

The Informed Employee

www.indiana.edu/~uhrs/

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The Informed Employee is published two or three times a year by University Human Resource Services for over 16,000 full-time appointed staff and academic employees across the eight Indiana University campuses.

An online version of this bulletin is at www.indiana.edu/~uhrs/.

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PERF Early Retirement Incentive

Indiana University is pleased to announce the establishment of an early retirement incentive for certain employees covered by the PERF retirement plan. Eligible employees received an information letter in early December. This incentive program is an opportunity for eligible employees to retire earlier than they would have otherwise considered. Essentially, eligible IU employees will receive **one additional year of PERF service credit for every five years of PERF-covered service while employed by IU**—an opportunity that can represent a 20 percent or more increase in PERF Pension benefits payable for the participant's life.

This early retirement incentive is a result of a recent amendment in the state of Indiana statutes. It is offered as a one-time "window" opportunity for qualified employees to retire early with additional pension benefits. There is no

intention that this retirement incentive program will be offered again. The election of this early retirement incentive is strictly a voluntary option for employees.

To be eligible for this early retirement incentive, **all** of the following criteria must be satisfied:

- Be an active IU employee on January 1, 2004, covered by the PERF retirement plan, and
- Be at least age 55 on the date of retirement from IU, and
- Have completed at least 15 years of PERF-covered service as an IU employee as of the date of retirement from IU, and
- Elect to retire and separate between January 1, 2004, and June 30, 2004, and
- Complete the associated enrollment forms no later than March 31, 2004.

Indiana University is very pleased that it can provide this meaningful early retirement incentive. Please see www.indiana.edu/~uhrs/benefits for additional information.

Tobacco Use and Health

The Indianapolis Star recently reported that:

- More than 1.2 million Hoosier adults smoke cigarettes.
- Each year, about 20,000 Hoosier youths become new daily smokers.
- **Each year, about 10,300 Hoosiers die from a tobacco-related illness.**

Numerous studies and articles indicate that **smoking is the leading cause of preventable disease and death**. Research studies have proven that smoking:

- Causes chronic lung disease
- Causes cancer of the lungs, larynx and esophagus
- Is the leading contributor to complications for heart disease, stroke, and diabetes

Smoking adversely affects not only the smoker, but also persons around them. Secondhand smoke is also linked to increased heart disease.

Smoking results in preventable illnesses and deaths; therefore, smoking results in preventable health care costs.

Insurance Premium Reductions

Negotiations with The Standard, the underwriter of the Supplemental Life and Long Term Disability plans, have resulted in a reduction in premiums, effective January 1, 2004.

Long Term Disability

The university's LTD plan will have a 10 percent overall reduction in premiums. The LTD plan provides an opportunity for full-time employees to protect their income in the event of a disabling illness or accident, including a unique option to also protect retirement benefits.

Plan Highlights

- Monthly income payments up to 60 percent of salary
- Optional retirement benefit accumulations
- Annual 3 percent increase in benefits after 36 months

Supplemental Life Insurance

The premium reduction for those enrolled in the Supplemental Life plan applies to individuals in age categories 45 to 64 and age 70 and over. The reductions range between 2 and 8 percent depending on the employee's age.

The Supplemental Life Insurance plan allows full-time employees to elect various levels of coverage in addition to university-paid Basic Life Insurance.

Plan Highlights

- Coverage is provided as a multiple of base salary up to one million dollars
- Premiums are waived for total disability

Out of 16,397 eligible university employees, 7,982 individuals are currently enrolled in the LTD plan and 5,281 in the Supplemental Life plan.

Enrollment

During the first 60 days after becoming eligible, full-time employees can enroll in either plan without consideration of health. After that period, enrollment or increase in coverage requires an application and a Statement of Health. (Unless there is a serious medical condition, late applications are generally accepted.)

LTD and Supplemental Life premium rates and other information are located at www.indiana.edu/~uhrs/benefits.

Tax Saver Benefit (TSB) Plan Over-the-Counter Medicine Reimbursement

The IRS recently released a new ruling that allows the TSB plan to reimburse amounts paid by participants for non-prescription drugs and medicines.

In general, non-prescription drugs and medicines are now eligible for reimbursement if they are intended to treat or alleviate a sickness or injury, and are not eligible if they are needed for the person's general health and well-being. In order to be reimbursed, the claim must include a receipt with the name of the product, the date of purchase, and the amount paid.

