

Your Health Insurance Coverage Is Changing

In January 2011, UT's employee health insurance options will change. This year's annual enrollment period is Sept. 15 through Oct. 15, with coverage beginning Jan. 1, 2011.

UT traditionally has offered the HMO (Health Maintenance Organization), POS (Point of Service) and PPO (Preferred Provider Organization) plans.

However, the rising costs of healthcare plans have forced the state to find more cost-efficient options. Only two plans—the Partnership PPO and Standard PPO plans—will be available to UT employees beginning January 2011.



continued on page 2

Changes to Your Pharmacy Plan

CVS Caremark became the pharmacy benefits manager for all of UT's plan members on Jul. 1. The state chose CVS Caremark through a competitive bid process which offers the state the highest quality plan at the lowest cost.

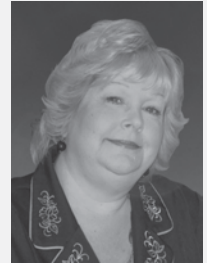
CVS Caremark's network includes more than 1,600 pharmacies in Tennessee alone—now including Walgreens—and chances are the pharmacy you use now is part of the network.

You can fill up to a 30-day supply of a prescription at one or more of these 1,600 pharmacies. Most prescriptions with refills should have been transferred automatically from your past pharmacy benefits manager to CVS Caremark. A list of pharmacies and

continued on page 2

Welcome

Welcome to For Your Benefit, a newsletter addressing the benefits offered to you as a UT employee.



It is important to keep our employees informed, and this newsletter provides an opportunity to communicate information and issues that directly affect you.

You will receive this newsletter twice a year. Because of the important nature of the content, it is being mailed to your home address. We hope you will be able to spend time reading the information provided here. If you have questions, I encourage you to call the HR Call Center or contact your campus Human Resources Officer. A list of HR officers is on page 8.

Our employees are our greatest asset. Thank you for all you do for the University of Tennessee.

Linda Hendricks
Chief Human Resources Officer

1-888-444-UTHR

From 865 area code, call 946-8847

Available 8 a.m. - 6 p.m. ET

Human Resources Call Center.
Because Google™ can't
answer it all.

Changes to Your Health Insurance Coverage

(continued from page 1)

All active employees who currently have health insurance coverage through the state are asked to select one of the two new PPO plans listed to the right during annual enrollment.

This year, late applicants—defined as employees and their dependents who did not enroll during their initial eligibility period (e.g., at the time they began employment) or after a qualifying event (e.g., death, divorce, etc.)—may enroll in one of the new plans during annual enrollment. However, all late applicants will be required by the state to pay a monthly late applicant fee for every month enrolled between Jan. 1, 2011 and Dec. 31, 2013. For late applicant fees, please call the University Wide Administration payroll office at (865) 974-5251.

Because of significant changes occurring with the state's health insurance plans, UT is offering information sessions to provide employees an opportunity to ask questions about health benefits before the annual enrollment deadline. A list of campus information sessions is on page 7.

New Health Insurance Options

Partnership PPO:

- Includes a deductible, co-pay, co-insurance and out-of-pocket maximum which will be less expensive for UT employees, as will pharmacy benefits, than the Standard PPO.
- Requires completion of a health questionnaire and health screening. You will have until June 2011 to complete the health screening. Employees with health issues can sign up for the Partnership PPO plan as long as you show you are making an effort to meet health goals.
- Requires re-enrollment every year.
- Requires that both spouses meet the criteria to participate.

Standard PPO:

- Includes a deductible, co-pay, co-insurance and out-of-pocket maximum which will be more expensive for employees than the Partnership PPO.
- Does not require completion of a health questionnaire or a health screening.

New Health Insurance Premium Tiers

Employee Only

or

Employee
+
Child(ren)

or

Employee
+
Spouse

or

Employee
+
Spouse
+
Child(ren)

Changes to Your Pharmacy Plan *(continued from page 1)*

covered drugs can be found online at <http://www.caremark.com>.

Mail service also is available. You can receive a 90-day supply of your prescriptions by going to a "mail-at-retail" network pharmacy. A complete

list of "mail-at-retail" pharmacies that offer a 90-day supply is available online at <http://www.caremark.com>.

Co-pays and co-insurance amounts for generic drugs (Tier One), preferred brand drugs (Tier Two), and non-preferred brand drugs (Tier Three) will remain

the same for the rest of 2010. Beginning Jan. 1, 2011, drugs may be reclassified and moved into a higher or lower tier. If your drug is reclassified, your co-pay and co-insurance amounts will change. CVS Caremark will update online drug lists to reflect any tier changes.

