

# Benefits News 2009

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## Open Enrollment Begins November 1

Open Enrollment begins November 1 and ends November 26. Except for certain changes in your employment or family status, Open Enrollment is the only time you can make certain changes to your benefits:

- changing from one medical plan to another
- changing from one dental plan to another
- adding or deleting dependents to your medical or dental plans
- changing your Accidental Death and Dismemberment insurance
- to re-enroll for 2009 Flexible Spending Accounts

Changes made during Open Enrollment will be effective on January 1.

Open Enrollment is also a good time to review all your benefits, get answers to your questions, and make changes to other benefit programs. Think about joining the Supplemental Retirement Plan or setting up a flexible spending account (for dependent care or health care) to save on your taxes next year.

Remember that you can make changes to your retirement, medical or dental benefits online during Open Enrollment. That means there are no more paper forms to fill out for most of our plans and deliver to your benefits office and you will get faster confirmation of your changes.

During Open Enrollment you will make your changes on eTrac. Here's what you can do:

- cancel coverage
- add or change medical or dental plans
- add or delete dependents (paper documentation of relationship will still be needed for new dependents)
- start or re-enroll for a 2009 Flexible Spending Account
- make changes to your retirement plans effective January 1, 2009 or after
- enroll or request change to your life and/or AD&D insurance.

Please note that if you are adding a dependent or changing your AD&D insurance, your eTrac transaction will be sent to Benefits Administration for review and will not be finalized until the appropriate documentation of relationship is reviewed by Benefits Administration.

All employees wishing to enroll in or change their Supplemental Retirement Plan with an effective date of January 1, 2009 must process the transaction via eTrac. We do not send out the year end limits via paper notification as all 2009 limit information will be available on eTrac.

**Deadline:  
November 26, 2008**

## Benefits Fairs 2009

Visit the Benefits Fair on your campus to get answers to your questions. Benefits staff will be there as well as representatives of many of the companies providing benefit programs for the university. Lots of freebies and raffle prizes.

### University Park Campus

Tuesday, October 28, 2008  
Von KleinSmid Center Plaza  
9:30 a.m. to 2:00 p.m.

### Health Sciences Campus

Thursday, October 30, 2008  
HSC Quad  
9:30 a.m. to 2:00 p.m.

## New Legal Services Plan

[www.legalplans.com](http://www.legalplans.com)

Finding an affordably priced lawyer to represent you when you have a need can be a challenge. The Hyatt Legal Plan will be available to USC employees effective January 1, 2009. The plan provides access to a nationwide network of more than 10,000 experienced attorneys who can provide you with a wide range of services. Fully covered services under the plan are free when you enroll and pay a small monthly premium (in 2009, \$15.94 a month).

The plan provides unlimited, confidential telephone advice and office consultation. This gives you the opportunity to discuss with an attorney any personal legal problems that are not specifically excluded matters, even if the matter is not fully covered under the legal services plan. During the consultation, the attorney will explain your rights, point out your options and, if needed, recommend a course of action. The network attorney will identify any further coverage available under the plan, and will undertake representation if you wish.

If representation is covered by the plan, you will not be charged for the network attorney's services. If representation is recommended, but is not covered by the plan, the network attorney will provide a written fee statement in advance.

Some of the services provided include:

- Purchase, sale or refinancing of a primary residence
- Wills and estate planning
- Debt preparation and immigration assistance
- Debt matters and identity theft defense
- Civil litigation defense

To find out more about the Hyatt Legal Plan, visit their Web site at [www.legalplans.com](http://www.legalplans.com) (password for USC employees is 1500723) or call them at (800) 821-6400. Enrollment forms are available from your benefits office or the Benefits Web page. In order to enroll, you must submit your enrollment form during Open Enrollment. Once you enroll you must remain in the plan for the entire year.

## Faculty Pay Options and Paying for Your Benefits

Health insurance coverage that meets the needs of you and your family is one of the most important benefits offered to you by the university. As always, faculty on academic year contracts may continue to receive individual and family benefits coverage during summer months, however, some planning is required. All medical, dental, vision and other insurance (AD&D, supplemental term life insurance, dependent term life insurance, AFLAC) coverage is prepaid, so it is especially important for faculty on academic year appointments to prepare for coverage during the summer months.

Faculty with summer pay from research supplements, teaching, or administrative stipends may choose to have their employee contribution deducted from their special summer pay.

Faculty who are paid their core salary over twelve months will have their employee contributions deducted in equal monthly installments throughout the year.

Full-time faculty on academic year contracts and on the August through May payroll schedule in 2008-2009 must make arrangements to pay the employee contributions to continue medical, dental and other insurance (e.g., AD&D, supplemental term life insurance, dependent term life insurance, AFLAC) coverage during summer 2009.

In order to facilitate planning and paying for summer coverage, academic year faculty without summer pay and who receive their entire academic year salary between August 16 and May 15, will be provided with options for prepaying the employee contribution toward summer insurance coverage. Deduction of the employee contribution from payroll during spring semester as well as a "cash pay" option will be available to faculty who wish to prepay and continue insurance coverage during summer 2009. Individual questions may also be directed to Kevin Johnson (213-821-8112) or Awilda Bregand (213-821-8109) in the Benefits Office.

## What to Look for in 2009:

### Enhancements to Vision Service Plan and Limited Increases to Employee Contributions

#### Enhancements to Vision Service Plan

Coverage for eyeglass frames will increase from \$120 to \$170; and from \$120 to \$150 for elective contact lenses. When you get glasses or contacts after an eye exam, your co-pay for materials (lenses, frames, coatings, etc.) will be lower, down from \$25 to \$15.

Laser eye surgery at discounted fees will soon be available for participants in the Vision Service Plan. Starting January 1, 2009, PRK, LASIK and Custom LASIK from contracted VSP providers will be available at a fixed, discounted fee to USC Network Medical Plan and Plan C participants, as well as HMO members who purchase the Vision Service Plan in addition to their medical benefits. The maximum VSP participants will pay for laser eye surgery with a VSP provider will be: \$1,500 per eye for PRK; \$1,800 per eye for LASIK; and \$2,300 per eye for Custom LASIK using wavefront technology.

#### Plan Design Changes and Increases to Employee Contributions

Faced with double-digit premium increases from two of the three HMO plans offered, the Employee Benefits Advisory Committee recommended, and USC administration approved, several plan design changes in order to reduce increases to both employee and USC contributions for 2009.

#### HMO changes for Kaiser, PacifiCare and CaliforniaCare include:

- An increase in office visit co-payments from \$15 to \$20 per visit

- Prescription drug co-payment increases for brand-name drugs in CaliforniaCare and PacifiCare from \$20 to \$25 for a 30-day supply and from \$20 to \$30 in Kaiser for up to a 100-day supply. Generic medications in Kaiser will also increase from \$10 to \$15 for up to a 100-day supply.
- The inpatient hospital admission co-pay will increase from \$100 to \$250 per admission.
- The outpatient hospital admission co-pay for Kaiser will increase from \$15 to \$50—no change for PacifiCare at \$50 and CaliforniaCare at \$100.
- The maternity co-pay for Kaiser will increase from \$0 to \$10 per visit as will well-child visits up to two years of age.

Even with these changes, premiums will increase 7.9% for Kaiser, 6.87% for PacifiCare and 6.47% for CaliforniaCare.

For the USC Network Medical Plan, the changes are limited to prescription medications:

- Generic drug co-pay will increase from 15% of the cost of the medication with a \$5 minimum co-pay to 15% of the cost of the medication with a \$7 minimum co-pay per 30-day supply. A \$100 maximum co-pay per 30-day supply of medication will remain.
- Brand name drugs with no generic available will increase from 20% of the cost of the medication with a \$20 minimum co-pay to 20% of the cost of the medication with a \$25 minimum co-pay per 30-day supply. A \$100 maximum co-pay per 30-day supply of medication will remain.
- For brand name drugs with generics available, the co-pay will increase from 40% of the cost with no maximum co-pay to 50% of the cost of the medication with a \$25 minimum co-pay per 30-day supply. There is no maximum co-pay.

Since 2003, the university has contributed 83% of the total premium to the cost of health care for all employees regardless of family size—with employees contributing 17%. Many, if not most

employers, require a larger contribution on the part of employees who cover their dependents. At the time the 17%-83% split was implemented, the Employee Benefits Advisory Committee noted that the university contribution remained high (even though it was down from the 85% it had been previously) and committee members acknowledged that it was fair and reasonable that over time the employee contribution would increase to 20% of the premium. In its July and August meetings, the committee reviewed the employee contribution levels and recommended that the university continue to contribute an equal percentage amount, irrespective of family size, but that the employee contribution increase to 18% of the premium. USC administration approved that recommendation as well as the committee's recommendation that employee contributions increase to 20% over the next few years.

