Should the employee, through which the tuition discount is gained, terminate employment during the time a course is being taken or prior to its completion, the dependent child will be allowed to complete the then current semester and continue to receive the previously approved tuition discount.

This policy does not apply to dependent children who are recipients of full scholarships.
from any source (i.e. a "full" scholarship is defined as one which also includes paid tuition). Dependent children receiving less than full scholarships are eligible for the tuition discounts provided herein. However, the combined amount of all tuition scholarships shall not exceed the total amount of tuition and fees.

Dependent children of full-time employees on an approved leave of absence (including sabbatical leave) are eligible for the discounts under this program for the duration of the employee's approved absence.

Spouses

Legal spouses of regular full-time employees are eligible for a 50 percent tuition discount for up to six (6) credit hours per semester (six hours in each of the Fall and Spring semesters and six hours during the summer) of undergraduate or graduate course work. This benefit applies to all courses offered for credit, but does not include continuing or community education courses, courses offered through overseas programs, or audited courses. Correspondence and bi-term courses are included in this policy. The 50 percent tuition discount applies to the full tuition and mandatory fees for courses taken. Fees which are not considered a part of this policy include extended campus fees, lab fees, student teaching fees, and other similar fees.

A minimum WKU grade point criteria of 2.0 on a 4.0 grade scale must be maintained. If the GPA falls below 2.0, the spouse will be ineligible to participate in the tuition discount program until his/her GPA improves to 2.0.

Spouses must meet general admission requirements and any specific program requirements of the University. For purposes of this policy, the employee, through which the tuition discount is gained, must begin employment on or before the last day of "regular" registration for spouses to receive the reduced tuition for that semester. Should the employee, through which the tuition discount is gained, terminate employment during the time a course is being taken or prior to its completion, the spouse enrolled as a student will be allowed to complete the then current semester and continue to receive the previously approved tuition discount.

Spouses of full-time employees on an approved leave of absence (including sabbatical leave) are eligible for the discounts under this program for the duration of the employee's approved absence. This benefit is not provided to spouses of part-time employees. In addition, tuition discounts are not cumulative where two spouses work at WKU part-time or full-time.

Dependent Children & Spouses of Retirees

Dependent children and spouses of retirees are eligible for tuition discounts following the same guidelines as regular full-time employees. For purposes of this policy, a retiree is defined as an individual who has attained official retirement status with Western Kentucky University.

Procedure

For individuals requesting the tuition discount benefits provided by this policy, a tuition discount form must be completed each semester and forwarded to the Department of Human Resources for eligibility verification.

New Legislation Affects Reemployment of KERS Retirees

The 1998 General Assembly passed new legislation which affects employment after retirement for members of the Kentucky Employees Retirement System. Employees cannot retire and immediately be reemployed. If this occurs, the employee's retirement will be voided. Retirees must wait one year after the date of retirement to return to work in a position requiring 100 or more hours per month. Upon return to part-time work (100 hours or more/month), a new retirement account will be established for the retiree which is separate from his/her original account.

Employer and employee contributions will be required. The employer contribution rate is 8.03% of pay while the retiree's contribution rate is 5.0% of pay. The retiree's two retirement accounts will never be combined. Upon completing the required vesting period, the employee would be eligible to receive an additional retirement annuity from the second account.

Supervisors/Department heads should be advised of the 8.03% contribution requirement when reemploying individuals under these circumstances. This cost will add to the fringe benefit cost for these individuals.

Latest Health Insurance Information

We continue to make progress in implementing a new health insurance program for 1999. As you probably know, legislation enacted during the most recent legislative session abolishes the Kentucky Health Purchasing Alliance. Therefore, Western Kentucky University along with several other state institutions must make new plans for providing quality employee health insurance for 1999. The possibility of implementing a self-insurance plan has generated much conversation recently. Please be assured that the University is committed to putting in place the best possible means of providing employee health insurance whether on a self-insured basis or traditional basis. As previously noted in earlier communications on this subject, self-insurance does not have the implications of diminishing coverage or options. It only affects how the institution finances the employee health insurance program. Experts continually tell us that self-insurance is the most economically efficient means of financing a health insurance program - both for the institution and employees.

