

**Fact Sheet for Graduate and Professional Students
with Associateship, Fellowship, or Traineeship Appointments
Paid through the Ohio State Payroll System
June 2, 2004**

Beginning Autumn Quarter 2004, the university is implementing the next phase of Ohio State's long-term plan to improve compensation and benefits for graduate and professional students with associateship, fellowship, or traineeship appointments paid through the Ohio State payroll system (referred to as "funded graduate and professional students" below). Information about each of the improvements follows.

1) Increase in the minimum GA stipend

The minimum stipend for graduate associate appointments will be increased from \$900 per month to \$1,000 per month (for 50% FTE appointments) effective Autumn Quarter 2004; the minimum stipend will be prorated based on FTE.

2) Increase in health insurance subsidy for funded graduate and professional students enrolled in single coverage

The university's subsidy for health insurance for eligible funded graduate students will increase from \$150/quarter (which equates to 42%) this year to 64% of the Comprehensive Student Health Insurance Plan (SHIP) premium for Academic Year (AY) 2004-05 and to 75% for AY 2005-06.

To be eligible for the subsidy, you must be 1) enrolled in one of the university's health insurance plans, and 2) receiving a monthly stipend for the month/quarter/semester that the university health insurance subsidy is received. In addition, students with associateship appointments must be appointed at 50% or greater. The subsidy will reduce the amount of money deducted from your paycheck for the premiums of whichever of the two university health plans you have selected.

- *Student Health Insurance Plan (SHIP).* You are automatically enrolled in the SHIP unless you opt out by the 15th day of the first quarter of your qualifying appointment each year; in order to opt out of coverage, you must have other insurance that is comparable to the SHIP. Your plan enrollment must remain in effect for the remainder of the academic year. Students enrolled in the SHIP will see health insurance charges and the subsidy credits on their Statement of Account. For more information on what constitutes comparable coverage, review the information at <http://shi.osu.edu/index/asp>.
- *University Prime Care (UPC).* Alternatively, you may elect to be covered by UPC. Enrollment must be completed by the 15th day of the first quarter of the qualifying appointment each year and must remain in effect for the remainder of the academic year. If you enroll in UPC, the subsidy dollar amount equivalent to that which would have been applied to the SHIP will be applied to the premium for this plan. To enroll in UPC coverage, you must complete an election form available at <http://hr.osu.edu/benefits/gahealth.htm>.
- *Note for international students:* You are required to enroll in the SHIP unless you are covered under a government sponsor, select international organization, or are a covered dependent of a U.S.-based employee. For additional information regarding this requirement, consult the information posted at <http://shi.osu.edu/index.asp>. If you are enrolled in one of these other plans, you will not be eligible to receive the subsidy.

The following table illustrates the impact of this change, assuming an 18% annual cost increase to the Comprehensive Student Health Insurance Plan premium.*

Impact of Subsidy for Eligible Funded Graduate and Professional Students Enrolled in Single Coverage

	% Subsidy	Subsidy Per Quarter	GA Premium Per Quarter	Net Premium (After Tax Savings)
Current	42%	\$150	\$205	\$205
AY05	64%	\$268*	\$150*	\$115*
AY06	75%	\$370*	\$124*	\$95*

** These are estimates of the insurance plan premium increases and resulting subsidy amounts; the exact amounts for all health plans will be determined and communicated early this summer. Further information on Net Premium After-Tax Savings can be found at #4 of this fact sheet*

3) Increase in health insurance subsidy for enrolled families of funded graduate and professional students

For the first time, the university will provide a subsidy of 25% of the SHIP premium for AY 2004-05 for enrolled dependents of eligible funded graduate and professional students, and will increase the subsidy for enrolled dependents to 50% for AY 2005-06. To be eligible for the subsidy, you must enroll for coverage by the appropriate insurance plan deadlines and meet the criteria outlined in the section above.

The table below illustrates the impact of this change, assuming an 18% annual cost increase to the Comprehensive Student Health Insurance Plan premium.

