

Staff Personnel Manual (SPP)

SPP 504–01: Insurance Coverage

Effective: 7/1/1978

Revised: 12/23/2024

Purpose

To provide eligible employees with insurance coverage

Sources

Consolidated Omnibus Budget Reconciliation Act (COBRA)

Internal Revenue Code § 125

Arizona Administrative Rules and Regulations, R2-5-602 (Supp. 1983–84); -604 (Supp. 1983–84)

Arizona Board of Regents Policy Manual - 6–604

University policy

Applicability

Benefits-eligible [classified staff](#), [university staff](#), and [non-faculty administrators](#)

Policy

The university offers employees a choice of medical/pharmacy and dental insurances with the employee and the university both contributing, on a variable basis, to the cost of the premium.

In addition, the university provides, at no cost to the employee, basic group term life insurance. The university also offers one or more of the following insurances, with the employee paying the full premium for any coverage elected:

1. vision
2. employee supplemental life
3. dependent life
4. long-term care
5. short-term disability

and

6. other voluntary benefits.

Long-term disability coverage is provided under an employee's retirement plan. An employee who is a member of the Arizona State Retirement System (ASRS) shares the cost of coverage with the university; an employee who is a member of the Optional Retirement Plan (ORP) or Public Safety Personnel Retirement System (PSPRS) has the premium paid in full by the university.

Unemployment insurance and workers' compensation coverage is provided by the university to all employees.

Available insurance coverage is subject to change by the Arizona Legislature, the Arizona Board of Regents, or the university at any time.

Coverage Enrollment Dates

Enrollment in medical, dental, vision, supplemental and dependent life, and short-term disability benefits must be completed with the Office of Human Resources (OHR), within 30 calendar days of eligibility. Voluntary benefits can be elected at any time but may be subject to initial guaranteed issue amounts.

Hiring managers and departments are responsible for notifying newly eligible employees of their benefits rights and enrolling them in New Hire Orientation before the end of the 30-day enrollment period. See the [Benefits Enrollment dashboard](#) for a listing of employees who have not completed the enrollment process.

Coverage Effective Dates

Medical, dental, vision, basic, supplemental and dependent life, and short-term disability:

Coverage is effective the first day of the pay period following the eligibility date or completion of enrollment, whichever is later, provided enrollment is completed within 30 calendar days of hire or eligibility date.

Long-term disability:

For an ASRS member, participation begins the first day of the pay period following a waiting period of 182 calendar days from the hire or eligibility date.

For an ORP participant, participation begins the first day of the pay period following completion of enrollment.

For an PSPRS member, participation begins the first day of the pay period following hire or eligibility date.

Employees rehired by the university or who transfer from the Arizona Board of Regents, Northern Arizona University or the University of Arizona should contact the OHR Benefits office for information on effective dates.

Unemployment insurance and workers' compensation are effective the date of hire for all employees.

Changes to Coverage

Benefit elections can be changed during the annual open enrollment period or may be changed when there is an eligible qualifying life event. Qualifying life events are regulated by *IRS* § 125 and may include, but are not limited to, changes in the following:

1. marital status
2. number of dependents
3. dependent eligibility
4. employment status or work schedule of employee, spouse, or dependent

and

5. residence that affects network availability.

An employee has 30 calendar days from the date of the qualifying event to notify the OHR Benefits Design & Management office, in writing, to be eligible to make election changes.

Loss of Coverage

When there is a loss of eligibility, covered employees and covered dependents can continue certain health coverages for a period up to 18 or 36 months provided they meet the criteria specified by federal COBRA regulations for a qualifying

event. Loss of coverage qualifying events include, but are not limited to, separation from employment, reduction in hours worked, divorce or legal separation, Medicare eligibility, loss of dependent status, or death of the employee.

Conversion and portability rights are provided in accordance with life insurance plan provisions when there is a loss of eligibility due to a qualified life event, which may include, but are not limited to, separation from employment and reduction in hours worked.

There are no provisions to continue short-term or long-term disability coverage upon loss of eligibility.

Voluntary benefits are portable and direct billing arrangements may be made with the vendor.

Additional Information

See the Office of Human Resources [Benefits Web page](#) for more information.

[HR forms](#) are also available on the Web site.