You should have received a welcome packet from CVS Caremark in June including details about the network and your new pharmacy benefits ID card. If your prescription drug was reclassified and moved into a different tier, you also should have received a letter from CVS Caremark with detailed information about what you need to do.

If you did not receive this information or if you have questions about your drug coverage or pharmacy, contact CVS Caremark directly at 1-877-522-TNRX (8679) or contact the University Wide Administration payroll office at (865) 974-5251.

ParTNers for Health

If you currently have health insurance benefits through the state, you should be receiving at your home address information marked with the ParTNers for Health logo shown below. This information is about your health insurance coverage and other benefits. Please read it carefully.



If you have questions, visit the ParTNers for Health website at <http://www.partnersforhealthtn.org> or contact the State Benefits Administration Office at 1-800-253-9981.

Let Your Voice Be Heard

The Employee Relations Advisory Board (ERAB) is a statewide group of staff members elected to serve as an advisory council to the president on university policies, programs and practices. The president meets quarterly with the ERAB to provide a university-wide update and to address staff questions and concerns.

Your campus or institute ERAB representative is responsible for collecting feedback to be voiced directly to the president and is then responsible for sharing

the information discussed in the meetings with you.

It is important that employees take an active role in decisions affecting the university. If you have questions or concerns for the president, you are encouraged to communicate those directly to your ERAB representative. A contact list is provided below. The next two ERAB meetings are Sept. 14 and Dec. 7. ERAB meeting minutes are posted at <http://humanresources.tennessee.edu/>.

Current Representatives

| | | | |
|---|--|--|--|
| Health Science Center ERC Karen Weatherly (901) 448-5577 | Knoxville ERC Academic Affairs Valerie Hodge (865) 974-0397 | Knoxville-Area ESC Tom Cervone (865) 974-0964 | Chattanooga ERC Kelly Griffin (423) 425-4635 |
| Health Science Center ESC Jackie McClarin (901) 448-8470 | Knoxville ERC Student Affairs & Auxiliary Services Mary Evans (865) 974-2435 | Space Institute ERC Rebecca Layman (931) 393-7242 | Chattanooga ESC Jean Dake (423) 425-4000 |
| Institute of Agriculture ERC Leann McElhaney (865) 974-7506 | Knoxville ERC University Operations Roger McDonald (865) 974-2505 | University Administration & Support Services ERC Gloria Tipton (865) 974-3121 | Martin ERC Deborah Adcock (731) 881-7024 |
| UT Medical Center ERC Glenda Walker (865) 544-9524 | | | |

Upcoming Holiday/Administrative Closings

| | |
|---|-----------------------------|
| Monday, Sept. 6 | Labor Day |
| Thursday and Friday, Nov. 25 and 26 | Thanksgiving |
| Friday, Dec. 24 through Thursday, Dec. 30 | Winter Holiday |
| Friday, Dec. 31 | New Year's Day observed |
| Monday, Jan. 17 | Martin Luther King, Jr. Day |
| Friday, Apr. 22 | Spring Holiday |

To view all holidays and closings through 2014, visit <http://humanresources.tennessee.edu>.

Are You Enrolled in Long-Term Disability?

Accidents are unpredictable. The University of Tennessee's optional Long-Term Disability (LTD) coverage provides employees with loss of income protection in the event of a disability from sickness, pregnancy or accidental bodily injury.

LTD plans provide protection for employees and their families against disability-related financial difficulties. Regular full-time employees and regular part-time employees who work at least 75 percent time are eligible to participate in the

group LTD program. Additionally, term employees scheduled to work at least 70 percent time (1,450 hours per year) become eligible to participate after 24 months of employment.

UT and the Tennessee Board of Regents currently are negotiating a new contract for LTD coverage. As the contract is finalized, employees will be notified of any updates or changes. For more information on LTD coverage, call the HR Call Center at 1-888-444-UTHR. From the Knoxville area, call (865) 946-8847.

Changes May Still Be Made to ORP Plans

Over the summer, the State of Tennessee made changes to the investment options available to participants in the Tennessee Optional Retirement Plan (ORP). If you participate in the Tennessee Consolidated Retirement System (TCRS), these changes do not affect you and no action is necessary.

The state began a new five-year contract with ING, TIAA-CREF and VALIC. These changes mean that as of Jul. 1, 2010, deposits ceased to any current annuity contracts held by state employees. New investment options now are available which include mutual funds.

Vendor representatives visited UT campuses in May to meet with employees about policy changes. If you missed this opportunity to designate your monthly retirement to (a) new fund(s)—either with your current provider or another company—you can make those designations at any time by contacting one of the representatives listed on page 5.

If you wish to stay with your current provider, you must contact that provider to select the fund allocation on your new contract and designate a beneficiary.

