




Office of the Provost and
Senior Vice President for Academic Affairs

Phone: (906) 487-2440
Fax: (906) 487-2935

TO: Richard Koubek, President

FROM: Andrew Storer, Provost & Senior Vice President for Academic Affairs 

DATE: January 9, 2024

SUBJECT: Senate Proposal 5-24

Attached is Senate proposal 5-24, "Proposal to Extend Employee Benefits Posthumously to Surviving Beneficiaries," and a memo stating the Senate passed this proposal at their November 1, 2023 meeting. I have reviewed this proposal, consulted with the Chief Financial Officer and Chief Human Resources officer, and recommend that we not approve the proposal at this time, but request that it be revised to include the commitments below. I further recommend attaching the comments of the Chief Human Resources Officer to the response to the proposal.

The motivation for this proposal is the recent loss of Joel Tuoriniemi and the impacts this loss has on his family. I consulted with both the Chief Financial Officer and with the Chief Human Resources Officer to better understand financial and legal issues relating to the proposal. The sentiments that motivate the proposal are consistent with the values of our institution, and this recommendation is based on the feedback from the Chief Human Resources Officer.

Commitment 1: Change the current TRIP verbiage as follows.

Replace:

"EXTENUATING ELIGIBILITY

Under the following circumstance, the spouse or DEI and dependent children will retain eligibility, until completion of their current degree program. For these individuals listed below, eligibility in current program will be retained until the student graduates or does not enroll in classes at Michigan Tech in a term (excluding summer), whichever comes first. If there is a gap in current program (excluding summer), dependents will no longer be eligible for the program. Individuals in this situation will be eligible as long as their admission date is prior to:

- the death of the eligible employee."

With:

"EXTENUATING ELIGIBILITY

Under the following circumstance, the spouse or DEI and dependent children will retain eligibility, until completion of their current degree program. For these individuals listed below, eligibility in current program will be retained until the student graduates or does not enroll in classes at Michigan Tech in a term (excluding summer), whichever comes first. If there is a gap in current program (excluding summer), dependents will no longer be eligible for the program. Individuals in this situation will be eligible as long as their admission date is prior to:

- the death of the eligible employee, except that, for dependents of employees with at least two years of service and who were in good standing with the University at the time of their death, TRIP eligibility will remain available for a period of two (2) years following the eligible employee's death."

Commitment 2: Assistance with healthcare coverage

University will provide a payment to the deceased employee's primary dependent equal to the cost of three months of continuation of health care (COBRA - Consolidated Omnibus Budget Reconciliation Act) coverage, grossed up for taxes. MTU would provide the payment to the deceased employee's qualified beneficiary equal to the entire 3-month premium for coverage (MTU's portion plus the employee's portion) plus an additional 2% (to cover COBRA administrative costs), grossed up for taxes (since there are no pre-tax premium payment options available under COBRA). This payment provided by MTU to the qualified beneficiary would be for the express purpose of subsidizing the cost of COBRA coverage for three months, as distinguished from actually securing COBRA coverage on behalf of the qualified beneficiary. As such, the qualified beneficiary would in no way be bound to secure COBRA coverage with the monies provided by the University in this regard.

I concur X do not concur _____ with the provost's recommendation as stated in this memo.



Richard Koubek, President

January 10, 2024

Date



Michigan Tech

University Senate

DATE: November 2, 2023
TO: Richard Koubek, President
FROM: Robert Hutchinson
University Senate President
SUBJECT: Proposal 5-24
COPIES: Andrew Storer, Provost & Senior VP for Academic Affairs

At its meeting on November 1, 2023, the University Senate approved Proposal 5-24, "Proposal to Extend Employee Benefits Posthumously to Surviving Beneficiaries." Feel free to contact me if you have any questions.

**The University Senate of Michigan Technological
University
Proposal 5-24**

**Proposal to Extend Employee Benefits
Posthumously to Surviving Beneficiaries**
(Voting Units: All)

Submitted by: Senate Fringe Benefits Committee

I. Introduction

Recent life cycle events have revealed the need for clarification of University policies surrounding the distribution of benefits to the beneficiaries of university employees posthumously, including the health, dental and vision insurances, and the Tuition Reduction Incentive Program (TRIP).

II. Rationale

The start date of employment for an individual begins the coverage that they and their family, spouse or designated eligible individual (DEI) and dependent children, receive for health, dental and vision benefits, and starts the clock on their TRIP eligibility.

Access to health, dental and vision benefits cease at the end of the calendar month when an employee stops working for Michigan Tech, whether the employee stops working on the 1st or the 30th of the month.

TRIP eligibility ends for an employee's spouse or DEI and dependent children in the event of the employee's death. For employees, with a family or planning to have a family, the TRIP benefit affects their financial planning.

With unexpected life cycle events there needs to be clarification on how long these benefits are extended to beneficiaries, thereby supporting Michigan Tech community members during difficult times and not creating undue hardship.

III. Proposal

~~The Fringe Benefits Committee proposes that spouse, children, and designated eligible individual(s) (DEI) extend access to currently established health, dental and vision benefits for 3 months to the full extent available to the affected employee prior to their death as of July 1, 2023.~~

The Fringe Benefits Committee proposes that as of July 1, 2023, a deceased employee's spouse, children, and DEI shall retain access to the health, dental and vision benefits they had at the time of the employee's death, for three months after the employee's death.

This committee proposes that the death of the eligible employee, be struck from the extenuating eligibility requirements as a disqualifying event for the TRIP benefit. Thereby ensuring the employee's surviving spouse, children, and DEI(s) retain ~~can continue to~~ access to the TRIP benefit they were eligible for prior to the employee's passing.