### 2009 Employee Contributions

**Employee Coverage** for the employee only  
**Employee + adult Coverage** for the employee and his or her spouse or registered domestic partner

**Employee + child(ren) Coverage** for the employee and his or her dependent, unmarried children up to age 19 (up to age 25 if certified as a dependent child) or eligible disabled children, regardless of age, if such incapacity existed immediately prior to the limiting age. In addition, CaliforniaCare and the USC Network also require coverage under the plan immediately prior to reaching the limiting age.

**Employee + adult + child(ren) Coverage** for the employee and his or her spouse or registered domestic partner and dependent, unmarried children up to age 19 (up to age 25 if certified as a dependent child) or eligible disabled children, regardless of age, if such incapacity existed immediately prior to the limiting age. In addition, CaliforniaCare and the USC Network also require coverage under the plan immediately prior to reaching the limiting age.

### Employee Contribution for Medical Plans (salary reduction—pretax dollars)

	USC Network		Kaiser Permanente		CaliforniaCare		PacifiCare	
	Monthly	Biweekly	Monthly	Biweekly	Monthly	Biweekly	Monthly	Biweekly
Employee	\$80	\$40	\$57	\$28.50	\$63	\$36.50	\$56	\$28
Employee+adult	\$175	\$87.50	\$126	\$63	\$133	\$66.50	\$122	\$61
Employee+child(ren)	\$138	\$69	\$115	\$57.50	\$119	\$59.50	\$106	\$53
Employee+adult+child(ren)	\$225	\$112.50	\$172	\$86	\$179	\$89.50	\$170	\$85

These medical plan rates are effective January 1, 2009.

### Cost for Vision Service Plan (when purchased separately) Employee Contribution (salary reduction—pretax dollars)

Employee	\$ 8.82	per month	\$ 4.41	per biweekly
Employee+adult	\$12.22	per month	\$ 6.11	per biweekly
Employee+child(ren)	\$12.46	per month	\$ 6.23	per biweekly
Employee+adult+child(ren)	\$20.08	per month	\$10.04	per biweekly

### Employee Contribution for Dental Plans (salary reduction—pretax dollars)

	Delta Dental		United Concordia	
	Monthly	Biweekly	Monthly	Biweekly
Employee	\$19	\$9.50	\$7	\$3.50
Employee+adult	\$51	\$25.50	\$15	\$7.50
Employee+child(ren)	\$43	\$21.50	\$15	\$7.50
Employee+adult+child(ren)	\$86	\$43	\$25	\$12.50

Biweekly contributions are deducted from two paychecks each month.



## Comparison of Medical Coverage

	USC Network Medical Plan			CaliforniaCare	Kaiser Permanente	PacifiCare
	USC Faculty/Facilities (Anthem Blue Cross for Children under 19 years of age)	Anthem Blue Cross Prudent Buyer Providers	Non-Network			
<b>Annual Deductible</b>	None	None	None	None	None	None
<b>Annual Out of Pocket Maximum</b>						
–Individual	\$1,000	\$2,500	\$10,000	\$1,000	\$1,500	\$2,000
–Family	\$3,000 (100% thereafter)	\$7,500 (100% thereafter)	\$30,000 (100% of UCR thereafter)	\$3,000	\$3,000	\$6,000
<b>Lifetime Maximum Benefit</b>	\$2,500,000	\$2,500,000	\$2,500,000	Not applicable	Not applicable	Not applicable
<b>Office Visits</b>	Plan pays 90% You pay 10%	Plan pays 80% You pay 20%	Plan pays 50% of UCR You pay remainder of charges	You pay \$20	You pay \$20	You pay \$20
<b>Preventive Care*</b>	Plan Pays 100% only for first annual screenings			You pay \$20	Plan pays 100%	You pay \$20
<b>Prescription Drugs</b>	If prescription is filled at a Network pharmacy, your co-pay is For generic: 15% of cost, with a minimum of \$7 For brand when no generic available: 20% of cost, with a minimum of \$25 For brand when generic available: 50% of cost, with a minimum of \$25  Mail service available on maintenance medications but co-pays are the same		If filled at a non-Network pharmacy, the Plan will reimburse 50% of the Plan's RxAmerica contracted rate.	You pay \$10 per prescription for generic drugs and \$25 per prescription for brand name formulary drugs and 45% of cost for brand name non-formulary drugs at participating pharmacies	You pay \$15 per prescription for generic drugs and \$30 per prescription for brand name drugs (up to 100-day supply) at Kaiser Permanente pharmacy	You pay \$10 for generic drugs and \$25 for brand name drugs at participating pharmacies (30-day supply) Self-Injectable Medication—\$50 co-pay for a 30-day supply or prescribed course of treatment (whichever is shorter)
<b>Maternity (Doctor only)</b>	Plan pays 90% You pay 10%	Plan pays 80% You pay 20%	Plan pays 50% of UCR You pay remainder of charges	You pay \$20 per office visit**	You pay \$10 for Pre-Natal Care and First Post-Partum	You pay \$20 per office visit**
<b>Well Baby Care</b>	Plan pays 100% newborn exam & circumcision at hospital			You pay \$20 per office visit	You pay \$10 per visit for first 23 months of life	Plan pays 100% coverage for first 23 months of life You pay \$20 if child is ill at time of visit
<b>Emergency Care</b>	You pay \$75 co-payment, waived if directly admitted to hospital		\$75 co-payment and any charges above 100% of UCR	You pay \$100 co-payment, waived if directly admitted to hospital	You pay \$75 co-payment, waived if directly admitted to hospital	You pay \$50 co-payment, waived if directly admitted to hospital
<b>Ambulance (Ground)</b>	Not available	Plan pays 80% if true Emergency You pay 20%	Plan pays 80% of UCR if true Emergency You pay remainder of charges	Plan pays 100%	You pay \$50	Plan pays 100%
<b>Inpatient Hospital Expenses</b>	All hospital admissions are subject to a Pre-Hospital Review Program. Benefits are reduced by 50% if program is not followed.					
	You pay \$100 per day co-pay (\$500 co-pay maximum per admission)	You pay \$150 per day co-pay (\$750 co-pay maximum per admission)	You pay \$200 per day co-pay (\$1,000 per admission plus 50% co-insurance)	You pay \$250 co-pay per admission	You pay \$250 co-pay per admission	You pay \$250 co-pay per admission
Skilled Nursing Facility	Not available	You pay \$150 per day co-pay (\$750 co-pay maximum per admission), limited to 100 days per calendar year regardless of cause	You pay \$200 per day co-pay (\$1,000 co-pay maximum per admission plus 50% of remainder of charges) Plan pays 50% of UCR limited to 100 days per calendar year regardless of cause	Plan pays 100%, up to 100 days per calendar year	You pay \$250 co-pay per admission Plan pays 100%, up to 100 days per calendar year	You pay \$200 co-pay per admission Plan pays 100%, up to 100 consecutive calendar days from first treatment per disability
Surgery/Doctor Visits	Plan pays 90% You pay 10%	Plan pays 80% You pay 20%	Plan pays 50% of UCR You pay remainder of charges	No charge	No charge	No charge
<b>Outpatient Surgery Expenses</b>	Facility: You pay \$100 co-pay	You pay \$150 co-pay	You pay \$200 co-pay; Plan pays 50% of UCR up to \$2,700 You pay remainder of charges	You pay \$100 co-pay	You pay \$50 co-pay	You pay \$50 co-pay
	Doctor: Plan pays 90% You pay 10%	Plan pays 80% You pay 20%	Plan pays 50% of UCR You pay remainder of charge	No charge	No charge	No charge
<b>Blood, Plasma</b>	Plan pays 90% You pay 10%	Plan pays 80% You pay 20%	Plan pays 50% of UCR You pay remainder of charges	Plan pays 100%	Plan pays 100% if replaced	Plan pays 100%, Autologous (self-donated) blood up to \$120/unit
<b>Authorized Home Health Care</b>	Not available	Plan pays 80%, up to 100 visits per person each year You pay 20%	Plan pays 50% of UCR, up to 100 visits per person each year	You pay \$20 per visit (Limited to 100 visits per calendar year)	Plan pays 100% for up to 100 visits	You pay \$20 per visit (Limited to 100 visits per calendar year)
<b>Durable Medical Equipment</b>	Not available	Plan pays 80% You pay 20% no coverage if not within Plan description; Over \$2,000 requires pre-authorization	Plan pays 50% of UCR; You pay remainder of charges. No coverage if not within Plan description and no prescription; Over \$2,000 requires pre-authorization	Plan pays 100% in most instances, up to \$2,000 each calendar year	Plan pays 100% in most instances	Plan pays 100% in most instances Limited to \$5,000 annual maximum per calendar year
<b>Hospice Care</b>	\$20,000 combined maximum lifetime benefit			Plan pays 100%	Plan pays 100%	Plan pays 100% with prognosis of life expectancy of one year or less
<b>Mental Health/ Substance Abuse</b>	You pay \$100 per day co-pay (\$500 co-pay maximum per admission) Plan pays 90 days per calendar year		No coverage	Mental Health: You pay \$250 a day for hospital, for up to 30 days; \$35 a day for doctor Substance Abuse: Detox only: You pay \$250 a day	Mental Health: \$250 co-pay per admission; up to 45 days/year MH Parity: \$0 visit; No visit limit Substance Abuse: \$250 co-pay per admission. Transitional Residential Recovery Services \$100 co-pay per admission up to 60 days/year. Not to exceed 120 days within 5 years.	Mental Health: \$250 co-pay per admission, not to exceed 30 days. Severe Mental Illness (SMI) \$250 co-pay per admission: unlimited days Substance Abuse: IP/OP combined max. lifetime benefit of \$35,000; \$25,000 calendar year maximum; applies to Detox and all levels of care SA Rehab.: one treatment per year
–In Hospital	Substance Abuse rehabilitation treatment is limited to four (4) courses, whether inpatient or outpatient, per lifetime.		No coverage			
–Out of Hospital	64 visits paid at 90%	64 visits paid at 80%	40 visits paid at 50% of UCR For children under 19, visits are paid at 90% of UCR	Mental Health: You pay \$35 per visit for up to 20 visits each 12 month period Substance Abuse: No coverage	Mental Health: You pay \$20 per visit for up to 20 individual visits per year and \$10 for 20 additional group visits. Visit and day limits do not apply to serious emotional disturbances of children and severe mental illnesses Substance Abuse: \$20 per visit for individual therapy; \$5 for group	Mental Health: \$20 co-pay up to 230 visits for crisis intervention per calendar year SMI: \$20 co-pay; unlimited visits Substance Abuse: IP/OP combined max. lifetime benefit of \$35,000; \$25,000 calendar year maximum; applies to Detox and all levels of care
<b>Child Immunizations</b>	Plan pays 100% through age 18			You pay \$20 per office visit	Plan pays 100%	You pay \$20 per office visit (children under 2 years of age refer to Well-Baby Care)
<b>Routine Eye Exams</b>	Provided by Vision Service Plan (VSP). One eye exam every calendar year. VSP provider: \$10 co-pay, Non-VSP provider: Reimbursed up to \$45			You pay \$20 per exam	You pay \$20 per exam	You pay \$20 per exam
<b>Eyeglasses/ Contact Lenses</b>	Provided by Vision Service Plan (VSP) Lenses every calendar year and one pair of frames every other calendar year. VSP: Lenses and/or frames \$15 co-pay. Frames covered up to \$170 Non-VSP: Frames reimbursed up to \$55 Lenses reimbursed \$45 to \$125. Contact lenses once per calendar year: VSP and non-VSP, reimbursed up to \$150. Maximum you will pay for Laser Eye Surgery with a VSP provider: \$1,500 per eye for PRK; \$1,800 per eye for LASIK; \$2,300 per eye for Custom LASIK. Non VSP: No benefit			None	\$125 allowance every 24 months for eyewear purchased from Kaiser optical	None
<b>Coverage in Foreign Countries</b>	Yes	Yes	Yes	Yes, full coverage for emergencies, subject to co-pays	Yes, full coverage for emergencies, subject to co-pays	Yes, full coverage for emergencies, subject to co-pays
<b>Coordination with Other Plans</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Convertible to Individual Policy if under 65†</b>	No	No	No	Yes	Yes	Yes
<b>Convertible to Medicare Supplement or Medicare Advantage at Retirement</b>	Yes, to USC Senior Care or other plans with Medicare Part A & B			Yes, with Medicare A & B	Yes, with Medicare A & B	Yes, with Medicare A & B