If you wish to change your current provider, you must submit a completed Contribution Specification Form to your local HR office. (This form is available via the "ORP Forms" link located at <http://humanresources.tennessee.edu/benefits/orp/>.) You also will need to complete online enrollment with each provider with which you wish to participate. You may continue to make changes to your providers and investment options at any time during the year.

If you have not taken action yet, your contributions are being sent to your current provider. Your funds will be defaulted into a target date/life cycle fund (based on retirement at age 65) and your estate automatically will be your beneficiary.

State retirement officials have noted the new contract

includes the benefits of reduced transaction fees, greater flexibility to change investment options within the plan, greater transparency of fees for service, enhanced investment advice through an internet link and improved service through online transaction capability and online statements.

If you did not receive the information packet at home, you can download it online at <http://treasury.tn.gov/orp/index.html> along with other ORP 2010 transition information and additional provider contact information.

If you have questions, please call 1-888-444-UTHR between the hours of 8 a.m. and 6 p.m. ET. If you are calling from the Knoxville area, please call (865) 946-8847.

ING Representatives

| Knoxville | Chattanooga | Martin | Tullahoma | Memphis |
|--|--|---|--|--|
| Dan Whittaker (865) 588-4493 dan.whittaker@ingfa.com | Ed Stewart (615) 627-5936 ed.stewart@ingfa.com | Brad Little (731) 668-9818 blittle@ingfa.com | Dan Whittaker (865) 588-4493 dan.whittaker@ingfa.com | Calvin Reid (901) 853-8421 Calvin.Reid@ingfa.com |
| Bernie Reed (865) 539-4265 bernie.j@reed3.com | James Henry (615) 627-5940 James.Henry@ingfa.com | Steve Little (731) 668-9818 slittle@ingfa.com | Julie Chambers (615) 494-3659 julie.chambers@ingfa.com | |
| Julie Chambers (615) 494-3659 julie.chambers@ingfa.com | | | | |

TIAA-CREF Representatives

| Knoxville | Chattanooga | Martin | Tullahoma | Memphis |
|---|---|--|---|---|
| Andrew Hall (615) 783-2905 anhall@tiaa-cref.org.com | Andrew Hall (615) 783-2905 anhall@tiaa-cref.org.com | Rich Levine (615) 783-2907 rlevine@tiaa-cref.org | Andrew Hall (615) 783-2905 anhall@tiaa-cref.org.com | Jim Hogan (770) 512-3508 jhogan@tiaa-cref.org |

VALIC Representatives

| Knoxville | Chattanooga | Martin | Tullahoma | Memphis |
|--|--|--|--|--|
| Andrew Craft (865) 531-9156 andrew.craft@valic.com | Ken Spann (423) 238-7618 ken.spann@valic.com | Stephen Glasgow (270) 227-5699 stephen.glasgow@valic.com | Ken Spann (423) 238-7618 ken.spann@valic.com | Scot Brothers (901) 268-6345 barry.scot.brothers@valic.com |
| | | | | Karen Shrader (901) 237-8977 Karen.shrader@valic.com |

UT's Flexible Benefits Plan

The Flexible Benefits Plan is an important part of your overall benefits package. This plan permits you to pay for health and dental insurance premiums and certain predictable medical and dependent care expenses with pre-tax dollars. If you have high out-of-pocket expenses for medical or dependent care and establish your reimbursement accounts to plan for these expenditures, your savings can be substantial.

If you currently are enrolled in the Flexible Benefits Plan, you must re-enroll every year. This year's enrollment period is Nov. 1 through Dec. 15. Enrollment and change forms can be found at <http://flexiblebenefits.tennessee.edu/>.

If you have not taken advantage of the university's Flexible Benefits Plan and are interested in doing so, please visit <http://flexiblebenefits.tennessee.edu/> or

call the University Wide Administration payroll office at (865) 974-5251.

Important Changes to the Reimbursement Plan

There have been important changes to the Patient Protection and Affordable Care Act (PPACA). Effective Jan. 1, 2011, over-the-counter drugs, unless prescribed by a physician, no longer will be reimbursable under the medical expense reimbursement account.

Also, effective Jan. 1, 2013, Flexible Spending Account contributions will be limited to \$2,500. Future limits will be tied to increases in the Consumer Price Index.

HR Call Center's Popularity Rises

A growing number of UT employees are relying on the new 1-888-444-UTHR line to get their questions answered.

While each campus continues to have a dedicated Human Resources Officer and a walk-in office to assist employees, the toll-free hotline, which debuted in January, is an efficient avenue for information about policies, benefits, employment and training opportunities.

