

TRANSMITTAL LETTER

The University of North Carolina
Office of the President

Transmittal Number 34
August 30, 2004

Subject: Table of Contents of the Policy Manual

300.2.1[R] Regulations on Health Insurance Continuation when a Reduction in Funding Eliminates an EPA Position

This letter transmits the regulation listed below as well as an updated version of the Table of Contents of the Policy Manual

Table of Contents of the Policy Manual: Please note the addition of Regulation 300.2.1[R] which was adopted on August 18, 2004

300.2.1[R] Regulations on Health Insurance Continuation When a Reduction in Funding Eliminates an EPA Position. This regulation was signed by President Broad on August 18, 2004. Please contact Kitty McCollum, Associate Vice-President for Human Resources, at 919-962-4581 with any questions.

THE UNIVERSITY OF NORTH CAROLINA

POLICY MANUAL

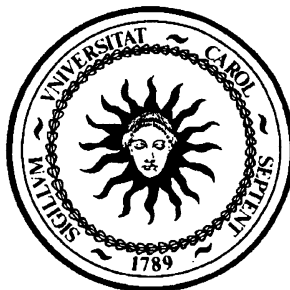


TABLE OF CONTENTS

CHAPTER 100

THE CODE AND POLICIES OF THE UNIVERSITY

100.1	<i>THE CODE OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA</i>	
100.2	ADOPTION OF THE POLICY MANUAL, RESCISSION OF PRIOR POLICIES AND PROMULGATION OF POLICIES	
100.2[G]	Guidelines for Proposing Policies of the Board of Governors and Regulations and Guidelines by the President	
100.3	APPELLATE REVIEW	
REPEALED	100.3.1	APPELLATE REVIEW UNDER SECTION 501C(4) OF <i>THE CODE</i>
REPEALED	100.3.1.1[G]	Guidelines on Determining Proper Routes of Appeal
REPEALED	100.3.2	TIME LIMITS ON APPEALS
REPEALED	100.3.2.1[R]	Regulations on Time Limits on Appeals
REPEALED	100.3.3	POLICY SUSPENDING ESTABLISHED TIME LIMITS ON APPEALS
REPEALED	100.3.4	RECORDING AND PRESERVING EVIDENCE IN FACULTY GRIEVANCE CASES
REPEALED	100.3.5	INTERPRETING <i>CODE</i> PROVISIONS PROHIBITING “PERSONAL MALICE” IN REAPPOINTMENT DECISION-MAKING
REPEALED	100.3.6[G]	Guidelines for Interpreting Section 607 of <i>The Code</i>
	100.3.7[G]	Guidelines on Student Disciplinary Proceedings: Meaning and Effect of “Expulsion”
101.3		
	101.3.1	APPEALS OF NONREAPPOINTMENT DECISIONS UNDER SECTION 604 OF <i>THE CODE</i>
	101.3.2	GRIEVANCES FILED PURSUANT TO SECTION 607 OF <i>THE CODE</i>
	101.3.3	DELIVERY OF NOTICES

CHAPTER 200

BOARD OF GOVERNORS AFFAIRS

- 200.1 DUAL MEMBERSHIPS AND CONFLICTS OF INTEREST
- 200.2 ELECTION PROCEDURES
- 200.3 POLICY AND PROCEDURES FOR THE SELECTION OF THE PRESIDENT OF THE UNIVERSITY OF NORTH CAROLINA
- 200.4 ASSESSMENT PROCESS FOR THE CHIEF EXECUTIVES AND GOVERNING BOARDS OF THE UNIVERSITY OF NORTH CAROLINA
- 200.4.1[G] Guidelines for Presidential Assessment Committee of the Board of Governors
- 200.4.2[G] Guidance for Fourth year Comprehensive Performance Review of the Chancellor
- 200.5 INITIATING AND SETTLING LAWSUITS

