


<p>Office of Employee Benefits</p> <p>Administrative Manual</p> 	<b>SURVIVING DEPENDENTS</b>	<b>240</b>
	INITIAL EFFECTIVE DATE: SEPT. 1, 2008	
	LATEST REVISION DATE: SEPTEMBER 2017	
	PURPOSE: To provide guidance in determining eligibility requirements and enrollment options for Surviving Dependents of deceased Active and Retired Employees	
	SCOPE: Surviving Dependents of deceased Active and Retired Employees of The University of Texas System institutions	
STATUTORY AND ADMINISTRATIVE REFERENCES: Texas Insurance Code, Chapter 1601.108		

## 1.0 BACKGROUND

In compliance with the Uniform Insurance Benefits Act for Employees of The University of Texas System (Act), the covered Surviving Spouse and/or Surviving Dependent Children of a deceased Active or Retired Employee of The University of Texas System (UT System) may continue certain enrollment in the UT Uniform Group Insurance Program (Program) following the death of the Active or Retired Employee. The Act is codified in Texas Insurance Code, Chapter 1601.

## 2.0 ELIGIBILITY FOR U.T. GROUP INSURANCE

An individual who is a participant in the Program as the Dependent of an Active or Retired Employee is eligible to continue coverage in the Program as a Surviving Dependent described in this section.

### 2.1 Surviving Spouse

#### a. Surviving Spouse of Active Employee With At Least Five Years Service Credit Including Three Years of Service as Benefits-Eligible System Employee

The Surviving Spouse of a deceased Active Employee with at least five (5) years of TRS or ORP creditable service, including at least three (3) years with the System as a benefits-eligible Employee, may continue Program coverage for the remainder of the Surviving Spouse's life, unless coverage is terminated for non-payment of premium.

**b. Surviving Spouse of Active Employee With Less Than Five Years Service Credit or Less Than Three Years of Service as Benefits-Eligible System Employee**

The Surviving Spouse of a deceased Active Employee with less than five (5) years of TRS or ORP creditable service, or with five years service credit but less than three years of service as a benefits-eligible System employee may elect COBRA coverage for a period not to exceed 36 months.

**c. Surviving Spouse of a Non-Disability Retired Employee**

The Surviving Spouse of a deceased individual, who at the time of death was eligible to participate in the Program as a regular Retired Employee (see Policy 220) on the date of the deceased's death, may continue Program coverage for the remainder of the Surviving Spouse's life, unless coverage is terminated due to non-payment of premium.

**d. Surviving Spouse of a Disability Retired Employee**

The Surviving Spouse of an individual, who was participating in the Program as a Disability Retired Employee (see Policy 220), may continue Program coverage as a Surviving Spouse for the number of months equal to the number of months of U.T. service of the deceased Disability Retired Employee. If the amount of creditable U.T. service is less than thirty-six (36) months, once the Surviving Spouse's coverage ends, the Surviving Spouse may elect COBRA coverage for a period not to exceed 36 months minus the number of months of coverage received as a Surviving Spouse, unless coverage is terminated due to non-payment of premium.

**2.2 Surviving Dependent Children**

**a. Surviving Dependent Child of Active Employee With At Least Five Years of Service Credit Including Three Years of Service as Benefits-Eligible System Employee**

A Surviving Child of a deceased Active Employee with at least five (5) years of TRS or ORP creditable service, including at least three (3) years with the System as a benefits-eligible Employee, may continue Program coverage until occurrence of an event listed Section 6(a) of this Policy. A Surviving Child who loses eligibility for a reason other than non-payment of premium may elect to continue coverage as a COBRA participant for up to 36 months.

**b. Surviving Dependent Child of Active Employee With Less Than Five Years Service Credit or Less Than Three Years of Service as Benefits-Eligible System Employee**

The Surviving Dependent Child of a deceased Active Employee with less than five (5) years of TRS or ORP creditable service or with five years of service but less than three years service as a benefits-eligible System employee may elect to continue coverage as a COBRA participant for a period up to 36 months.

**c. Surviving Dependent Child of a Non-Disability Retired Employee**

The Surviving Dependent child of a deceased non-Disability Retired Employee (see Policy 220) on the date of the deceased's death may continue Program coverage until

occurrence of an event listed in Section 6(a) of this Policy. A Surviving Child who loses eligibility for a reason other than non-payment of premium may elect to continue coverage as a COBRA participant for up to 36 months.

**d. Surviving Dependent Child of a Disability Retired Employee**

The eligibility period for coverage for a Surviving Dependent Child of a Disability Retired Employee (see Policy 220) is equal to the number of months of service of the deceased Disability Retiree Employee. Coverage will expire prior to this period upon occurrence of an event listed in Section 6(a) of this Policy. If the amount of creditable service is less than thirty-six (36) months, a Surviving Child may elect to continue coverage as a COBRA participant for up to 36 months minus the number of months of coverage received as a Surviving Dependent Child.