The Department of Human Resources has assembled a team of ten individuals, five faculty and five staff, to help analyze the health insurance options and formulate a recommendation. While no final decisions have been made as of this date, five different plan options have been proposed to provide an array of choices for employees. These plans include a PPO plan with standard and enhanced benefits; a POS plan with standard and enhanced benefits; and, an indemnity plan. These options ensure coverage which is as good as or better than that available today through the Purchasing Alliance.

Proposals are currently being evaluated by the health insurance advisory team and our professional consulting firm, J&H Marsh McLennan. Early indications are that self-insurance looks to be the most favorable among proposals. Should we elect to self-insure our health program, President Ransdell has made a commitment to reinvesting any plan savings back into the employee benefit program to enrich benefits and to help keep cost at the lowest possible levels. A recommendation will be presented to the University's Administrative Council in the immediate future.
Have you considered the benefits of direct deposit of your payroll check? Direct deposit allows you to have your paycheck delivered to your bank and in your account on your regularly scheduled payroll date—without wasting time waiting in lines or worrying about getting your check when you're ill or on vacation.

Your check cannot be misplaced, lost, or stolen. On pay day, Western will provide you with your earnings statement showing your gross earnings, taxes, deductions, and the amount(s) directly deposited into your account(s).

Deposits may be made to one or two accounts. The accounts may be either checking or savings accounts. If you elect to use one account, 100% of your net pay will be deposited to your account. If you elect to use two accounts, you may determine a specific dollar amount to be deposited into the first account and the remaining balance will be deposited into the second account. Consider Direct Deposit today. It requires less paperwork and less hassle for everyone while being a great convenience.

We have been advised that some area banks (Service One Credit Union, Star Bank, & perhaps others) offer free checking to individuals having direct deposit.

To sign up or for more information please visit or contact the Payroll Department at 2073 or 2074.

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**Retirement Tip #1: Start Early!!**

Retirement is probably not something the average 25-year-old spends a lot of time thinking about. In fact, at that age and well beyond—many of us are too busy building careers, repaying college loans, or just making it to Friday evening after a long week at work. Unfortunately, our retirement clock continues to tick. As time passes, we must either save more, earn more or, the last option for most of us, scale back our retirement dreams. For the retirement saver, time is the greatest ally, as this chart illustrates.

If you're 25 years old and want to retire at age 65 with $300,000, you can contribute $100 semi-monthly for five years to reach your goal (assuming an 8% annual interest rate) That's it. With an outlay of only $12,000, by the time you are 65, you would have $300,000. At 35, when you are focused on your career, starting a family, and planning to buy a house, you'll have to make those semi-monthly contributions of $100 for 15 years (assuming the same rate of interest). You'll have shelled out about $36,000 by age 50. If you wait until age 45 to start saving, when the kids are in college and the house is a home, you'll have to contribute $64,800 to acquire that same $300,000. And you won't reach your goal until you're 72! (Don't you wish you could turn the clock back 20 years). In saving for retirement, the early bird gets the worm—and pays less for it.

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**The Cost of Procrastination**

To Accumulate $300,000

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**Human Resources Staff**

Mary Ann McGehee - Human Resources Associate; Diana Jones - Data Management Associate; Beth Littrell - Benefits Associate; Donna Duff - Employment Associate; Faye McKeage - Office Assistant; Ivy Roberson - Employment Manager; Brenda Keith - Benefits & Compensation Manager; Kellie Stinson - Part-time Benefits Associate; Josh Sampson - Student Associate; Natasha Vondracek - Student Associate; Tony Glisson - Director

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The information contained in this newsletter is not to be interpreted as policy or to impose obligations on the institution unless specifically stated. Rather, the material is designed to communicate general information for the use and benefit of Western Kentucky University employees.

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