CHAPTER 300

PERSONNEL POLICIES

- 300.1 **SENIOR ACADEMIC AND ADMINISTRATIVE OFFICERS**
 - 300.1.1 SENIOR ACADEMIC AND ADMINISTRATIVE OFFICERS
 - 300.1.1.1[R] Regulations Concerning Senior Academic and Administrative Officers
 - 300.1.2 EVALUATION OF POSITIONS FOR DESIGNATION AS SENIOR ACADEMIC AND ADMINISTRATIVE OFFICER
 - 300.1.3 ATTORNEY LICENSING
 - 300.1.4 CAMPUS STATE RELATIONS OFFICERS
 - 300.1.5 OCCUPATION OF OFFICIAL RESIDENCES OF THE CHANCELLORS AND THE PRESIDENT
 - 300.1.6 ADMINISTRATIVE SEPARATION AND/OR RETREAT TO A FACULTY POSITION
 - 300.1.6[R] Regulations on Administrative Separation and/or Retreat to a Faculty Position
- 300.2 **EMPLOYEES EXEMPT FROM THE STATE PERSONNEL ACT**
 - 300.2.1 EMPLOYEES EXEMPT FROM THE STATE PERSONNEL ACT
 - 300.2.2 CONFLICTS OF INTEREST AND COMMITMENT AFFECTING UNIVERSITY EMPLOYMENT
 - 300.2.3[R] Regulations Governing Fraudulent Job Applications
 - 300.2.4[R] Regulations on Approval of Academic Personnel Actions
 - 300.2.5[G] Guidelines on Interpreting General Statute § 126-5(c1)(8): Instructional and Research Staff Exempt from the State Personnel Act
 - 300.2.5.1[R] Regulations on the Application of Guidelines on Interpreting General Statute § 126-5(c1)(8): Instructional and Research Staff Exempt from the State Personnel Act (Guideline #300.2.5[G])
 - 300.2.6[G] Guidelines on Reassignment of Duties of Faculty Members
 - 300.2.7[R] Regulations on Recruitment of Employees from Other Campuses Within The University of North Carolina
 - 300.2.8 FACULTY MILITARY LEAVE

- 300.2.9[R] Regulations on Interpreting the 2001 Appropriations Act, Part XXVIII. Salaries and Employee Benefits, Section 28.3A, Special Annual Leave Bonus
- 300.2.10 FACULTY COMMUNITY SERVICE LEAVE
- 300.2.11 SERIOUS ILLNESS AND DISABILITY LEAVE FOR FACULTY
- 300.2.11[G] Guidelines on Serious Illness and Disability Leave for Faculty
- 300.2.12[R] Regulations on Interpreting the 2003 Appropriations Act, Part XXX
- 300.3 **STATE PERSONNEL**
 - 300.3.1[R] Regulations on Delegation of Responsibility for Classification and Compensation of SPA Personnel to Constituent Institutions
 - 300.3.2[R] Regulations on Establishing Consultative Bodies Representing Staff Employees and Improving SPA Grievance Systems
 - 300.3.3[G] Guidelines on the "Student-Employee" Exclusion from the State Personnel Act
- 300.4 **IMPROPER RELATIONSHIPS**
 - 300.4.1 IMPROPER RELATIONSHIPS BETWEEN STUDENTS AND EMPLOYEES
 - 300.4.1.1[G] Guidelines on Implementing Improper Relationships Policy
 - 300.4.2 EMPLOYMENT OF RELATED PERSONS (ANTI-NEPOTISM POLICY)
 - 300.4.2.1[G] Guidelines on Implementing Anti-Nepotism Policy
- 300.5 **POLITICAL ACTIVITIES OF EMPLOYEES**
 - 300.5.1 POLITICAL ACTIVITIES OF EMPLOYEES
 - 300.5.2 IMPLEMENTATION POLICY ON POLITICAL CANDIDACY AND OFFICEHOLDING
 - 300.5.3 INTERPRETATION OF POLICY ON POLITICAL ACTIVITIES OF EMPLOYEES
 - 300.5.4 LEAVES OF ABSENCE FOR APPOINTIVE OFFICE
 - 300.5.5 ENDORSEMENT OF CANDIDATES FOR POLITICAL OFFICE BY SENIOR ADMINISTRATORS
 - 300.5.6[G] Guidelines on General Assembly Candidacy and Membership
- 300.6 **EXTERNAL PROFESSIONAL ACTIVITIES**
 - 300.6.1 EXTERNAL PROFESSIONAL ACTIVITIES OF FACULTY AND OTHER PROFESSIONAL STAFF
 - 300.6.1.1[R] Regulations on External Professional Activities and Honoraria
 - 300.6.1.2[G] Guidelines on External Professional Activities of Faculty and Other Professional Staff
- 300.7 **RETIREMENT**
 - 300.7.1 OPTIONAL RETIREMENT PROGRAM
 - 300.7.1.1[R] Regulations on Enrolling Senior Academic and Administrative Officers in the Optional Retirement Program
 - 300.7.1.2[R] Regulations on Expediting Implementation of Guidelines for Offering Optional Retirement Program Enrollment to Senior Academic and Administrative Officers
 - 300.7.2 PHASED RETIREMENT
 - 300.7.2.1[G] Guidelines on Implementing Phased Retirement Policy
 - 300.7.3 IMPLEMENTATION OF PHASED RETIREMENT PROGRAM
 - 300.7.3.1[G] Guidelines on Initiation of Phased Retirement Program