Drugs and medicines eligible for reimbursement include:

- Allergy medicines, including Claritin
- Heartburn products ranging from Roloids to Prilosec
- Cough and cold medications
- Eyedrops
- In-home testing kits
- Nasal sprays, including saline sprays
- Ointments (such as Cortaid, Preparation H, antibiotic creams, diaper rash creams, Ben Gay, antifungals, and antiyeast preparations)
- Pain relievers (such as aspirin, Tylenol, and ibuprofen)
- Sinus medications
- Smoking cessation products (such as nicotine patches and gum)
- Vitamins, when accompanied by a prescription for a specific medical condition

Purchases NOT eligible for reimbursement include such items as:

- Condoms
- Cosmetics
- Diapers
- Diet food
- Feminine products
- Nutritional supplements
- Oral hygiene products
- Shampoo

Because items claimed under the TSB plan cannot be attributed directly to the employee or an eligible tax dependent, the employee remains accountable for justifying the expenses to the IRS. Nyhart will make reasonable attempts to monitor claims and may deny claims that are excessive, that is, claims for amounts of medicines that could not reasonably be used solely for the employee or eligible dependents.

This list is just a summary. Questions about a specific item should be referred to Nyhart at flexplans@nyhart.biz, 317-803-7750 or 800-284-8412. Please see the UHRS Web site at www.indiana.edu/~uhrs/ for a more detailed list.

UHRS Web Site

www.indiana.edu/~uhrs/

As a service unit for over 16,000 full-time appointed Staff and Academic employees, University Human Resource Services is committed to providing the tools and resources necessary for employees to access relevant information quickly and easily. One of the ways this is achieved is through the UHRS Web site at www.indiana.edu/~uhrs/.

The Web site provides regularly updated topics such as the following:

- Important human resource initiatives, programs, and news
- Benefit plans (including medical, dental, retirement, insurance, fee courtesy, time off, and more)
- Employment-related laws, policies and regulations (including how-to information) and links to job opportunities
- Employee and organizational development services

In early 2004, UHRS will launch a Web-based service center that will become a central source for assistance in completing benefits tasks. The center will feature step-by-step instructions and forms necessary to enroll in or change benefit plans.

Please visit www.indiana.edu/~uhrs/ and send any comments to uhrs@indiana.edu.

2004 Holidays for Appointed Staff

New Year's Day	Thursday, January 1
Martin Luther King, Jr. Day	Monday, January 19
Memorial Day	Monday, May 31
Independence Day	Monday, July 5*
Labor Day	Monday, September 6
Thanksgiving Day	Thursday, November 25
Friday after Thanksgiving	Friday, November 26
Christmas	Friday, December 24*
Campus Holiday	"Floating" holiday on most campuses**

*When a holiday falls on a weekend, IU observes it on the closest weekday.

**Richmond has designated January 2 as the Campus Holiday. IUPUI has designated Good Friday as the Campus Holiday.

Centers for Disease Control Advises: Know When Antibiotics Work

In September 2003, the Centers for Disease Control (CDC) launched a new national program called, "Get Smart: Know When Antibiotics Work." This education program is aimed at reducing the overuse of antibiotics that has become a public health concern over the last decade. Taking antibiotics when they are not needed poses serious health risks.

Although the CDC's program only addresses health issues and not cost, reducing inappropriate use of antibiotics can have the added benefit of saving money for employees and employers. It is estimated that as much as 20 percent of the money spent on antibiotics is wasted because the antibiotic is being used for colds or flu that antibiotics cannot help.

According to the CDC, improper use of antibiotics causes some bacteria to become resistant to treatment. Resistant bacteria are dangerous because they are stronger and harder to kill. Children are a particular concern because they have the highest rates of antibiotic use. They also have the highest rate of infections caused by antibiotic-resistant bacteria. When a common antibiotic cannot kill resistant bacteria, more costly and serious treatment is needed, sometimes even hospitalization.

Here are some questions and answers provided by the CDC.

When are antibiotics the right treatment?

Most illnesses are caused by two kinds of germs: bacteria and viruses. Antibiotics cure bacterial infections not viral infections.

When are antibiotics NOT the right treatment?

Antibiotics should not be used for viral infections since:

- Antibiotics will NOT cure a viral infection.
- Antibiotics will NOT help you feel better sooner from your viral infection.
- Antibiotics will NOT keep others from catching your viral infection.

What common illnesses are caused by viruses and should NOT be treated with antibiotics?

Antibiotics will do nothing for the following viral illnesses:

- The common cold, runny nose, and sneezing
- Most coughs and bronchitis
- The flu
- Sore throats (except strep throat)

Even if an antibiotic doesn't help my cold or flu, what's the harm in trying an antibiotic just in case?

Taking antibiotics when they are not needed can be harmful. Each time a person takes an antibiotic he or she is more likely to carry resistant germs in the nose and throat. Common antibiotics cannot kill these resistant germs. Antibiotics that are more costly, are given by a needle, or in some cases, administered in the hospital, may eventually be needed.

If nasal mucous changes from clear to yellow or green, doesn't that mean that an antibiotic is needed?

Not necessarily, these color changes are a normal for a viral cold.

Does this mean an antibiotic should never be taken?