**3.0 ENROLLMENT OPTIONS**

**3.1 General Provisions**

- a. There is no waiting period for the beginning of Surviving Dependent coverage. Coverage as a Dependent will end on the last day of the month of the death of an Active or Retired Employee. A Surviving Dependent has 31 days from the date of the death of the Active or Retired Employee to affirmatively elect to continue coverage in the Program as a Surviving Dependent. If such election is made, coverage as a Surviving Dependent will begin the first day of the month following the month in which the Active or Retired Employee dies.
- b. If there is a Surviving Spouse and Surviving Children, the coverage will be “Family Only” coverage (Relationship Code 10) and the Surviving Spouse will be the Subscriber. If there is no Surviving Spouse, the designated Subscriber will be the oldest Dependent Child with “Child(ren) Only” coverage (Relationship Code 10).
- c. An individual is not eligible for coverage as a Surviving Dependent of an Active or Retired Employee unless she or he was enrolled as a Dependent participant in the Program on the date of death of the Active/Retired Employee. A Surviving Dependent is not eligible to enroll any dependents not covered as Dependents of the deceased Active or Retired Employee on the date of death.
- d. A Dependent who does not elect to continue Program coverage within 31 days after the death of the Active or Retired Employee as a Surviving Dependent becomes ineligible to enroll in the Program as a Surviving Dependent at a later date.
- e. An individual who drops Surviving Dependent coverage for any reason is not eligible to re-enroll in the Program as a Surviving Dependent.

**3.2 Recognized Qualifying Change in Status Events**

- a. A Surviving Dependent is not eligible to add new coverage as the result of a qualified Change of Status event.
- b. A Surviving Dependent may drop coverage in conformity with a qualifying Change of Status event.
- c. A Surviving Dependent enrolled in a dental HMO may change dental coverage following a qualifying change in residence with an effective date of the first of the month following completion of the enrollment form.

### **3.3 Annual Enrollment**

- a. A Surviving Dependent may utilize the OEB online *My UT Benefits* system. Annual Enrollment changes may also be made through the Benefits Office of the employing institution of the deceased Active or Retired Employee.
- b. During the Annual Enrollment period, a Surviving Dependent Subscriber may:
  - (i) Change from one dental plan to another;
  - (ii) Change from one vision plan to another;
  - (iii) Drop medical, dental or vision coverage; and
  - (iv) Drop covered Surviving Children from medical, dental, and/or vision coverage.
- c. Surviving Dependent Subscribers who drop their own Surviving Dependent coverage may retain existing program coverage for the remaining benefits-eligible Surviving Children.
- d. The effective date of any change in coverage will be the September 1 immediately following the Annual Enrollment period.
- e. Surviving Dependent Subscribers may not enroll themselves or any Surviving Children in any new Program coverage or add any additional dependents.

### **3.4 Ineligible to Re-enroll**

Surviving Dependents who elect not to continue eligible Program coverage following the death of the Active or Retired Employee, subsequently drop coverage at a later date, or become ineligible (as described in this Policy) are never eligible to re-enroll in Program coverage as a Surviving Dependent.

## **4.0 SURVIVING DEPENDENT BENEFITS**

### **4.1 Eligible Coverage**

- a. A Surviving Dependent may continue Medical, Dental, and Vision coverage in the Program if the deceased Active or Retired Employee was enrolled in that coverage on the date of death.
- b. The Surviving Dependent is responsible for the full payment of premiums for any coverage elected.

### **4.2 Ineligible Coverage**

A Surviving Dependent is not eligible for Basic and Voluntary Group Term Life or Basic and Voluntary Accidental Death and Dismemberment; Short Term Disability and Long Term Disability; or enrollment in the UT FLEX program.

## **5.0 SURVIVING DEPENDENT PREMIUM PAYMENTS**

### **5.1 No Premium Sharing**

A Surviving Dependent is responsible for full payment of the premiums. Surviving Dependents are not eligible for state or employer Premium Sharing or pre-tax payment of any premium.

## 5.2 Payment to Institution

Bills for all premium owed will be mailed to the Surviving Dependent from the employing institution of the deceased Active or Retired Employee or from UT Benefits Billing in the UT System Office of Employee Benefits. Premium payments must be made directly to the institution or to UT Benefits Billing as directed on billing information.

## 5.3 Payment in Arrears

a. In the event that a Surviving Dependent fails to remit payment of premiums for Program coverage by the end of the coverage period, the institution responsible for billing for the coverage shall provide the Surviving Dependent with written notification of any past due premium(s), a specific due date to ensure continued coverage, and the address where the payment should be sent.

b. If the premium remains unpaid for 45 days, the institution Benefits Office shall cancel the Surviving Dependent's coverage with an effective date of the first day of the month following the last month for which premium was paid. Following is an example of this situation:

Coverage Period:	November 1 through 30
Premium Billing:	October 15
Premium Payment Due:	November 1
Past Due Letter Mailed:	December 1
Premium Payment Due:	December 15
Coverage Reduced Effective:	November 1

c. In this example, the past due letter mailed by the institution on November 1 should clearly notify the Surviving Dependent that current Program coverage will be cancelled if payment for the month of November is not received by December 15<sup>th</sup>. If no payment is received at the institution by December 15<sup>th</sup>, the Surviving Dependent's coverage should be cancelled retroactive to October 31<sup>st</sup>. The institution Benefits Office then should mail a written notification informing the Surviving Dependent of the action taken.

## 6.0 TERMINATION OF PROGRAM COVERAGE

- a. A Surviving Dependent's coverage in the Program ends when:
- (i) Surviving Dependent dies
  - (ii) Surviving Child marries
  - (iii) A Surviving Child reaches the age of 26 and is not certified as an Incapacitated Overage Dependent
  - (iv) Legal relationship that forms the basis for a Surviving Child's eligibility as a dependent, such as a medical support order, is terminated

(v) Managing conservatorship is terminated

(vi) Required premium is not paid

b. Coverage terminated for non-payment of premiums ends on the last day of the month for which premium was paid. In all other events, the effective date of the termination of coverage is the last day of the month in which the terminating event occurred.

c. A Surviving Dependent enrolled in the Program whose coverage is terminated for a reason other than death or non-payment of premium may be able to continue coverage in the Program as a COBRA participant (see Policy 250 for more information).