†(following COBRA)

UCR=Usual, customary and reasonable charges. \*Includes certain childhood immunizations, adult screenings and certain adult immunizations

\*\*Healthcare Partners Medical Group does not deliver at Huntington Memorial Hospital.



## May 2008 Child Care Needs Assessment

Last spring, USC benefits-eligible faculty and staff were invited to participate in a survey to help us better understand and quantify the current and future needs our faculty and staff may have for child care and other dependent care services and benefits. The provost's Advisory Committee on Work and Family Life assisted in identifying issues to be explored and an appropriate consulting firm to conduct the survey (Bright Horizons Family Solutions).

Almost 2,500 faculty and staff employees responded to the survey putting our response rate at slightly over 21% (of 11,518 benefits-eligible employees). Of those respondents, 80% were staff and 20% were faculty. Our response rate was higher than the average response rate (15.2%) of other universities that have participated in similar surveys conducted by Bright Horizons. As is typical, responses were skewed toward those employees who have a need for dependent care.

### Our Demographics

One third of all respondents currently have responsibility for a child under the age of 13 and 18% for a child 13-18 years old. Four percent of the respondents are currently expecting or adopting a child. Almost 20% are planning to have or adopt a child within the next 1 to 3 years; and another 10% within the next 4 to 5 years. Survey respondents reported that 13% currently have the responsibility for (or arranging care for) an older family member or a disabled or chronically ill family member.

### What We Found Out in the Survey

Not surprisingly, our faculty and staff report facing the same challenges families across America, and especially in Southern California, face—the availability and affordability of their preferred child care option, including the difficulty of securing emergency back-up care, and increased responsibility of caring for an older, disabled or chronically ill family member. Respondents ranked a flexible work schedule as the most important factor that assists them in fulfilling their family responsibilities.

### What Happens Next

The provost's Advisory Committee on Work and Family Life and administrators will study the survey results during the next year and work with the administration to explore ways the university could enhance support we already provide. Copies of the 120-page survey results are available for review in the Administrative Operations offices. Send e-mail to [hbernard@usc.edu](mailto:hbernard@usc.edu) to make an appointment. A shorter executive summary also is available via e-mail or by calling (213) 821-8124.

## New Life Insurance Rates

USC pays the entire cost of basic term life insurance equal to your annual base pay, up to a maximum of \$50,000. You can also purchase supplemental insurance for yourself and your dependents. USC Risk Management has negotiated a new contract with Prudential that lowers the rate for supplemental life insurance for employees; however, insurance rates for dependents are higher. The new rates are shown below.

The cost of supplemental insurance is based on your age and other underwriting criteria, as well as the amount of additional coverage you choose. Coverage for all dependents (at least 14 days old) is available for a flat rate. Participants (under the age of 60) who become totally disabled for at least nine consecutive months may file a claim with Prudential to have life insurance premiums waived during their disability. The participant must file the premium waiver claim during the first 12 months of his or her disability. Obtain the waiver claim form from your benefits office.

### Supplemental Life Insurance Rates for Employee

Can be purchased in multiples of your regular annual pay—1x, 2x, 3x, 4x, 5x

Your Age	Rate per month per \$1,000 (Payroll deduction; after-tax dollars)
Under 25	\$0.032
25-29	\$0.035
30-34	\$0.046
35-39	\$0.055
40-44	\$0.070
45-49	\$0.117
50-54	\$0.178
55-59	\$0.334
60-64	\$0.515
65-69	\$0.855
Over 70	\$1.050

### Life Insurance Rates for Dependents

Amount	Rate per month (Payroll deduction; after-tax dollars)
\$ 5,000	\$1.40
\$10,000	\$3.15
\$20,000	\$6.40
\$50,000*	\$16.50

Insurance coverage for children from 14 days to six months is limited to \$500. If both parents are USC benefits-eligible employees, a child may be covered as a dependent by only one parent.

\*Proof of insurability is required for your spouse or registered domestic partner.

## Make Your Health Care FSA Even More Convenient: WageWorks Can Pay Your Health Providers Directly

If you have a Health Care Flexible Spending Account, you can make it even easier to pay your bills. Choose an amount to be paid to your health care provider directly by WageWorks. WageWorks will deduct the specified amount from your FSA (provided there is sufficient balance) and will mail the payment to the health care provider you specify. This is an especially convenient payment option if you have regularly scheduled expenses from a single provider. You can create your own direct payments by logging onto your account at [www.wageworks.com](http://www.wageworks.com).

To set up the service, you must provide the following:

- your e-mail address
- provider's billing name and address
- patient's name
- type of service provided
- payment amounts (must be \$20 or more).

## Make Sure Your E-mail Address is Up-to-Date

As part of their Go Green campaign, WageWorks will no longer send monthly statements by paper mail. Statements will be provided only by e-mail.

## Lower Rates for Accidental Death and Dismemberment Insurance

In addition to the \$10,000 basic accident coverage, \$100,000 basic business travel accident insurance, and the AXA emergency travel assistance program paid for by USC, benefits-eligible employees can purchase additional AD&D insurance for themselves and their family. New rates for Accidental Death and Dismemberment Insurance have been negotiated by USC Risk Management. Rates for both the additional coverage that you can purchase for yourself and your family will be lower effective January 1, 2009.

The cost of additional insurance coverage for you and your family is shown below. Coverage is offered in \$25,000 increments up to \$500,000. Included in the AD&D coverage is the AXA emergency travel assistance program. Policies over \$250,000 cannot exceed ten times base pay.