Impact of Subsidy for Enrolled Dependents of Eligible Funded Graduate and Professional Students (Additional Cost)

	% Subsidy	Subsidy Per Quarter	GA Premium Per Quarter	Net Premium (After Tax Savings)
Current	-- 0 --	\$0	\$556 Spouse \$562 Children \$874 Family	\$556 Spouse \$562 Children \$874 Family
AY05	25%	\$164 Spouse* \$166 Children* \$258 Family*	\$492 Spouse* \$497 Children* \$773 Family*	\$377 Spouse* \$380 Children* \$592 Family*
AY06	50%	\$387 Spouse* \$392 Children* \$609 Family*	\$387 Spouse* \$392 Children* \$609 Family*	\$296 Spouse* \$300 Children* \$466 Family*

** These are estimates of the insurance plan premium increases and resulting subsidy amounts; the exact amounts for all health plans will be determined and communicated early this summer. Further information on Net Premium After-Tax Savings can be found at #4 of this fact sheet.*

4) Introduction of pre-tax premium deductions

Additional premium savings will come through the implementation of pre-tax healthcare premium deductions beginning Autumn Quarter 2004. This change applies only to graduate and professional students with a graduate associate appointment paid through the Ohio State payroll system; *this does not apply to graduate and professional students with only a fellowship or trainee appointment.*

For the quarter/semester that you are holding a graduate associate appointment, are receiving a stipend and are enrolled in either the Student Health Insurance Plan or the University Prime Care Plan, your premium will be automatically deducted from your paycheck on a pre-tax basis. Note that your appointment must be entered into the Human Resources/Payroll System by the payroll deadline for this to occur; the Human Resources contact in your department is responsible for ensuring that your appointment is entered in a timely manner.

Your decision to elect or opt-out of one of the university health insurance plans for the first quarter or semester that you are eligible each year will establish your enrollment and taxable status of your deductions for the remainder of the academic year. You will not be able to opt-out of coverage, or change your coverage level, unless you have a qualifying status change.

The table below illustrates an example of the impact of this change (reflecting the estimated premium increases and new subsidy amounts).

Current status – Single coverage (AY04):

➤ Quarterly premium (<i>less subsidy</i>)	\$205
➤ Less tax savings	<u>\$ 0</u>
➤ Net cost of coverage	\$205

With pre-tax premiums – Single coverage (AY05)

➤ Quarterly premium (<i>less subsidy</i>)	\$150
➤ Less tax savings (23.45%)	<u>\$ 35</u>
➤ Net cost of coverage ¹	\$115

¹Assumes an 18% increase in premiums and the following marginal tax rates: Federal - 15%; Medicare Hospital – 1.45%; State – 5%; Local 2%

The two tables below illustrate the impact of the above changes, using for the example a graduate associate who is paid the minimum stipend:

A) Impact of Improvements: An Example – Single Coverage

AY 04 (current status - monthly):

- Earning minimum stipend of \$900
- Enrolled in single coverage & paying \$68 in net premiums
- Activity/COTA Fees - \$8
- **Monthly gross compensation - \$824**

AY 05 (with new plan implemented - monthly):

- Earning minimum stipend of \$1,000
- Enrolled in single coverage & paying \$38 in net premiums
- Activity/COTA Fees - \$8
- **Monthly gross compensation - \$954**

Impact: Savings of an additional \$130/month (\$1,560 year) for a GA earning the minimum stipend and enrolled in single coverage.

B) Impact of Improvements: An Example – Family Coverage

AY **04** (current status - monthly):

- Earning minimum stipend of \$900
- Enrolled in family coverage & paying \$360 in net premiums
- Activity/COTA Fees - \$8
- **Monthly gross compensation - \$532**

AY **05** (with new plan implemented - monthly):

- Earning minimum stipend of \$1,000
- Enrolled in family coverage & paying \$235 in net premiums
- Activity/COTA Fees - \$8
- **Monthly gross compensation - \$757**

Impact: Savings of an additional \$225/month (\$2,700 year) for a GA earning the minimum stipend and who has family coverage.

5) Additional improvements

Over the next two years, the university will work with the Graduate School and other colleges, the Council of Graduate Students, and the proposed Graduate Compensation and Benefits Committee to implement a standard letter of appointment for graduate associates and will enact Family Medical and paid leave policies.

Questions and additional information

For additional information, please consult the information posted at <http://hr.osu.edu/benefits/gahealth.htm> or <http://shi.osu.edu/index.asp>.