- 300.8 **OTHER PERSONNEL POLICIES**
- 300.8.1 SELECTIVE SERVICE REGISTRATION ON APPLICANTS FOR
EMPLOYMENT
- 300.8.2[R] Regulations on Seat Belt Use
- 300.8.3[G] Guidelines on Implementing Occupational Safety and Health Program
- 300.8.4[G] Guidelines on Reporting Misuse of State Property by State Employees

CHAPTER 400

ACADEMIC PROGRAMS

- 400.1 **ACADEMIC PROGRAMS**
- 400.1.1 ACADEMIC PROGRAM DEVELOPMENT PROCEDURES
- 400.1.1.1[R] Regulations for Planning and Conducting Degree-Related Extension and
Distance Education
- 400.1.1.2[R] Regulations for the Second Academic Concentration Requirement for
Teacher Education Programs
- 400.1.2 TERMINATION OF PROGRAMS
- 400.1.2.1[R] Regulations on Terminating Programs
- REPEALED 400.1.3 INTERNATIONAL PROGRAMS
- 400.1.4 THE UNIVERSITY OF NORTH CAROLINA EXCHANGE PROGRAM
- 400.1.4.1[R] Regulations on Implementing The University of North Carolina
Exchange Program
- 400.1.5 IMPROVING GRADUATION RATES
- 400.1.5.1[R] Regulations on Improving Graduation Rates
- 400.1.5.2[R] Regulations for Implementing Fifteen Hour Average Courseload
Requirement for Full-Time Undergraduates
- 400.1.6 ACADEMIC CALENDARS
- 400.1.7 NURSING EDUCATION
- 400.1.8[R] Regulations on Use of Common Census Date for Reporting Purposes
- 400.1.9[G] Guidelines for the Use of the Continuing Education Unit (CEU)
- 400.1.10[G] Guidelines on Teacher Education Program Actions under Resolution 27
of the 1983 General Assembly
- 400.1.11[G] Guidelines on Contracting with Community Colleges to Offer Remedial
Instruction
- 400.1.12 AWARDING OF JOINT DEGREES IN THE UNIVERSITY OF NORTH
CAROLINA
- 400.1.12[R] REGULATIONS ON THE AWARDING OF JOINT DEGREES IN THE
UNIVERSITY OF NORTH CAROLINA
- 400.2 **LONG-RANGE PLANNING**
- 400.2.1 LONG-RANGE PLANNING
- 400.2.1.1[R] Regulations on Long-Range Planning, 2002-2007
- 400.2.2 ACCOUNTABILITY/GOALS AND ASSESSMENT MEASURES
- 400.3 **TENURE AND TEACHING IN THE UNIVERSITY OF NORTH CAROLINA**
- 400.3.1 TENURE AND TEACHING IN THE UNIVERSITY OF NORTH CAROLINA
- 400.3.1.1[G] Guidelines on Tenure and Teaching