Accidental Death and Dismemberment Coverage	Rate per \$1,000 coverage per month (Payroll pretax dollars)*
Employee	\$.010
Employee and family	\$.019

\*Coverage is offered in \$25,000 increments

## Great Participation in New Long Term Care Insurance Program

Last February we announced enhancements to USC's group Long-Term Care Insurance Plan, underwritten by new vendor John Hancock Life Insurance Company. Benefits from this insurance program help pay the cost of nursing home care, convalescent care, or home health care and daily living assistance for patients requiring special care due to illness, injury, or the natural aging process. This includes expenses not normally covered by Medicare, Medicaid, and most other medical insurance policies. The cost of the insurance depends on both your age when you enroll and the level of insurance you choose.

The enrollment campaign was scheduled to run through mid-April, but was extended until early May to accommodate the enormous response we received to the enhanced program. As of August, we have almost 1,200 employees enrolled in the new program; and almost 200 eligible family members. Some 300 participants transferred from the old CNA Long Term Care Insurance Program.

You can still enroll in the new Long Term Care Insurance. Learn about the program on the Web site for the USC Long Term Care Insurance Program at [usc.jhancock.com](http://usc.jhancock.com) (username: usc; password: my-benefit). Detailed information and enrollment kits are available online and from your benefits office or by calling John Hancock at (888) 524-6167. You can enroll in this program at anytime with proof of insurability.

## Coming Soon! New Roth 403(b) Option for Retirement Savings

Next year, we are planning to offer a new option for retirement savings. Under this new option, you can choose to make all or a portion of your contributions to the USC Retirement Savings Program (both basic and supplemental) as Roth 403(b) deductions. Your Roth 403(b) contributions can be part or all of the contributions you make that are matched by the university. Under this option—a Roth 403 (b) account—you pay taxes on your contributions now, but you do not pay taxes on your investment earnings while they are deposited in your retirement account. And when you receive a distribution from your account at termination or retirement, both your contributions and earnings are returned to you tax free if you are at least 59½ years old and your account has been established for 5 years or more.

### Pre-Tax and After-Tax Options Comparison

Pre-Tax Contributions	Roth 403 (b) After-Tax Contributions
<ul style="list-style-type: none"> <li>• Pre-tax employee contributions</li> <li>• Contributions and earnings are subject to tax when payments are made to participant or beneficiaries</li> <li>• Amount of contribution subject to IRS limits (\$15,500 for 2008)</li> </ul>	<ul style="list-style-type: none"> <li>• After-tax employee contributions</li> <li>• Earnings are tax-free if participant is at least 59½ years old and account has been established for 5 years or more</li> <li>• Included in amount of contribution subject to IRS limits (\$15,500 for 2008)</li> </ul>
<b>Benefits</b> Deduct contributions pre-tax from current income <ul style="list-style-type: none"> <li>• Investment earnings are tax deferred until distribution</li> </ul>	<b>Benefits</b> <ul style="list-style-type: none"> <li>• Tax free investment earnings</li> <li>• Contributions not subject to same income restrictions as Roth IRA</li> <li>• Save more money than with Roth IRA</li> </ul>
<b>Limitations</b> <ul style="list-style-type: none"> <li>• Minimum distributions required by April 1 following the year you turn 70½</li> <li>• 10% penalty on contributions and earnings if under 59½ at time of distribution</li> </ul>	<b>Limitations</b> <ul style="list-style-type: none"> <li>• Minimum distributions required by April 1 following the year you turn 70½</li> <li>• 10% penalty on earnings if under 59½ at time of distribution</li> <li>• Earnings not tax-free if not in the plan for 5 years, regardless of age</li> </ul>

## Healthy Trojans Online

[wellness.usc.edu](http://wellness.usc.edu)

The new Healthy Trojans Web site provides a singular online resource for our community to get information about the hundreds of wellness resources on campus. It includes information and links to resources related to physical wellness, emotional and social well-being, spirituality, community service, work and family, research and more. The site also includes monthly columns about exercise and nutrition.

The increased commitment to work/life balance and wellness at USC was inspired by a series of family-friendly initiatives proposed by Provost Max Nikias in late 2005. His initiatives provided guidelines for improving the quality of life for USC faculty and staff and promoting health and wellness. Both the Work and Family Life Advisory Committee, and the Academic Senate have been working hard on actualizing these initiatives. Academic Senate President, Ann Crigler (2006-2007), made work/life and wellness a primary agenda for 2006-2007.

The Center for Work and Family Life took the lead in developing the site at the direction of the Work and Family Life Advisory Committee and the Academic Senate Executive Committee. Collaboration on the contents of the site involved many departments on campus. Contact the Center for Work and Family Life at [wellness@usc.edu](mailto:wellness@usc.edu) or (213) 821-0800 if you have comments, suggestions or questions about the site.

## Important Notice about the USC Retirement Savings Program

All faculty and staff employees are eligible to make pre-tax contributions to the supplemental component of the USC Retirement Savings Program beginning with the first pay period following completion of enrollment paperwork. Contributions to the Supplemental Plan are not matched by the University. If you are an eligible employee, you may participate in the matching component of the USC Retirement Savings Program upon completion of a six month period in which you work at least 500 hours. Your enrollment is effective the first pay period following completion of the eligibility period. (Please see the Program's Summary Plan Description for information about who is an eligible employee.) The Program is intended to satisfy the rules of Internal Revenue Code section 401(m), and to do so, the Program must satisfy certain "nondiscrimination requirements." These requirements are imposed to prevent the Program from discriminating in favor of highly compensated employees. The Internal Revenue Code provides plan sponsors with a "safe harbor" method for satisfying these nondiscrimination requirements, and the Program is intended to satisfy this safe harbor.

### Contributions

One method for satisfying the safe harbor is to make fully vested (i.e., non-forfeitable) matching contributions, which the Program does by providing for matching contributions each year that equal 100% of your matched employee contributions (which are your pre-tax) contributions that do not exceed the lesser of 5% of your eligible earnings or the applicable IRS limit for the year). The university also makes a 5% contribution whether or not you contribute. This means, for example, that the university will make a 10% contribution if you make a 5% employee contribution. You may, however, choose to contribute less than 5%, or even nothing at all, and still receive a reduced USC contribution:

<b>USC</b>	10%	9%	8%	7%	6%	5%
<b>You</b>	5%	4%	3%	2%	1%	0%

If available under the applicable IRS limit for the year, you may also make additional pre-tax contributions (called supplemental employee contributions). Please see your Summary Plan Description for more information about the Program (including the definition of eligible earnings and more detailed information about contributions and the underlying plans in the Program).

### Automatic Enrollment

If you do not submit the required paperwork (including a salary reduction agreement) to your benefits office by your enrollment deadline, you automatically will be enrolled in the Program and your contribution rate will be 5% of your eligible earnings made on a pre-tax basis, with the university contributing 10% of your eligible earnings.

If you do not want to contribute to the Program or you want to contribute less than 5%, you must complete your enrollment paperwork and submit it to your benefits office in a timely manner. In the future, you may change your contribution percentage, or stop your contributions altogether, at any time by completing a new salary reduction agreement and submitting it to your benefits office. Changes will be effective with the pay period following the date your salary reduction agreement is received. Changes cannot be made retroactively.

### Plan Investments

You may choose to allocate your contributions among the four investment companies offered under the Plan: Fidelity Investments, Prudential Retirement, TIAA-CREF and Vanguard. If you do not submit the required paperwork to your benefits office by your enrollment deadline, both your contribution and the university contribution

will be invested in the Vanguard Target Retirement Fund most appropriate for your estimated retirement year (assuming a retirement age of 65). The following is a summary of the Vanguard Target Retirement Funds:

Target Retirement Funds apply time-tested fundamentals of portfolio construction to deliver a low-cost retirement solution through a single fund. Designed to provide broad diversification, these funds include allocations to international stocks and emerging markets. As you, the investor, move toward retirement, the funds become more conservative by reducing exposure to equities and by incorporating Treasury inflation-protected securities into their asset allocation. The asset allocation is implemented through index funds. The Target Retirement Funds feature expense ratios ranging from 0.19% to 0.21%—well below the 1.16% expense ratio of the average balanced fund.

You may change your investment provider at any time by completing a new salary reduction agreement and vendor enrollment forms. You may change investment elections within a particular provider at any time by contacting that provider. Account accumulations can be moved from the Vanguard Target Retirement Funds to any of the other investment options available under USC's Program at any time without fees or surrender charges.

### Vesting and Withdrawals

All contributions under the Program are fully vested at all times. Generally, you may withdraw from your Program accumulations when your employment with the university ends, if you become entitled to a Social Security disability benefit, or upon attaining age 65 (if you work on a 50% basis or less and are not tenured or give up tenure). You may withdraw from your matched and supplemental employee contributions in the event of certain financial hardships, and you may borrow up to 50% of your supplemental employee and university contributions, subject to specific rules and limits. You may also withdraw from your supplemental employee contributions upon attaining age 59½. Please see the Summary Plan Description for information about the restrictions, taxes and, in some cases, penalties that apply to withdrawals.

