

Updated August 4, 2016

**Extension Operations**

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To: Local Unit Directors

From: Stacey M. Warner  
Leader, Extension Operations

Re: **Updated Information** Regarding Health Insurance for Local Extension Unit Employees

Local extension unit office professionals and program assistants are eligible to participate in the State of Kansas employee health insurance as part of a non-state employees group. Local extension units who are currently participating include Central Kansas, Meadowlark, Wildcat, and River Valley Districts and Dickinson, Riley, Shawnee, Geary, Leavenworth, Reno, Johnson, Marshall, and Cherokee Counties.

**Background**

In 2003, legislative changes allowed employees of some Kansas public entities (including extension councils and districts) to participate in the State of Kansas health insurance plan which is administered by the Health Care Commission (HCC) in the Kansas State Department of Health and Environment. Office professionals and program assistants have the same choices of health insurance plans as state employees if the local board has made a decision to offer the insurance.

The availability of a group health insurance plan for local unit employees is a need that has long been expressed by agents and boards. A group health plan is an asset to retention of current employees and enhances the ability to attract new employees.

**Requirements to Participate in the State of Kansas Health Benefits Program**

(Please print the document [State Employee Health Plan for Non-State Employer Group Information](#)) -  
(See page 7)

**Active Employees**

- Employee and Employer contribution rates must be at least equal to the State of Kansas contributions.
- Plan design and funding are not subject to negotiations.
- All employees are eligible who work a minimum of 1000 hours per year, 2,000 hours is considered full time.
- The group must have and maintain enrollment of at least 70% eligible employee enrolled in the SEHP.
- Employers may not create, maintain or provide incentives for employees not to join the SEHP.
- Must elect to participate for a minimum of three years.

The employer costs increase each year on July 1 while the employee costs increase on January 1. The employee and employer costs are in the above mentioned document.

### Procedure for Entering the Plan

- 1) Submit a Letter of Intent to the HCC in Topeka at least 90 days before the insurance is to begin. A sample is included in this document. For a January 1 start date the Letter of Intent needs to be received by September 1.
- 2) Following receipt of the letter, the HCC will mail a contract to the local board for signature.
- 3) Once the contract has been signed, the HCC staff will send enrollment information to employees.
- 4) The HCC will also send participating groups a *State of Kansas Health Plan Non State Groups Administrative Manual* which give additional details on employee eligibility, dependent eligibility, cost of coverage, open enrollment, mid-year enrollment changes, termination of coverage, billing and coverage, etc.

### Procedure for Calculation of Taxes

Each eligible employee who elects to enroll in the health insurance is to fill out a form by January 10 each year indicating whether they want to pay their share of the premiums with **before tax** dollars or **after tax** dollars. See the attached *Payment of Health Care Premiums KSU 1-11*. This is also available on the Forms page of the Employee Resources website. File in the employee's personnel file.

Paying for the premiums with **before tax** dollars means that the employee's portion of the premium is subtracted from their gross earnings first and then FICA, federal and state taxes are paid on the portion of their salary that remains. This will have the result of reducing the tax paid and increasing take-home pay.

This opportunity to pay for the premiums with before tax dollars is available to extension council and district governing body employees because the State Extension Advisory Council has a Cafeteria Plan (allowed by Section 125 of the Internal Revenue Code of 1986) administered by Keating and Associates of Manhattan. This Cafeteria Plan for payment of **employer sponsored health care premiums** with before tax dollars is available to your local unit whether or not your employees participate in the Cafeteria Plan for un-reimbursed health care expenses and dependent care expenses.

Here is an example of the detail for the pay voucher:

If employee has elected to pay their share of premiums with **before tax** dollars:

Gross earnings	\$1000
Health insurance premium (employee's portion)	-100
Adjusted gross earnings	900
FICA, federal and state tax	-200** (based on \$900 adjusted gross)
Net earnings	\$700

If employee has elected to pay their share of premiums with **after tax** dollars:

Gross earnings	\$1000
FICA, federal and state tax	-250** (based on \$1000 adjusted gross)
Health insurance premium (employee's portion)	-100
Net earnings	\$650

(\*\*These tax figures are for illustration only).

**Other Important Information**

- For newly hired employees there is a minimum of a 30-day waiting period with coverage beginning the first day of the month following the 30-day waiting period.
- There are no pre-existing plan year exclusions. All enrollees are accepted with current health conditions.
- Employees with medical coverage are automatically enrolled for single dental coverage at no cost. Dependent dental coverage and vision insurance for employee and dependent are available for an additional cost.

For questions please call me at 785-532-5790 or Stacy Elersic, Coordinator of the Non-State Employer Groups at 785-296-6205.

State Employee Health Plan  
Sample - Letter of Intent  
\*On Letterhead

Date

Stacy Elersic  
Non State Group Coordinator  
State Employee Health Plan  
Kansas Department of Health & Environment  
Room 900-N, Landon State Office Building  
900 SW Jackson Street  
Topeka, Kansas 66612

Please accept this letter as notice of (\_\_\_\_\_ County Extension Council or \_\_\_\_\_  
Extension District) intent to enter into a three-year contract to participate as a Non State Group in the  
State Employee Health Plan. We request health coverage for our employees to be effective (Effective  
Date – e.g., January 1, 2016).

The (Extension Name of Council or District) will contribute the required premiums of 95% for single  
coverage and 55% for dependent coverage. We will also maintain the 70% membership requirement.

The contact person for our group will be (Local Unit Director Name). The signer for the contract will be  
(current board chair).

The (Group Name) FEIN is 48-\_\_\_\_\_.

Signature

08/4/2016

**Payment of Health Care Premiums**

**Each Local Extension Unit employee who participates in the State of Kansas Employee Health Care Program for Non State Groups is to complete the following information by January 10 each year. File in the employee's personnel file.**

**Name of employee** \_\_\_\_\_

**Social Security Number** \_\_\_\_\_

**Check one:**

I elect to pay for my State Employee Health Plan premiums with "before tax" dollars.

I elect to pay for my State Employee Health Plan premiums with "after tax" dollars.

**I acknowledge that this decision is irrevocable during the calendar year.**

**Signature of Employee** \_\_\_\_\_

**Date** \_\_\_\_\_

**NON-STATE EMPLOYER GROUP HEALTH PLAN  
Monthly Composite Rates-EMPLOYER CONTRIBUTION  
Health/Drug/Dental  
Effective July 1, 2016**

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Full Time Employee	\$628.86
Full Time Employee + Spouse	\$1,101.62
Full Time Employee + Children	\$1,101.62
Full Time Employee + Family	\$1,101.62
Part Time Employee	\$490.48
Part Time Employee + Spouse	\$861.10
Part Time Employee + Children	\$861.10
Part Time Employee + Family	\$861.10

*Notes:*

- *Employee contribution rates change on January 1 each year.*
- *Employer contribution rates are expressed on the State's fiscal year (July 1<sup>st</sup> to June 30<sup>th</sup>), rather than a calendar year.*

Updated 08/2016

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