- 400.3.2 THE TENURE REGULATIONS OF THE CONSTITUENT INSTITUTIONS
- 400.3.3 PERFORMANCE REVIEW OF TENURED FACULTY
- 400.3.3.1[G] Guidelines on Performance Review of Tenured Faculty
- 400.3.4 MONITORING FACULTY TEACHING WORKLOADS
- 400.3.5 TRAINING, MONITORING, AND EVALUATING GRADUATE TEACHING ASSISTANTS
- 400.3.5.1[G] Guidelines on Training, Monitoring, and Evaluating Graduate Teaching Assistants
- 400.3.6 UNIVERSITY TEACHING AWARDS
- 400.3.6.1[G] Guidelines on University Teaching Awards
- 400.3.7 EXTENSION FACULTY
- 400.4 **PROGRAMS OUTSIDE THE UNIVERSITY**
 - 400.4.1 POLICY ON LICENSING NONPUBLIC INSTITUTIONS TO CONDUCT POST-SECONDARY DEGREE ACTIVITY IN NORTH CAROLINA
 - 400.4.2 ESTABLISHING FEES FOR LICENSING NONPUBLIC INSTITUTIONS TO CONDUCT POST-SECONDARY DEGREE ACTIVITY
 - 400.4.3 POLICY ESTABLISHING STANDARDS FOR ORGANIZED SERVICE AND ASSISTANCE TO THE PUBLIC SCHOOLS
- 400.5[R] Regulations for Planning, Establishing, and Reviewing Institutes and Centers in The University of North Carolina

CHAPTER 500

SPONSORED PROGRAMS, RESEARCH, AND INTELLECTUAL PROPERTY

- 500.1 UNIVERSITY RESEARCH RELATIONS WITH PRIVATE ENTERPRISE AND PUBLICATION OF RESEARCH FINDINGS
- 500.1.1 CLASSIFIED INFORMATION COMMITTEE AND MANAGERIAL GROUP AND RESOLUTION TO EXCLUDE CERTAIN OTHER PERSONNEL
- 500.2 INTELLECTUAL PROPERTY: PATENT AND COPYRIGHT POLICIES
- 500.2.1[R] Regulations for Establishing a Copyright Use and Ownership Policy
- 500.2.2[G] Guidelines on Photocopying Copyrighted Materials
- 500.3 POLICY ON AUTHORIZING THE PRESIDENT TO EXECUTE GRANT APPLICATIONS AND ASSURANCES OF COMPLIANCE WITH APPLICABLE LAW
- 500.4[R] Regulations on Administering Sponsored Programs
- 500.5 UNIVERSITY RESEARCH FACILITIES AND ADMINISTRATION RECEIPTS REPORTING POLICY