### Additional Information

Complete information about the USC Retirement Savings Program, including your investment provider choices and contact information as well as the enrollment forms, can be found at the Benefits Web site at [www.usc.edu/dept/Benefits/retirement-savings](http://www.usc.edu/dept/Benefits/retirement-savings). You may obtain a copy of the Summary Plan Description at the same web address or by contacting your benefits office. Please contact the investment providers directly for information about the funds available through each provider. If you have any questions regarding your enrollment in the USC Retirement Savings Program, please call your benefits office at (213) 740-6027 for the University Park campus or (323) 442-1010 for the Health Sciences campus or send e-mail to [benefits@usc.edu](mailto:benefits@usc.edu). If there is any inconsistency between this Notice and the Program's official plan documents, the plan documents will control.

## Making Changes to Your Benefit Programs

### Use eTrac to Make Changes

Changes to your medical or dental plans and to your Supplemental Retirement Plan are initiated via eTrac. When you make a change that requires verification (such as adding a dependent), you will receive e-mail with information about the type of documentation you need to submit to your benefits office.

### Making Benefits Changes When Your Life Changes

Many of your benefit plans may be changed at any time. However, only qualifying changes in employment or family status allow you to make changes to the following:

- Medical, Vision and Dental plans
- Accidental Death and Dismemberment Insurance
- Disability Plans
- Flexible Spending Accounts

Only changes in your enrollment that are consistent with the life event may be made. For example, if you have a baby, you can add the baby to your medical plan or start or add to your Flexible Spending Account to cover health care or child care expenses.

### Life Changes that Qualify

- Marriage, divorce or legal separation
- Registration or termination of a domestic partnership
- Change in employment status or reduction in number of hours worked
- Death of a loved one
- Birth, adoption (or placement for adoption) of a child or court-approved legal guardianship
- Changes in insurance coverage (such as loss of a dependent's insurance coverage)
- Changes in health insurance eligibility due to a relocation of residence or workplace

### Within 30 Days of the Life Event, You Must

- Contact your benefits office to discuss the effects on your benefits.
- Initiate a change on eTrac or, for some benefits, submit a paper enrollment form.
- Provide the required documentation of the life event to your benefits office.

If you do not enroll your dependents within 30 days of the qualifying event you must wait until the next Open Enrollment period with coverage becoming effective the following January 1. You are also required to contact your benefits office within 30 days of the qualifying event when you need to stop coverage for a dependent, this will provide time to process the change in coverage and provide information about the availability of continuing coverage through COBRA within the 60 days set by COBRA.

### Loss of a Dependent's Insurance Coverage

Eligible dependents who have other health coverage but subsequently lose that coverage, either because their COBRA coverage is exhausted or because they cease to be eligible for the other coverage, may be enrolled in the employee's health plan within 30 days of the loss of coverage. Documentation of other coverage and reason for loss, along with documentation of the dependent's relationship to the employee must be provided. Enrollment in the employee's health plan is not permitted if the dependent's loss of coverage is due to failure to pay required premiums on a timely basis. You or your covered dependent may lose coverage for cause (such as making a fraudulent claim or an intentional misrepresentation of a material fact in conjunction with the plan). Such loss of eligibility may be disclosed by a health plan to a benefit department as termination of enrollment for cause and is specifically permitted under the Privacy rule. A termination of enrollment of dependent or employee for cause from one health plan will result in loss of eligibility for enrollment in any other health plan.

continues on page 8

Benefit Plan	What You Need to Do	Documentation Required	eTrac	Paper Form	When
<b>Birth of Child or Placement of a Child for Adoption or Legal Guardianship</b>					
Medical	Add coverage for your new dependent	copy of official state Certified Birth Certificate or provisional documentation for temporary enrollment	•		30 days
Dental	Add coverage for your new dependent. If adding newborn will increase premium, may want to wait until a later Open Enrollment period to add.	copy of official state Certified Birth Certificate or provisional documentation for temporary enrollment	•		30 days
Flexible Spending Accounts	Start or change the amount of a health care or dependent care FSA	copy of official state Certified Birth Certificate or provisional documentation for temporary enrollment	•		30 days
Life Insurance	Add your new dependent (if you already have dependent coverage, additional child is automatically covered after 14 days from date of birth)	copy of official state Certified Birth Certificate or provisional documentation for temporary enrollment	•		anytime
Accidental Death and Dismemberment	If you already have dependent coverage, new child is covered. If not, you may wish to add new child. Review your beneficiary designation and update if necessary.		•		30 days
Retirement Plans	Review/update your beneficiary designation		•		anytime
<b>Children Who Are No Longer Eligible for Dependent Coverage</b>					
Medical	You must terminate the coverage of a child who is no longer eligible (see page X for eligibility requirements). Your child will be sent notification about continuing coverage under COBRA.		•		30 days
Dental	You must terminate the coverage of a child who is no longer eligible (see page X for eligibility requirements). Your child will be sent notification about continuing coverage under COBRA.		•		30 days
Flexible Spending Accounts	Start or change the amount of a health care FSA. To qualify as an eligible expense for the Dependent Care FSA, day care must be provided for an eligible dependent who is a child under age 13.		•		30 days
Life Insurance	Delete coverage if ineligible child is your only covered dependent. Coverage ceases as soon as child is ineligible.		•		30 days
Accidental Death and Dismemberment Insurance	Delete coverage if ineligible child is your only covered dependent. Coverage ceases as soon as child is ineligible.		•		30 days
<b>Marriage</b>					
Medical	Add coverage for your new spouse	Documentation acceptable to the university that substantiates your marriage. Usually an official marriage certificate. Provisional documentation for temporary enrollment.	•		30 days
Dental	Add coverage for your new spouse	Documentation acceptable to the university that substantiates your marriage. Usually an official marriage certificate. Provisional documentation for temporary enrollment.	•		30 days
Flexible Spending Accounts	Start or change the amount of a health care or dependent care FSA		•		30 days
Life Insurance	Add life insurance coverage for your new spouse. If you already have dependent coverage, your new spouse is covered. Review your beneficiary designation and update.	\$50,000 coverage requires evidence of insurability	•		anytime
Accidental Death and Dismemberment Insurance	Add AD&D insurance coverage for your new spouse. If you already have dependent coverage, your new spouse is covered. Review your beneficiary designation and update.		•		30 days
AFLAC	Start coverage for your new spouse			•	30 days
Long Term Care Insurance	Start coverage for your new spouse			•	30 days
Retirement Plans	Under federal law, your spouse is automatically entitled to a minimum of 50% of your retirement benefit upon your death whether or not you have listed him/her as your beneficiary unless spouse has signed a spousal waiver. Review your beneficiary designation(s) and update if necessary.		•		anytime
<b>Registration of a Domestic Partnership</b>					
Medical	Add coverage for your registered domestic partner	Documentation acceptable to the university that substantiates the registration of your partnership. Such documentation generally consists of a state-approved certificate of registered domestic partnership but may include other documentation that USC, in its discretion, finds acceptable.	•		30 days
Dental	Add coverage for your registered domestic partner	Documentation acceptable to the university that substantiates the registration of your partnership. Such documentation generally consists of a state-approved certificate of registered domestic partnership but may include other documentation that USC, in its discretion, finds acceptable.	•		30 days
Flexible Spending Accounts	Start or change the amount of a health care or dependent care FSA		•		30 days
Life Insurance	Add life insurance coverage for your registered domestic partner. If you already have dependent coverage, your registered domestic partner is covered. Review your beneficiary designation and update.	\$50,000 coverage requires evidence of insurability	•	•	anytime
Accidental Death and Dismemberment Insurance	Add AD&D insurance coverage for your registered domestic partner. If you already have dependent coverage, your registered domestic partner is covered. Review your beneficiary designation and update.		•		30 days
AFLAC	Coverage for your registered domestic partner		•		30 days
Long Term Care Insurance	Coverage for your registered domestic partner			•	30 days
Retirement Plan	You may wish to review your beneficiary designation(s) and update if necessary.		•		anytime
<b>Divorce/Legal Separation or Annulment</b>					
Medical	Must be removed from your coverage within 30 days in order to qualify for COBRA rights. Claims will not be paid for ineligible dependent.	copy of the divorce, legal separation or annulment decree	•		30 days
Dental	Must be removed from your coverage within 30 days in order to qualify for COBRA rights. Claims will not be paid for ineligible dependent.	copy of the divorce, legal separation or annulment decree	•		30 days
Flexible Spending Accounts	Start or change the amount of a health care or dependent care FSA	copy of the divorce, legal separation or annulment decree	•		30 days
Life Insurance	No longer covered under policy. If only dependent covered, need to stop dependent coverage.		•		anytime
Accidental Death and Dismemberment	No longer covered under policy. If only dependent covered, need to stop dependent coverage.		•		anytime
AFLAC	Contact AFLAC at (800) 992-3522 to discontinue payroll deductions for your ex-spouse or spouse from whom you have legally separated; he or she may continue coverage on a direct bill basis.				anytime
Long Term Care	Contact John Hancock at (888) 524-6167 to discontinue payroll deductions for your ex-spouse or spouse from whom you have legally separated; he or she may continue coverage on a direct bill basis.				anytime
Retirement Plans	If you need information about preparing a qualified domestic relations order to divide assets held in your retirement plan, please contact the Office of Benefits Administration. You may wish to review your beneficiary designation(s) and update if necessary.				anytime
Tuition Assistance	Legally separated or former spouse is not eligible for tuition assistance.				
<b>Termination or Dissolution of a Domestic Partnership</b>					
Medical	Must be removed from your coverage within 30 days in order to qualify for continuation coverage. Claims will not be paid for ineligible dependent.	copy of the Notice of Termination of Domestic Partnership filed with the California Secretary of State	•		30 days
Dental	Must be removed from your coverage within 30 days in order to qualify for continuation coverage. Claims will not be paid for ineligible dependent.	copy of the Notice of Termination of Domestic Partnership filed with the California Secretary of State	•		30 days
Life Insurance	No longer covered under policy. If only dependent covered, need to stop dependent coverage.		•		anytime
Accidental Death and Dismemberment	No longer covered under policy. If only dependent covered, need to stop dependent coverage.		•		anytime
AFLAC	Contact AFLAC at (800) 992-3522 to discontinue payroll deductions for your ex-domestic partner; he or she may continue coverage on a direct bill basis.				anytime
Long Term Care	Contact John Hancock at (888) 524-6167 to discontinue payroll deductions for your ex-domestic partner; he or she may continue coverage on a direct bill basis.				anytime
Retirement Plans	If you need information about preparing a qualified domestic relations order to divide assets held in your retirement plan, please contact the Office of Benefits Administration. You may wish to review your beneficiary designation(s) and update if necessary.				anytime
Tuition Assistance	A registered domestic partner whose domestic partnership with a sponsoring employee has been terminated is not eligible to receive tuition assistance.				
<b>Death of a Loved One</b>					
Medical	Remove your deceased dependent from your coverage	copy of death certificate	•		30 days
Dental	Remove your deceased dependent from your coverage	copy of death certificate	•		30 days
Flexible Spending Account	Start or change the amount of a health care or dependent care FSA		•		30 days
Life Insurance	Review/update your beneficiary designations				anytime
Dependent Life Insurance	Submit a claim for the life insurance benefit through Benefits Office. If the deceased dependent was the only eligible dependent you had covered, submit a Benefit Cancellation form to remove the dependent's coverage.	original death certificate (may take up to six months to receive)		•	
Accidental Death and Dismemberment Insurance	Submit a claim through Benefits Office for the AD&D benefit if applicable. If the deceased dependent was the only eligible dependent you had covered, submit a Benefit Cancellation form to remove the dependent's coverage. Review/update your beneficiary designations	original death certificate and proof of accidental death such as a police report			
Long Term Care	Contact John Hancock at (888) 524-6167 to discontinue premium for your deceased dependent.				anytime
AFLAC	Contact AFLAC (800) 992-3522 directly to discontinue the premium for your deceased dependent.				anytime
Retirement Plans	Review/update your beneficiary designations		•		anytime
<b>Death of a USC Employee</b>					
Medical	Coverage for employee terminates on date of death. Coverage for dependents ends at end of month. Notify Benefits office as soon as possible so surviving dependents will be eligible for COBRA coverage.			•	30 days
Dental	Coverage for employee terminates on date of death. Coverage for dependents ends at end of month. Notify Benefits office as soon as possible so surviving dependents will be eligible for COBRA coverage.				
Flexible Spending Accounts	Cancelled effective date of death of the employee. Claims incurred prior and up to date of death may be submitted through March 31 of the following year.				
Life Insurance	Notify Benefits Office as soon as possible for assistance with claim process.	original death certificate (may take up to 6 months to receive)		•	
Accidental Death and Dismemberment	Notify Benefits Office as soon as possible for assistance with claim process.	original death certificate and proof of accidental death such as a police report			
Retirement Plans	Notify Benefits Office as soon as possible for assistance with options for plan assets.				
Tuition Assistance	See USC Tuition Assistance Benefit policy regarding limitations on continuation of benefits for surviving dependents.				