Antibiotics are very strong medicines and should be used to treat bacterial infections. Doctors or health care providers will prescribe antibiotics if a person has a bacterial infection like strep throat, certain pneumonias, and certain sinus infections. Ask the doctor if antibiotics will help, but don't expect or insist on an antibiotic prescription. The doctor may recommend other treatments that can relieve the symptoms of viral infections. Remember, a cold may take two weeks or longer to run its course.

When prescribed an antibiotic, take the entire prescription as directed; don't stop when feeling better. Do not use an antibiotic that was prescribed for someone else.

Additional information about antibiotic use and resistance can be obtained at the CDC Web site at www.cdc.gov/drugresistance/community.

Women's Health and Cancer Rights Act (WHCRA)

All of the university's employee medical plans comply with WHCRA. These plans cover the following services related to a mastectomy patient:

- Reconstruction of the breast on which the mastectomy has been performed
- Surgery and reconstruction of the other breast to provide a symmetrical appearance
- Prosthesis and physical complications related to all stages of mastectomy, including lymphedemas

Refer to respective medical plan documents for any preferred provider and utilization management requirements.

Recording Paid Time Off (PTO) for Exempt Staff Employees

Indiana University has revised the procedure for recording the use of Paid Time Off (PTO) for exempt Staff employees. The revisions are in response to accountability and record-keeping requirements and the expectation that the university maintains complete and accurate records.

The procedure for recording the use of PTO contains the following two new steps:

- The use of PTO must be submitted at least monthly, and
- At the end of each month, the employee and the supervisor are to confirm that the record is accurate. If a paper form is used, each would initial the form monthly. If an electronic form is used, e-mail messages or other electronic records would be appropriate.

The university's form, Paid Time Off (PTO) Record and Instructions, has been revised to incorporate these two new steps. The form is available on the UHRS Web site at www.indiana.edu/~uhrs/policies/nonunion/10.0/10.6.html and on the FMS Web site at www.fms.indiana.edu/payroll/prforms.asp.

The full, five-step procedure for recording the use of PTO has been added to the policy, Paid Time Off for Staff in the PA Time Off Program, at the above UHRS Web site. As they appear in the policy, the five steps are:

- PTO is to be submitted at least monthly to the employee's department or to an office designated by the campus.
- The use of PTO is to be maintained on the university-provided record or a comparable paper or electronic record.
- At the end of each month, the supervisor and employee are to review the record to confirm its accuracy and make any corrections if necessary.
- In January of each year, the department head is to review the previous year's record confirming its accuracy.
- The record is then submitted to the campus-designated office in a format established for the campus.

This procedure permits the use of recording instruments other than the university-provided form. Some units use other electronic or paper forms or forms available in software packages. This is acceptable as long as the five steps listed above are followed.

The revised form replaces the FMS-issued "blue card" which some departments use. Discard any unused blue cards and do not use them for 2004. Departments that will use the new university-provided form are to print it from the above UHRS or FMS Web site. Departments may also save and customize the form as an Excel file, if they wish to record the use of PTO electronically.

Beware of Financial Advisors

Outside individuals and companies are very eager to provide financial advice to Indiana University employees and retirees—even broadcasting e-mail solicitations and holding meetings in public campus facilities. These solicitations sometimes make it sound like the outside entity is familiar with the university's retirement plans and/or is sponsored by the university. In fact, neither of these claims may be true.

Employees who receive solicitations from outside entities regarding financial planning and retirement plan investments are advised of the following:

- The university has no knowledge of the outside entities' credentials or business status.
- The university does not discuss the provisions of the university's retirement plans with outside entities, except for TIAA-CREF and Fidelity Investments.
- The university is aware of misleading and inaccurate statements by several outside entities. For example, an outside "financial planner" recently stated that employees may transfer retirement funds to another investment company with the expectation of better returns. This is not accurate, as IU Retirement Plan funds cannot be transferred until after the employee terminates from the university and IU Tax Deferred Annuity funds cannot be withdrawn until the participant reaches age 59 1/2 or terminates from the university.
- The university does not warrant, guarantee, or otherwise certify the accuracy or outcome of transactions by outside entities.
- Services from an outside entity typically include fees and/or commission payments.

