Regulation on Health Insurance Continuation when a Reduction in Funding Eliminates an EHRA Position

I. Purpose. Pursuant to State law [G.S. 135-48.1 et seq.] when a University 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 the employee meets the eligibility criteria below for this coverage to remain in effect. The University entity shall continue paying premiums for this coverage in accordance with the eligibility criteria listed below. Upon elimination of an employee's job, the University entity cannot pay State Health Plan premiums for dependents of the employee; however, the former employee may continue dependent 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 G.S. 135-48.1 et seq.]

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 (75% time or more) position by a University 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 and is otherwise eligible for retiree health (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. Employees who are not eligible for retiree health (first-hired after January 1, 2021), would be allowed to retire and may continue this health coverage by paying the full cost.

IV. Procedure. Prior to communicating with the employee, a departmental representative must contact the office responsible for either EHRA or SHRA personnel, as appropriate, so that the human resources office may review the circumstances to determine if the proposed job elimination is due to a reduction in funds. If the 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 the employee is being separated due to the unavailability of funds to support the position.

V. Other Matters

A. Effective Date. The requirements of this regulation will be effective on the date of adoption of this regulation by the president.

B. Relation to State Laws. The foregoing regulation as adopted by the president is meant to supplement, and does not purport to supplant or modify, those statutory enactments, regulations, and policies which may govern the activities of public officials.