### What is Provisional Documentation?

Provisional Documentation is documentation that can be temporarily accepted when an employee needs to make changes to his or her coverage (e.g., marriage or birth of a child).

Receipt of official certified documentation can take several months. You must still initiate the enrollment of your new dependents via eTrac and submit provisional documentation within 30 days of the change in family status (i.e. date of marriage or date of birth). Provisional documentation will provide for temporary enrollment. Failure to provide the final official documentation within 3 months of the effective date of coverage will result in cancellation of enrollment.

Here are some examples of acceptable provisional documentation:

*For Marriage*

- copy of application for marriage license
- copy of church certificate
- *Birth of a Child*
- copy of letter from hospital normally given to parents at birth of child

Please provide the appropriate documentation to your benefits office in order for us to approve your enrollment. You may fax or hand-deliver or mail the documentation to us.

## Your Employee Benefits Help Make USC “A Great College to Work For”

In April 2008, USC participated in the Chronicle of Higher Education’s first “Great Colleges to Work For” survey. The survey assessed workplace quality at institutions of higher education and recognized institutions that have been successful in creating great workplaces.

USC ranked in the top five in 10 categories among universities with 2,500 or more employees. Five of the categories we excelled in spotlighted our employee benefit programs: health insurance, tuition reimbursement, retirement savings plans, disability insurance, and life insurance. Three others highlighted the support we provide for career development and work environment: professional/career development programs, workspace conditions, and policies, resources and efficiency. And, of course, it came as no surprise that our two highest ranking categories pointed to the institutional pride and emotional engagement our faculty and staff feel for USC.

For more information on the survey and results, visit [chronicle.com/indepth/academicworkplace/](http://chronicle.com/indepth/academicworkplace/).

## What Is COBRA?

*The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events. Qualified individuals may be required to pay the entire premium for coverage up to 102 percent of the cost to the plan.*

## For Employees Leaving USC

Review your insurance coverage. Your group coverage through USC ends on the last day of the month in which you terminate.\* Decide about continuing coverage. Enroll within the deadlines. If you do not act by the deadlines, you will not be able to purchase the coverage at a later date.

### Medical and Dental Plans

Coverage ends on the last day of the month in which you terminate.\* You may elect to continue your coverage for up to 18 months under the provisions of the federal Consolidated Omnibus Budget Reconciliation Act (COBRA). Information will be sent to your home by the Benefits Administration office. Your election must be returned to the Benefits Administration office postmarked within 60 days from your termination date or the date of notification, whichever is later. HMO participants who fully exhaust their initial 18 months of COBRA coverage may be eligible for an additional 18 months under Cal COBRA. You will pay the full premium plus a 2% administrative fee. If you do not elect COBRA within 60 days, the COBRA opportunity is forfeited.

### Life Insurance

Group coverage through USC ends on the last day of the month in which you terminate.\* Coverage may be converted without evidence of insurability if you apply within 31 days of termination. Forms and rates are available from your benefits office.

### Accidental Death and Dismemberment Insurance

Coverage ends on the last day of the month in which you terminate.\* Conversion to an individual plan must be made within 31 days of termination. Forms and rates are available in your benefits office.

### Long Term Care

Coverage through payroll deduction ends the last day of the month in which you terminate.\* You can continue coverage by making a direct payment to the insurance company. Your premium remains the same. Contact John Hancock at (888) 524-6167 directly within 31 days of termination to convert to direct billing.

### AFLAC Cancer Expense Protection Insurance

Coverage ends on the last day of the month in which you terminate.\* You have 31 days to apply for continuation of coverage subject to AFLAC’s restrictions. Call (800) 992-3522 for information.

### Non-Exempt Staff Retirement Plan

If you have satisfied the vesting requirement and the present actuarial value of your benefit is less than \$5,000 when you terminate employment, you will need to take action regarding your benefit. You may either receive a lump sum payment or roll the benefit over to an IRA or your new employer’s retirement plan. If you do not take action regarding your benefit, we will cash out your money to you if the value is \$1,000 or less. If the value is \$1,001 to \$5,000, we will rollover your money into an IRA. If the value is more than \$5,000, you cannot receive payment or rollover the benefit but will receive retirement benefits based on its value when you retire. Call (213) 821-8106 for information. This retirement plan was frozen on June 30, 2007 except for employees represented by Local 11.

### USC Retirement Savings Program

Your contribution to the USC Retirement Savings Program will be taken from your final paycheck. Supplemental Retirement Plan contributions are not taken automatically; contact your benefits office before your final check is prepared for a calculation of how much, if any, you are eligible to contribute. Contact your investment company or your benefits office to discuss options regarding your retirement account.

### Flexible Spending Accounts (FSA)

You may submit claims for eligible dependent care services incurred through the end of the calendar year in which you terminate. You will be reimbursed up to the amount remaining in your account. Health care expenses submitted for reimbursement must be incurred (i.e. the services provided) prior to your termination unless you elect COBRA continuation of your health care FSA on an after-tax basis. If you have a FSA debit card, it will be deactivated as of your termination date.