Benefits During a Leave of Absence

Employees contemplating a leave of absence may have questions regarding their benefits while away from work. For benefit plans that are based on employee payroll contributions, the employee has certain options and responsibilities. As long as the employee receives full or partial pay, benefit program deductions and coverage will continue. When on leave without pay (LWOP), the employee should contact a Human Resources office to discuss coverage and payment options. After-tax contributions may be required in order to continue coverage. Some things employees need to know:

- Employees are not required to continue benefit plan coverage during a LWOP. Written notice to a Human Resources office within 60 days of the commencement of a leave is required to cancel coverage.
- For employees who cancel Supplemental Life and/or Long Term Disability coverage, proof of good health is required to reinstate coverage after returning from leave.
- Continuation of medical and/or dental coverage during a LWOP is dependent upon payment of premiums. After 60 days on leave, billing for premiums due during the leave will begin. (For a leave of less than 60 days, contributions will be deducted from the first paycheck upon returning to work.)
- Employees must continue to make regular contributions to the Tax Saver Benefit (TSB) Plan in order to continue participation. Claims incurred during any period that the employee is not participating in the plan are not eligible for reimbursement.
- For Basic Life, employees are responsible for premiums after the first three months of a leave, except during a medical leave, in which case the university continues to provide coverage.
- Coverage of certain benefit plans may end after one year of leave, such as Supplemental Life and Long Term Disability. Upon termination of coverage, some benefits may have continuation or conversion options; but only if elected in writing within 30 days of termination.

Contact a Human Resources office or the University Human Resource Services Web site for further information.

2004 Open Enrollment Results

Health Care Plans	2004 Employee Enrollments	Change from 2003	% of Change
IU PPO-Plus	3,222	-338	-9.49%
IU PPO \$900 Deductible	6,806	400	6.24%
M-Plan HMO	3,273	-74	-2.21%
Blue Preferred Primary POS	1,675	478	39.93%
TOTAL	14,976*	466	3.21%
Tax Saver Benefit Plan			
Health Care Reimbursement Account	5,545*	-12	-0.22%
Dependent Care Reimbursement Account	654*	0	0.00%

* Total eligible population equals 16,397 full-time employees.

Investment Fund Performance

The following *sample* of retirement investment opportunities reflects average annual total return after all administrative expenses. These figures are based on historical results, and they do not necessarily represent future performance.

	Average Annual % Return				Fund Inception		Average Annual % Return			
	5 yrs.	10 yrs.	Life	Fund Inception			5 yrs.	10 yrs.	Life	Fund Inception
Money Market Funds					Stock Funds					
CREF Money Market	3.73	4.42	5.14	4/88	CREF Stock	1.51	8.34	10.29	7/52	
Fidelity FMMT	3.70	4.35	4.90	12/88	CREF Growth	-3.25	n/a	8.47	4/94	
Fixed Annuity					International/World Funds					
TIAA Annuity	6.36	6.84	----	----	Fidelity Blue Chip	-0.55	8.39	12.85	12/87	
Bond Funds					PERF Options					
CREF Bond	6.46	8.57	8.03	3/90	Money Market Fund	5.40	5.68	2.58	1.40	
Fidelity Govt. Inc.	5.88	6.03	9.04	4/79	Guaranteed Fund	8.25	8.25	8.25	8.25/7.75*	
Fidelity Inv. Grade	6.44	6.18	8.21	8/71	Bond Fund	4.44	11.23	8.60	10.42	
Growth & Income Funds					1 Year % Return					
CREF Soc. Choice	3.90	8.83	10.14	3/90	S&P 500 Stock Indexes**	7.97	30.54	8.77	0.20	
Fidelity Fund	1.32	9.57	10.34	4/30	US Small Co Stock*			-9.46	1.28	
Fidelity Equity Income	3.85	9.66	12.93	5/66						
Market Indexes					*8.25% for first quarter, 7.75% for last three quarters, year ending 06/30/2003.					
Dow Jones Industrial	5.31	12.30	----		**S&P 500 and Russell 2000 (small company) Index one-year returns.					
S&P 500	1.00	10.05	----							
NASDAQ	1.40	9.48	----							
Russell 2000	7.46	8.28	----							
EAFE	0.78	3.08	----							

Figures for TIAA-CREF, Fidelity Investments and Market Indexes are as of 09/30/2003.

Employee Assistance Program (EAP)

It can be difficult to balance the needs of work, home, and family relationships. Often times, the stress of day-to-day life is temporary. But occasionally, stress can become a major problem that interferes with an employee's well-being.

The university's Employee Assistance Program (EAP) provides full-time appointed employees and their household members with counseling services. These services are available by telephone (for assessment or referral) or face-to-face, and are provided by qualified EAP counselors who can be reached 24 hours a day, 365 days a year. **All contacts with the EAP are kept confidential**, in accordance with federal and state laws. Call toll free: 888-234-8327.

The following are examples of issues for which EAP counselors may be of assistance:

- Stress or anxiety
- Divorce or separation
- Loss of spouse or loved one
- Workplace conflict
- Relationship problems
- Alcohol or drug concerns
- Child or elderly parent issues

Services provided by EAP include initial assessment, problem-solving, and support. If appropriate, the EAP can assist employees or their household members by making a referral to a qualified counselor through the caller's medical plan.

For more information, go to www.indiana.edu/~uhrs/benefits.

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