CHAPTER 600

FINANCIAL MATTERS, REAL PROPERTY, ENDOWMENT AND TRUST FUNDS

- 600.1 **REAL PROPERTY**
 - 600.1.1 DESIGN, CONSTRUCTION, AND FINANCING OF CAPITAL IMPROVEMENT PROJECTS

- 600.1.1.1[G] Guidelines on the Delegation of Authority to Execute Construction Contracts
- 600.1.2 SELECTION OF BOND COUNSEL
- 600.1.3 LEASING AND ACQUISITION OF REAL PROPERTY AUTHORITY
- 600.1.4[R] Regulations on Required Clearances for Real Property Transactions
- 600.1.5 EQUAL ACCESS IN CONSTRUCTION CONTRACTING
- 600.2 **ENDOWMENTS AND OTHER FUNDS**
 - 600.2.1 ENDOWMENT FUNDS
 - 600.2.1.1[G] Guidelines on Expanding Membership of Boards of Trustees of Institutional Endowment Funds
 - 600.2.1.2[G] Guidelines on Creating and Operating Endowment Funds
 - 600.2.2 ENDOWMENT FUND OF THE UNIVERSITY OF NORTH CAROLINA CENTER FOR PUBLIC TELEVISION
 - 600.2.3 DISTINGUISHED PROFESSORS ENDOWMENT TRUST FUND
 - 600.2.4 CUSTODY AND MANAGEMENT OF INSTITUTIONAL TRUST FUNDS AND SPECIAL FUNDS OF INDIVIDUAL INSTITUTIONS
 - 600.2.4.1[R] Regulations Relative to Trust Fund Legislation
 - 600.2.5 ANNUAL FINANCIAL AUDITS AND OVERSIGHT OF UNIVERSITY-RELATED PRIVATE FOUNDATIONS
 - 600.2.5.1[G] Guidelines on Annual Financial Audits of University-Related Private Foundations
- 600.3 **SPECIAL RESPONSIBILITY CONSTITUENT INSTITUTIONS**
 - 600.3.1 SELECTION CRITERIA AND OPERATING INSTRUCTIONS FOR SPECIAL RESPONSIBILITY CONSTITUENT INSTITUTIONS
 - 600.3.2 DESIGNATION OF SPECIAL RESPONSIBILITY CONSTITUENT INSTITUTIONS
 - 600.3.3 EXPENDITURE OF FUNDS GENERATED THROUGH LAPSED SALARIES
 - 600.3.4 GRANTING OF MANAGEMENT FLEXIBILITY TO APPOINT AND FIX COMPENSATION
- 600.4 **DEBT COLLECTION**
 - 600.4.1 HEARINGS UNDER THE SETOFF DEBT COLLECTION ACT
 - 600.4.1.1[G] Guidelines on Implementing Setoff Debt Collection Act
 - 600.4.1.2[G] Guidelines on Collecting Debts Owed the State by State Employees, Officials, and Legislators
- 600.5 **OTHER FINANCIAL AND REAL PROPERTY MATTERS**
 - 600.5.1 INSTITUTIONAL VENDING FACILITIES
 - 600.5.1.1[G] Guidelines on Institutional Vending Facilities
 - 600.5.2 REPLACEMENT OF LOST SECURITIES
 - 600.5.3[R] Regulations on Receipt and Expenditure of Revenue from Collegiate License Plates
 - 600.5.4[G] Guidelines on the State Consulting Act
 - 600.5.5[G] Guidelines on the Delegation of Certain Contractual Authority at UNC General Administration
 - 600.5.6[G] Guidelines on Recycling

CHAPTER 700
ADMISSIONS, MATRICULATION, AND OTHER STUDENT MATTERS

700.1	UNDERGRADUATE ADMISSIONS
	700.1.1 MINIMUM COURSE REQUIREMENTS FOR UNDERGRADUATE ADMISSION
	700.1.1.1[R] Regulations on Minimum Undergraduate Admission Requirements
REPEALED	700.1.2 UNIFORM ADMISSIONS REQUIREMENTS FOR NONPUBLIC SCHOOL STUDENTS AND HOME SCHOOLED STUDENTS
	700.1.2.1[R] Regulations on Supplemental Information about Academic Performance of Nonpublic School Students and Home Schooled Students
	700.1.3 OUT-OF-STATE UNDERGRADUATE ENROLLMENT
700.2	PRIVACY
	700.2[R] Regulations of UNC General Administration with Respect to the Family Educational Rights and Privacy Act
700.3	STUDENT GOVERNMENTS
	700.3.1 POLICY ON THE UNIVERSITY OF NORTH CAROLINA ASSOCIATION OF STUDENT GOVERNMENTS
700.4	DISCIPLINE
	700.4.1 MINIMUM SUBSTANTIVE AND PROCEDURAL STANDARDS FOR STUDENT DISCIPLINARY PROCEEDINGS

