



## TORRANCE UNIFIED SCHOOL DISTRICT

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### OPEN ENROLLMENT AND LATE PAYMENT POLICY

#### LOSS OF BENEFITS DUE TO "SHORT CHECK"

Open Enrollment for Health Benefits will take place for all returning employees between August 1-30. Every returning employee will receive an Open Enrollment packet that is mailed to their home address, as noted in SAI, Systematic Automation Inc., the District's online Benefit System. This packet will give the employee all necessary information about how to complete open enrollment, accessing their benefits via the website, the listing of the scheduled times for meeting with an AFA representative, and the telephone number for scheduling an appointment. If the employee has no changes to their health benefits, they may enroll online with their personal pin number. If the employee has changes or wants to speak to an enrollment specialist, locations, times and dates for appointments will be listed in the Open Enrollment packet. Walk-in Open Enrollment at the District Office will be officially closed at 7:00pm, August 30. Online Open Enrollment will be officially closed at 11:59 p.m. on the night of August 30. **Any employee, who has not completed Open Enrollment by the deadline as noted above, will have their prior benefits terminated, effective at midnight, September 30th.**

If an employee fails to enroll in benefits by the end of the open enrollment period, they will be terminated from ALL prior benefits effective September 30<sup>th</sup>, 11:59 p.m. If the employee requests to reinstate their benefits after the close of Open Enrollment, they must submit a written appeal to the District no later than October 11. Written appeals for reinstatement will not be accepted beyond 4:00pm on October 11. Approved appeals for reinstatement will be handled after October 15 of the new plan year. TUSD will have the sole discretion to allow reinstatement of an Employee. If the employee's appeal is accepted they will be reinstated retro to October 1. The reinstated employee will be required to pay a \$100.00 reinstatement fee, and a \$50.00 late payment fee. In addition, all reinstatements will require full payment of all out-of-pocket costs for the missed month's benefits. These costs must be paid in full and cannot be deducted from your paycheck due to mandated LACOE regulated payroll timelines. Due to our Section 125 rules, no pre-tax voluntary items may be re-elected even if an appeal is granted. Payment must be made by cash (exact change – no \$100-dollar bills) or check. **Failure to pay the reinstatement fee, late fee, or out-of-pocket costs IN FULL will result in termination of all benefits and future enrollment will be limited to the next open enrollment period.** If an appeal to be reinstated in the plan is denied by TUSD, the employee will not have the opportunity to enroll for coverage until the next open enrollment period, the following plan year.

The Appeal Process will be required for every employee who has lost their benefits and wishes to have their benefits reinstated. The Appeal Process requires a written statement to the Manager – Health & Welfare Benefits By October 11, explaining how the benefits were lost. If an appeal is granted, the employee will be notified.

Due to the continued increase to the cost of health benefits, if you are "Employee only" and carry any additional voluntary plans such as Income Protection, Tax Shelter Annuity, any American Fidelity

Assurance products; or if you are “Employee +1 or more” with no additional voluntary deductions, **and receive payroll twice monthly, there may be occasions where your second (5<sup>th</sup> of the month) paycheck will not be sufficient to pay all of the cost of your health benefits.** Whether you receive Direct Deposit or an actual paycheck, it will be your responsibility to check your pay stubs on the 5<sup>th</sup> of every month. If there are not enough funds on the pay warrant issued on the 5<sup>th</sup> of the month to cover your core (medical, dental and vision benefits), you will be required to make the “missed” payment directly to the District Office, Benefits Department, by 4:00 pm on the 10<sup>th</sup> of the month. If payment is not received by 4:00 pm on the 10<sup>th</sup> of the month, your benefits will be terminated retro to the first of the unpaid month. **The District will not notify you of this shortage.** It will be your responsibility to make the payment. No payments will be accepted beyond 4:00 pm on the 10<sup>th</sup> of the month unless you have received an appeal approval. For all approved appeals for payments submitted after 4:00 pm on the 10<sup>th</sup> of the month, there will be a \$50.00 late fee in addition to a \$100.00 reinstatement fee, for a total of \$150.00 in late and reinstatement fees, in addition to all out-of-pocket amounts due.

In cooperation with CSEA Chapter 845, and SEIU Local 99, the District has offered CSEA Chapter 845 members and SEIU Local 99 Chapter members an opportunity to apply to have all of their pay combined into the second (5<sup>th</sup> of the month) paycheck. This means they will only receive one paycheck each month (the 5<sup>th</sup> of the month). If you opt for this method of payment, there should be no problem with the funding of your health benefits, although this is not guaranteed. Again, it is your responsibility to ensure that all deductions for your elected benefits are taken correctly. **The District will not notify you of any shortage.**

**All new hires have only 30-days from date-of-hire to enroll in Benefits.** There are scheduled dates and times an AFA rep will be at the District Office to assist you with enrollment. Should you fail to enroll in benefits within the 30-day window, you will have to appeal for reinstatement and will be subject to the late and reinstatement fee.

All employees on an approved Personal Leave of Absence (PLOA), an approved Family Medical Leave Act Absence (FMLA) or an approved Unpaid Leave of Absence (LOA) will receive written notification from the Benefits Department listing the specific date forms are to be returned to the District with the election of benefits and/or the amount due and the date(s) payments are due in order to maintain coverage. Failure to respond by the due date will result in termination of benefits retro to the last month paid. “Approved” leaves require the approval of the Senior Director of Human Resources, and if approved, participants will be notified in writing from the Senior Director.

Late and Reinstatement fees are required to be paid any time benefits are lost and an appeal for reinstatement is granted by the Deputy Superintendent due to non-payment of premium, short-check situations where the amount on the 5<sup>th</sup> of the month is not sufficient to cover the cost of deductions; failure to enroll during Open Enrollment; and non-response to an approved Personal Leave of Absence (PLOA), an approved Leave of Absence (LOA), or an approved Family Medical Leave Act Absence (FMLA) letter from the Benefits Department.