### Tuition Assistance

If you leave during a semester, you will receive a pro-rated fee bill and are responsible for paying the cost of tuition for the remainder of the semester. Faculty or staff employees who have completed fifteen years of benefits-eligible service at the time they leave the university, should contact the Office of Personnel Services at (213) 821-8111 to discuss continued dependent eligibility for tuition assistance.

### USC Child Care Programs

The university subsidy for child care services provided by the USC Child Care Programs will stop at the end of the month in which your employment terminates. Contact your Child Care Administrative Office at (213) 743-2446 on the University Park campus; or (323) 442-333 on the Health Sciences campus for more information.

### Vacation Pay

Staff with unused vacation days accrued should discuss them with their supervisor. Your final check will include payment for these days.

### Payroll Deductions

Review your most recent paycheck or log on to eTrac for a detailed list of your current deductions. You’ll need to make arrangements to continue payments after termination for deductions such as: USC Federal Credit Union loans; School of Dentistry payment plans; Fidelity or Vanguard retirement loans, and ticket office purchases. Contributions for health, dental, other insurances, and supplemental retirement accounts are not taken from your final check; your contribution to the USC Retirement Savings Program is taken, and the university’s matching contribution is made. Other deductions such as parking citations, charges on your USCard and Faculty Center card, wage assignments, applicable taxable tuition assistance benefits, etc. will be deducted automatically from your final check.

### Severance Pay

Only staff employees who have been terminated due to layoff or reorganization are eligible for severance pay, excluding those who were employed for a specific period of time only (e.g., in a position where an end date was communicated in writing to the employee at the time of hire or during employment). Excluded are faculty and those claiming student status (including teaching and research assistants). Staff who have resigned, been terminated for cause, have retired, or who have abandoned their jobs are not eligible for severance pay. Staff employees who receive additional pay or benefits beyond that allowed by university policy will be required to enter into a Settlement Agreement and General Release with the university. Departments must contact Sharon Haymond, Director of Personnel Services, at (213) 821-8111 to make the necessary arrangements.

\*Provided premiums have been paid.

## University Property

Identify university property and keys in your possession. For assistance with check-out procedures in your department, staff should consult their supervisor and faculty should consult their department administrator. You may turn in your USC identification card to your department or to your benefits office. An Employee Inventory form which records system access and university property issued to each employee must be kept for each employee. When an employee is transferred or terminated, the inventory documenting the return of property and cancellation of system access must be submitted to Payroll Services through your home department coordinator.

## Parking

Contact Transportation Services at (213) 740-3575 on University Park campus or (323) 442-1201 on Health Sciences campus to cancel your parking deduction.

## Final Paycheck

You will receive your final paycheck from your supervisor on your last day of work. Bring your university ID card or another form of identification. Final checks are not direct-deposited to your bank account.

## Change of Address

If you move, you may update your address on eTrac if you used eTrac while you were an active employee (until April 15 of the year following your separation from employment). You also can update your address by sending e-mail ([benefits@usc.edu](mailto:benefits@usc.edu)) or a letter to USC Benefits Administration; or to Payroll Services at [payroll@usc.edu](mailto:payroll@usc.edu).

## Save for College, Save on Taxes

[fidelity.com](http://fidelity.com)

Even though eligible USC employees and their dependents can attend USC tuition-free, there are lots of other costs to cover, such as housing, books, food, and course fees. The state of California sponsors the 529 ScholarShare College Savings Plan in partnership with Fidelity to help you save and invest money for college expenses. Earnings on the money grow tax-deferred and distributions for qualified higher education expenses are federal and state income tax-free. Fidelity offers a wide range of investment options for College Savings Plan accounts. Any U.S. resident who is 18 years or older who has a Social Security or Tax ID number can open a 529 Plan account. Deposits to the account are made by establishing automatic payments from the bank account you choose. Information about the plan and enrollment kits are available at [fidelity.com](http://fidelity.com). Click on College Planning for full details.

## For Employees Retiring from USC

When you're leaving USC to begin retirement, there are additional steps for you to take well ahead of your actual retirement date.

*For faculty who are planning a phased retirement*

- Contact the Provost's Office.
- For a maximum of two years (three years with provost's approval), you can reduce your appointment to 50%
- You will need to give up tenure.
- Your retirement money will be available if you are 65 or older, working 50% time or less, and have given up tenure
- Your health benefit eligibility will continue until end of phased retirement.

*Prepare and send your resignation letter to your dean or supervisor.*

- Faculty planning an immediate retirement should, preferably, send this letter of intent early in the fall if they plan to resign in the spring. This will give your department time to find a replacement for the next academic year.
- Staff should send this letter two to four weeks prior to their retirement date. Generally, the larger your responsibilities the more notice you should give that you will be leaving.

*Review your medical coverage and how you will obtain medical coverage when you retire.*

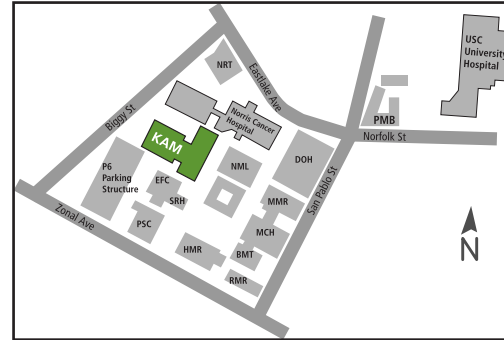
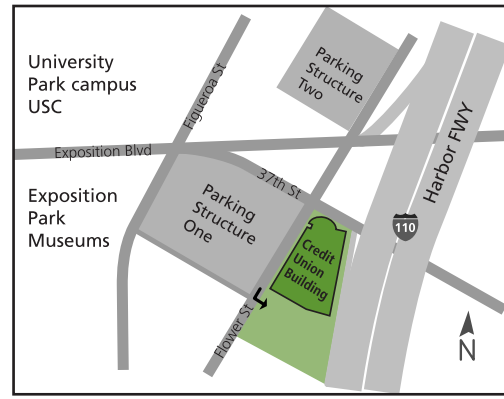
Three months before you retire contact your benefits office. They can help you with your retirement and medical benefits as well as your decisions about continuing other types of insurance.

*If you're Medicare eligible:*

- USC Network participants should contact Medicare to begin the enrollment process for Parts B & D (Part A also if you did not enroll at age 65) Begin researching Medigap plans. USC Senior Care is an option.
- Kaiser participants should contact Kaiser directly to enroll in their Senior Advantage Medicare. [www.kp.org](http://www.kp.org)
- PacifiCare participants should contact United Healthcare directly to enroll in their Secure Horizons Medicare. [www.securehorizons.com](http://www.securehorizons.com)
- CaliforniaCare participants should contact Blue Cross of California directly to enroll in their Senior Secure Plan. [www.anthem.com/ca/](http://www.anthem.com/ca/)

*Decide how you want to receive your retirement income from your retirement plan*

- Participants in the USC Retirement Saving Program should request information from their investment companies about income options at least 6 months before they retire. Paperwork will need to be completed to start payments.
- Employees who have accumulated benefits in the Non-Exempt Retirement Plan should contact the program manager to discuss the income options available to them at least 3 months before they retire. Once retired, participants (and spouses, if married) must set up an appointment to complete the necessary paperwork to begin pension payments.
- If you have accumulated benefits under both plans, you will receive retirement income from both plans.



## Benefits Office Locations

**University Park Campus**  
Benefits Administration  
Credit Union Building  
3720 S. Flower Street, 2nd floor  
CUB 200  
Mail Code 0704  
(213) 740-6027  
[benefits@usc.edu](mailto:benefits@usc.edu)  
Walk-In Hours:  
Monday–Friday 9:00 a.m. to 4:30 p.m.

**Health Sciences Campus**  
HSC Personnel Services  
Keith Administration Building, Room 409  
Mail Code 9030  
(323) 442-1010  
[hscpers@usc.edu](mailto:hscpers@usc.edu)  
Walk-In Hours:  
Monday–Thursday, 8:00 a.m. to 4:00 p.m.  
Friday morning, 8:00 a.m. to 12 noon  
Friday afternoon, 2:00 p.m. to 4:00 p.m.  
During Open Enrollment, office hours may be extended. You also may call to make an appointment outside of walk-in hours.

## About this publication

Benefits News 2009 provides you with information about changes to your benefits programs for 2009, as well as reminders about the things you need to do to keep your benefits up-to-date. The complete Your Benefits 2009 booklet is available in a searchable, print-friendly version available online at [www.usc.edu/benefits](http://www.usc.edu/benefits). You can print the pages you need or the entire booklet from the online copy or send e-mail to [benefits@usc.edu](mailto:benefits@usc.edu) or telephone your benefits office to receive a copy in campus mail. Also, you can pick up a copy at the UPC Benefits Office or HSC Personnel Services.