CHAPTER 800
FINANCIAL AID

800.1	SCHOLARSHIP PROGRAMS
	800.1.1 MEDICAL AND DENTAL SCHOLARS' PROGRAM
	800.1.1.1[G] Guidelines on Recruiting and Attracting Graduates of Meharry Medical College Who Are North Carolina Residents for Whom State Financial Support Was Provided to Meharry Medical College
	800.1.2[G] Guidelines on Incentive Scholarship and Grant Program for Native Americans
	800.1.3[G] Guidelines on Implementing Incentive Scholarship Programs for Certain Constituent Institutions
	800.1.4[G] Guidelines on Implementing Incentive Scholarship Program for Elizabeth City State University
800.2	SELECTIVE SERVICE ACT COMPLIANCE
	800.2.1 SELECTIVE SERVICE ACT COMPLIANCE
	800.2.1.1[R] Regulations on Selective Service Act Registration Compliance
800.3	LEGISLATIVE COLLEGE OPPORTUNITY PROGRAM
	800.3.1 LEGISLATIVE COLLEGE OPPORTUNITY PROGRAM
	800.3.1.1[G] Guidelines on Implementing the College Opportunity Program
800.4	FOCUSED GROWTH
	800.4.1 PROSPECTIVE TEACHERS SCHOLAR PROGRAM

CHAPTER 900

RESIDENCE CLASSIFICATION

- 900.1 STUDENT RESIDENCE CLASSIFICATION FOR TUITION PURPOSES
- 900.2 STATE RESIDENCE COMMITTEE
- 900.3[G] Guidelines on Producing Catalog Statement on Residence Classification

CHAPTER 1000

TUITION AND FEES

- 1000.1 **TUITION RATES**
 - 1000.1.1 ESTABLISHING TUITION AND FEES
 - 1000.1.2 POLICY ON TUITION WITH RESPECT TO STUDENT EXCHANGE PROGRAMS WITH INSTITUTIONS ABROAD
 - 1000.1.3 TUITION RATES FOR SPECIAL TALENT AND GRADUATE NONRESIDENT STUDENTS
 - 1000.1.3.1[G] Guidelines on Establishing Tuition Rates for Special Talent and Graduate Nonresident Students
 - REPEALED 1000.1.4[G] Guidelines on Tuition Rates for Military Personnel and Their Dependents
 - 1000.1.5[G] Guidelines on Establishing Twenty-Five Percent (25%) Tuition Surcharge
 - 1000.1.6[G] Guidelines on In-State Tuition for North Carolina Teachers
- 1000.2 **TUITION WAIVERS**
 - 1000.2.1 TUITION WAIVER FOR PERSONS AT LEAST 65 YEARS OLD AND CERTAIN FAMILY OF DECEASED OR DISABLED EMERGENCY WORKERS
 - 1000.2.2 WAIVER OF TUITION AND FEES FOR FACULTY AND STAFF
 - 1000.2.2.1[R] Regulations on Implementing Policy on Waiver of Tuition for Faculty and Staff
 - 1000.3.1[G] Guidelines for Refunds of Tuition and Fees for Students Serving in the Military or in Case of a National Emergency

CHAPTER 1100

ATHLETICS

- 1100.1 INTERCOLLEGIATE ATHLETICS
- REPEALED 1100.2 ADDITIONAL POLICY STATEMENT ON ATHLETICS
- 1100.3 HEAD COACHES' AND ATHLETIC DIRECTORS' CONTRACTS
- 1100.3.1[G] Guidelines on Employment Contracts with Head Athletic Coaches and Related Issues

CHAPTER 1200
AFFILIATED ENTITIES

- 1200.1 ESTABLISHMENT OF THE CENTER FOR PUBLIC TELEVISION
- 1200.1.1 BY-LAWS OF THE UNIVERSITY OF NORTH CAROLINA CENTER FOR PUBLIC TELEVISION
- 1200.2 ESTABLISHMENT OF NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS
- 1200.3 THE UNIVERSITY OF NORTH CAROLINA CENTER FOR SCHOOL LEADERSHIP DEVELOPMENT
- 1200.4 POLICY AUTHORIZING THE UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL TO INITIATE LAWSUITS
- 1200.5 POLICY AUTHORIZING THE INITIATION OF LAWSUITS ON BEHALF OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL FOR THE BENEFIT OF UNC PHYSICIANS AND ASSOCIATES AND ON BEHALF OF EAST CAROLINA UNIVERSITY FOR THE BENEFIT OF THE ECU MEDICAL FACULTY PRACTICE PLAN
- 1200.6[R] REPLACED BY POLICY 400.5[R]

