

## ***FRINGE BENEFITS***

### **Annual Leave**

A full-time, non-exempt employee earns Annual (vacation) Leave during the first three years of continuous service at the rate of eight hours for each month of continuous employment in a pay status. Beginning with the fourth year of service, the same employee earns eight additional hours per year Annual Leave for each additional year of service up to a maximum of 160 hours. At the end of a calendar year, a non-exempt employee with less than 10 years of Auburn University service may carry forward 1 year's accrued leave into the new year. A non-exempt employee with 10 or more years of service may carry forward up to 2 years' accrued leave. Any accrued leave exceeding the allowed carryover will be erased at the beginning of the new year. Upon separation from active University employment, an eligible employee will be paid an equivalent of one year's accrual of unused, accumulated Annual Leave up to a total of one month's pay.

Full-time faculty and administrators on a twelve-month basis, exempt support personnel and Alabama Cooperative Extension System employees earn 13.34 hours of Annual Leave each month, cumulative to 320 hours (2 years' worth).

### **Sick Leave**

Sick leave will enable you to continue to draw your regular pay in the event you become ill, or if there is an illness/injury emergency in your immediate family that requires your presence. Sick Leave is accrued at the rate of eight hours for each month of continuous employment. All accumulated, unused Sick Leave is carried forward at the beginning of each year. There is no limit as to the number of days Sick Leave an employee can accrue.

Upon leaving the service of the University (including retirement), an eligible staff employee hired prior to October 1, 1990 will be paid 25% of unused accumulated Sick Leave, not to exceed one month's pay. Staff employees who are retiring immediately under Teachers' Retirement have the option of applying this unused Sick Leave toward retirement service credit.

Staff (hired after October 1, 1990), faculty and administrators receive no remuneration for unused Sick Leave; however, if retiring immediately they may also apply unused Sick Leave toward Teachers' or Employees' Retirement service credit.

## **Health Insurance**

Active full time employees are eligible to enroll in the Auburn University self-insured group health insurance program with Blue Cross/Blue Shield of Alabama acting as an administrator for the processing of medical claims.

## **Mandatory Retirement Plans**

**Teachers' Retirement System of Alabama.** All employees, except Civil Service employees, who are employed for a year in at least a 50% work capacity on a continuing basis must be participants in the Teachers' Retirement System. Each member will have a payroll deduction equaling 5% of salary. Those employees appointed on a temporary basis for no longer than one year may be exempt for that period.

**Social Security.** A deduction is made from all employees' wages, except Civil Service employees, for Social Security. The noted Civil Service personnel are only eligible for Medicare and have a prorated deduction from wages to cover the Medicare portion.

**Employees' Retirement System of Alabama.** All Civil Service employees employed by the Alabama Cooperative Extension System must participate in the Employees' Retirement System. Each member will have a payroll deduction equaling 2 1/2% of salary.

**Civil Service Retirement.** Academic employees hired before January 1, 1984, participate in the Civil Service Retirement System. Certain employees who transfer to the Alabama Cooperative Extension System from other Federal agencies may also participate in the CSRS. Payroll deductions equal 7% of total salary.

## **Life Insurance**

Eligible employees have available to them life insurance equal to their salary not to exceed \$35,000 at no cost to the employee. Additional insurance can be purchased at 1X, 2X and 3X your salary.

## **Long Term Disability**

Auburn University employees become eligible for benefits under a Long Term Disability Insurance Plan after 1 year of continuous full-time service. This plan consists of two parts:

1. Salary Continuation during the first 6 months of disability, and
2. Long Term Disability Insurance beginning at the end of the 6 month period.

Both parts of this insurance provide coverage up to 60% of the employee's monthly salary with a maximum amount of \$3,000 per month and a minimum of \$100.00.

## **Voluntary Retirement Plans**

### ***(1) Tax Sheltered Annuities***

University personnel have a means of deferring federal income tax that is unique to colleges, universities and other non-profit organizations. Under section 403(B) of the Internal Revenue Code, tax deferred annuity plans are made available to make up for the tax and retirement benefit advantages that are lost by not working in private industry. These plans reduce the employee's gross wages before federal taxes are computed. Theoretically when these funds are withdrawn later in life, the employee is in a lower income tax bracket.

#### ***A. Eligibility***

All full-time, qualified (as defined in the plan), regular employees are eligible to participate. Full-time temporary employees are also eligible if their employment period is for a minimum of one year.

#### ***B. University's Contribution and Additional Amount That Can Be Invested***

Auburn University will match up to 5% of gross salary of a qualified employee with a maximum covered salary of \$24,000 per year. Accordingly, the maximum dollar amount that the University can match is \$1200 per year.

All employees enrolling in the University's tax deferred annuity plans vest in the University's matching portion after the completion of five years of full-time continuous service. Upon completion of the five year requirement, the University's matching contribution and interest earned will be credited (or vested) to the participant's accounts. Non-participating employees with continuous service will be provided credit toward the five year requirement upon joining the tax deferred annuity program.

There may be instances where a participant wishes to contribute to the plan in excess of the amount matched by the University. In such cases, the applicable approved company, as noted below, will compute the maximum amount that may be tax sheltered through payroll deduction in accordance with IRS regulations.

#### ***C. Investment Options Available***

There are several investment options available providing the investor a wide spectrum of opportunities ranging from fixed and variable annuities to mutual funds. Detailed information is provided by the approved companies listed below.

	<u>Company</u>	<u>Local Representative</u>	<u>Phone</u>
1.	VALIC <a href="http://www.valic.com">www.valic.com</a>	Cindy Haynes Sarah Fucci	887-5520
2.	TIAA-CREF <a href="http://www.tiaa-cref.org">www.tiaa-cref.org</a>	None	1-800-842-2003
3.	Johnson, Sterling, Paul & Company	Cathy Slaminka	887-5533
	Fidelity	<a href="http://www.300.fidelity.com">www.300.fidelity.com</a>	
	Vanguard	<a href="http://www.flagship.vanguard.com">www.flagship.vanguard.com</a>	
	Invesco	<a href="http://www.invesco.com">www.invesco.com</a>	
	Lincoln Life	<a href="http://www.lincolnlife.com">www.lincolnlife.com</a>	

***(2) Deferred Compensation Plan***

The Retirement Systems of Alabama have implemented a Deferred Compensation Plan available to all members of the Teachers' and Employees' Retirement Systems. According to federal law, annual contributions may not exceed \$7,500 or 25% of your compensation whichever is less. The amount must be coordinated with any Tax Deferred Annuity contributions.

PEIRAF & RSA-1 Deferred Compensation Plan website –  
[http://www.rsa.state.al.us/RSA-1/peiraf\\_&\\_rsa-1.htm](http://www.rsa.state.al.us/RSA-1/peiraf_&_rsa-1.htm)