Benefits programs are subject to change at any time by the university, at its discretion, without prior notice or liability, to the extent permitted under applicable law. The benefits described in this booklet are available to staff and faculty employed by the University of Southern California subject to certain eligibility requirements. In the event of a discrepancy between the benefits and limitations described in this booklet and a collective bargaining agreement, the terms of the collective bargaining agreement will govern. Employees of other entities that have entered into agreements with the University of Southern California to provide payroll service are subject to the policies and procedures adopted by their employer.

## What's New on eTrac

[www.usc.edu/etrac](http://www.usc.edu/etrac)

### Retirement Plan Enrollment

While your enrollment in the Supplemental Retirement Plan has been via eTrac for several years, you also can now enroll in or make changes to your basic (matched) contributions to the USC Retirement Savings program on eTrac. Use eTrac to select or change the percentage of your pay you contribute and/or select the investment manager for your retirement account. You will still need to complete the paper enrollment forms from your choice of investment manager if you select a new investment manager. Those forms are available on the Benefits Web pages. From the eTrac main menu, choose Benefits Enrollment; then select either Basic (Matched) Retirement Enrollment or Supplemental Retirement Enrollment from the drop-down menu.

### Direct Deposit Sign Up and Changes

You can sign up for direct deposit via eTrac to have your paycheck electronically transferred to your bank account(s) on pay day. You can distribute different percentages of your pay to multiple accounts and change or cancel it at any time. Setting up Direct Deposit requires several weeks to become effective as we need to notify your financial institutions and wait to receive authorization back from them to allow the electronic transfers. If you already signed up for Direct Deposit, you can use eTrac to change the distributions of your pay to different bank accounts. From the eTrac main menu, choose Payroll Direct Deposit Update.

## How to Find a Service Provider

### CaliforniaCare

[www.anthem.com/ca/](http://www.anthem.com/ca/)  
(Use CaliforniaCare lists)

### Delta Dental

[www.deltadentalca.org](http://www.deltadentalca.org)  
(Use Dentist Directory for DPO/PPO dentists)

### Kaiser Permanente

[www.kp.org](http://www.kp.org)  
(Select members > your geographic region > Locate our services.)

### PacifiCare

[www.pacificare.com](http://www.pacificare.com)  
(Your plan type is HMO Traditional Network)

### United Concordia

[www.ucci.com](http://www.ucci.com)  
(Use DHMO Concordia Plus search)

### USC Network Medical Plan

[www.usc.edu/go/uscnetwork](http://www.usc.edu/go/uscnetwork),  
[www.anthem.com/ca/](http://www.anthem.com/ca/) (Use Prudent Buyer hospital or physician list) or outside of California—[www.bluecares.com](http://www.bluecares.com)  
(use BlueCard listing)  
For a USC specialist, call (800) USC-CARE.

## For More Information

### Your Benefits Offices

[www.usc.edu/benefits](http://www.usc.edu/benefits)

Call your benefits office for answers to your questions about:

- brochures available about benefit programs
  - claims under life insurance or accidental death and dismemberment insurance
  - counseling to maximize your benefit opportunities
  - enrolling in benefit programs (benefits orientation and sign-up sessions)
  - making changes to your benefits programs such as adding or deleting dependents
  - flexible spending accounts
  - retirement plan participation
  - rollover of retirement funds from a previous employer
  - tuition assistance benefits
  - what you need to do if you're leaving USC
- University Park Campus  
Benefits Administration  
Credit Union Building, 2nd floor  
Mail Code 0704  
(213) 740-6027  
[benefits@usc.edu](mailto:benefits@usc.edu)
- Health Sciences Campus  
HSC Personnel Services  
Keith Administration Building, Room 409  
Mail Code 9030  
(323) 442-1010  
[hscpers@usc.edu](mailto:hscpers@usc.edu)

### Health Plans

#### USC Network Medical Plan

[www.usc.edu/go/uscnetwork](http://www.usc.edu/go/uscnetwork)

#### Claim Questions

[www.deltahealthsystems.com](http://www.deltahealthsystems.com)  
Delta Health Systems (800) 418-5409

#### Eligibility Questions

[www.deltahealthsystems.com](http://www.deltahealthsystems.com)  
Delta Health Systems (800) 418-5409

#### Pharmacy Participation

[www.rxamerica.com](http://www.rxamerica.com)  
RxAmerica (800) 736-2774

#### Plan Coverage Questions

Delta Health Systems (800) 418-5409

#### Prescription Problems

RxAmerica (800) 736-2774

#### Medical Prior Authorizations

WellPoint (800) 274-7767

#### Provider Participation

[www.usc.edu/go/uscnetwork](http://www.usc.edu/go/uscnetwork) or  
[www.anthem.com/ca/](http://www.anthem.com/ca/) or  
[www.bluecares.com](http://www.bluecares.com)

#### USC Health Plans (213) 740-0035

[www.usc.edu/go/uscnetwork](http://www.usc.edu/go/uscnetwork)

#### CaliforniaCare (800) 235-8631

[www.anthem.com/ca](http://www.anthem.com/ca/)

#### Delta Dental (888) 335-8227

[www.deltadentalca.org](http://www.deltadentalca.org)  
[www.midatlanticdeltadental.org](http://www.midatlanticdeltadental.org)

#### Kaiser Permanente (800) 464-4000

or in Spanish (800) 788-0616  
[www.kp.org](http://www.kp.org)

#### PacifiCare (800) 624-8822

or [TDD] (800) 442-8833  
[www.pacificare.com](http://www.pacificare.com)

#### United Concordia (800) 937-6432

[www.ucci.com](http://www.ucci.com)

#### USC Senior Care (800) USC-CARE

[www.usc.edu/health/uscp/seniorcare](http://www.usc.edu/health/uscp/seniorcare)

#### Vision Service Plan (800) 877-7195

[www.vsp.com](http://www.vsp.com)

## Your Retirement Plan Investments

(USC Retirement Savings Program)  
Fidelity Investments (800) 343-0860  
[www.fidelity.com](http://www.fidelity.com)  
Prudential Retirement (800) 458-6333  
[www.uscpru.com](http://www.uscpru.com)  
TIAA-CREF (800) 842-2776  
[www.tiaa-cref.org](http://www.tiaa-cref.org)  
Vanguard Company (800) 523-1188  
[www.vanguard.com](http://www.vanguard.com)

## Other Resources

### Auto Insurance (800) 890-4840

[capsnet.usc.edu/Risk/index.cfm](http://capsnet.usc.edu/Risk/index.cfm)  
(Travelers Insurance)

### Bank of America at Work™ program

[www.bankofamerica.com](http://www.bankofamerica.com)  
(800) 782-2265

### Cancer Expense Protection Insurance (AFLAC) (800) 992-3522

### Child Care Programs,

[www.usc.edu/childcare](http://www.usc.edu/childcare)  
HSC (323) 442-3333  
UPC (213) 743-2446

### Credit Union, Health Sciences

[www.usccreditunion.org](http://www.usccreditunion.org)  
(323) 442-1897  
Credit Union, University Park  
King Hall (213) 821-7100  
Credit Union Building (877) 670-5860

### Disability Plans, Plan Administrator

[www.sedgwickcms.com](http://www.sedgwickcms.com)  
(Sedgwick CMS) (800) 495-2315

### Disability Plans, USC Office

[capsnet.usc.edu/DIS/](http://capsnet.usc.edu/DIS/)  
(213) 740-5875

### Emeriti Center (213) 740-8921

[www.usc.edu/org/emeriti\\_center](http://www.usc.edu/org/emeriti_center)

### Homeowner Insurance (800) 890-4840

[capsnet.usc.edu/Risk/index.cfm](http://capsnet.usc.edu/Risk/index.cfm)  
(Travelers Insurance)

### Homeownership Program, USC Neighborhood

[www.usc.edu/admin/nhp](http://www.usc.edu/admin/nhp)  
HSC (323) 442-1010  
UPC (213) 740-6027

### Long Term Care Program

[usc.jhancock.com](http://usc.jhancock.com)  
(John Hancock Insurance) (888) 524-6167

### Retiree Health Stipend (213) 740-6027

### Savings Bond Program

[www.securitymarketinggroup.com](http://www.securitymarketinggroup.com)  
(Security Marketing Group) (800) 711-2922

### Travel Assistance Program

[www.axa-assistance-usa.com](http://www.axa-assistance-usa.com)  
(800) 446-7142

### Tuition Assistance

15-year Service Letter (213) 821-8111

### Tuition Exchange Scholarship Program

[www.tuitionexchange.org](http://www.tuitionexchange.org)  
(213) 740-6963

### Unemployment Insurance

[capsnet.usc.edu/Risk/index.cfm](http://capsnet.usc.edu/Risk/index.cfm)  
(213) 740-6203

### WageWorks

[www.wageworks.com](http://www.wageworks.com)  
(877) 924-3967

### Work and Family Life (213) 821-0800

[www.usc.edu/worklife](http://www.usc.edu/worklife)

### Workers' Compensation

[capsnet.usc.edu/WC/](http://capsnet.usc.edu/WC/)  
(213) 740-6205