CHAPTER 1300
MATTERS OF UNIVERSITY-WIDE SIGNIFICANCE

- 1300.1 ILLEGAL DRUGS
- 1300.2[R] Regulations on Publications and Mailing Lists
- 1300.3[R] Regulations on Developing Minimum Environmental Criteria under the North Carolina Environmental Policy Act.
- 1300.4[G] Guidelines on Defining “Public Body” within the Meaning of the Open Meetings Act
- 1300.5[G] Guidelines on Use of the Social Security Account Number by the University

Adopted 8/18/04

REGULATIONS ON HEALTH INSURANCE CONTINUATION WHEN A REDUCTION IN FUNDING ELIMINATES AN EPA POSITION

I. Principle

Pursuant to State law [N.C.G.S. 135-40.2(a)(6)], when a University campus or affiliated entity eliminates a job due to a reduction in funds, unless otherwise exempt from this Regulation, the employee in that job may be entitled to up to twelve (12) months of continued coverage by the State Health Plan if he or she meets the eligibility criteria below for this coverage to remain in effect. The University campus or entity shall continue paying premiums for this coverage in accordance with the eligibility criteria listed below. Elimination of an employee's job neither requires nor permits an employer to pay State Health Plan premiums for dependents of the employee; however, the former employee may continue dependents' coverage under the same terms as current employees. At the expiration of this coverage, former employees may pay the premiums for their continued coverage and that of their dependents. There is no time limit as to how long this coverage may be purchased. [See N.C.G.S. 135-40.2(b)(12).]

This Regulation explains who is eligible for continued coverage and provides information about how campuses may ensure that coverage is properly provided to former employees who meet the eligibility criteria.

II. Eligibility for Continued Coverage

The following conditions must all be met for the employee to be eligible for continued coverage.

- A. The employee's job must be eliminated. This Regulation does not apply to an employee's separation from a job that does not result in the position being eliminated or abolished.
- B. The job elimination must be due to a reduction, in total or in part, of the funds used to support the job or its responsibilities. This includes a reallocation of funds and elimination of the position. The source of funds for the position does not affect eligibility for this benefit, except if the appointment is contingent upon the availability of funds. (See Ineligibility for Continued Coverage below.)
- C. Employment for at least twelve (12) months in a permanent full-time or permanent part-time (three/fourths time or more) position by a University campus, an affiliated entity, and/or another state entity (can be more than one), prior to the elimination of the job, is required.

- D. The employee must be participating in the State Health Plan at the time of separation from employment due to elimination of the job.

III. Ineligibility for Continued Coverage

If any of the following conditions apply, the employee will not be eligible for continued coverage.

- A. An employee working pursuant to a fixed term contract that ends at the same time as the termination is not eligible for this coverage.
- B. An employee who was (a) paid in total or in part from non-state funding sources, and, (b) at the time of the job elimination was working under an appointment letter or a contract, either of which states that the job is contingent on the continuing availability of funds is not eligible for this coverage.
- C. An employee who retires (withdrawal from active service with a retirement allowance from the Teachers' and State Employees' Retirement System of North Carolina or the UNC Optional Retirement Program) is not eligible for this coverage. In this case, health insurance is provided through the retiree health insurance program.

IV. Procedure

Prior to communicating with the employee, a departmental representative must contact the office responsible for either EPA or SPA personnel, as appropriate, so that the personnel/human resources office may review the circumstances to determine if the proposed job elimination is due to a reduction in funds. If the personnel/human resources office determines that this Regulation applies, that office will work with the department to ensure that the employer-provided contributions to the employee's State Health Plan coverage are appropriately continued for up to twelve (12) months. Additionally, the employing department must communicate in writing to the employee that he or she is being separated due to the unavailability of funds to support the position.