Data show the increased use of the call center is due to employees with questions about changes in benefits. The center averaged 76.5 calls per day during its first three months of operation, as UT employees around the state became accustomed to the idea of HR's one-stop shop. During the second quarter of 2010, changes were announced to the Optional Retirement Plan, the pharmacy management program and health insurance plans. As a result, the call center traffic increased more than 26 percent to an average of 95 calls per day.

Two staff members are dedicated full-time to the HR Call Center. Seven additional eastern regional service center employees support the center as needed. While the majority of calls—90 percent—continue to be from Knoxville-area faculty and staff, the hotline serves all campuses and institutes throughout the state.

"Our goal was to make it easier for any member of the UT community to get answers to their questions," said Linda Hendricks, chief human resources officer. "Through the great work of well-trained staff, we've been able to serve that need for many employees on a wide variety of topics. As we move forward, we can continue to improve this and all other services we provide our faculty and staff members."

1-888-444-UTHR

From 865 area code, call 946-8847

Available 8 a.m. - 6 p.m. ET

Attend An Information Session on Your Campus

Because of the significant changes occurring with the state health insurance plans, each campus will host information sessions to assist with this year's annual enrollment, which will be Sept. 15 - Oct. 15.

Benefits Administration Office at your home address. You also will receive a packet of information at your campus address from the University of Tennessee explaining the 2010 insurance changes and annual enrollment/transfer period.

You will receive an enrollment kit from the State

Campus Information Sessions

Knoxville (Registration not necessary.)

| | | | |
|----------|---------|----------------------------------|--------------------------------|
| Tuesday | Sept. 7 | 9 - 11 a.m. and 1 - 3 p.m. | Shiloh Room, University Center |
| Thursday | Sept. 9 | 9 - 11 a.m. and 11 a.m. - 1 p.m. | Shiloh Room, University Center |

Chattanooga (Registration not necessary. Parking available in East 5th St. garage. All rooms in University Center.)

| | | | |
|-----------|----------|-----------------|--------------|
| Tuesday | Sept. 7 | 10 - 11:30 a.m. | Raccoon Mtn. |
| Thursday | Sept. 9 | 10 - 11:30 a.m. | Signal Mtn. |
| Wednesday | Sept. 15 | 10 - 11:30 a.m. | Raccoon Mtn. |
| Friday | Sept. 17 | 10 - 11:30 a.m. | Raccoon Mtn. |
| Tuesday | Sept. 21 | 1 - 2:30 p.m. | Lookout Mtn. |
| Wednesday | Sept. 22 | 2 - 3:30 p.m. | Lookout Mtn. |
| Friday | Sept. 24 | 10 - 11:30 a.m. | Raccoon Mtn. |
| Tuesday | Sept. 28 | 2 - 3:30 p.m. | Signal Mtn. |
| Thursday | Sept. 30 | 10 - 11:30 a.m. | Raccoon Mtn. |
| Monday | Oct. 4 | 2 - 3:30 p.m. | Raccoon Mtn. |
| Wednesday | Oct. 6 | 10 - 11:30 a.m. | Raccoon Mtn. |
| Friday | Oct. 8 | 10 - 11:30 a.m. | Signal Mtn. |
| Monday | Oct. 11 | 10 - 11:30 a.m. | Signal Mtn. |

Martin (To register, please call (731) 881-7940 or e-mail ksliger@utm.edu.) *Jackson location

| | | | |
|-----------|----------|---------------------------------|---|
| Tuesday | Sept. 7 | 9 a.m., 1:30 p.m. and 5:30 p.m. | Watkins Auditorium |
| Wednesday | Sept. 8 | 9 a.m. and 1:30 p.m. | Watkins Auditorium |
| Monday | Sept. 13 | 9 a.m. and 1:30 p.m. | Watkins Auditorium |
| Tuesday | Sept. 14 | 9 a.m. and 1:30 p.m. | Watkins Auditorium |
| Friday* | Sept. 10 | 1 p.m. | West TN Research & Education Center |
| Friday* | Sept. 17 | 2 p.m. | Ripley Center |
| Monday* | Sept. 20 | 10 a.m. and 2:30 p.m. | Selmer Center (10 a.m.), Parsons Center (2:30 p.m.) |

Memphis Sessions available via video conference to UTC, UTK and Jackson HSC employees. Register at <http://www.uthsc.edu/hrtraining/> (click Training Calendar, expand all benefits, then select session).

| | | | |
|-----------|----------|----------------|---|
| Wednesday | Sept. 8 | 3 - 4:30 p.m. | 910 Madison Ave. Conference Room, Suite 725 |
| Tuesday | Sept. 14 | 8:30 - 10 a.m. | 910 Madison Ave. Conference Room, Suite 725 |

Tulahoma (To register, please call (931) 393-7226. Parking is free.)

| | | | |
|-----------|----------|-------------------|------------|
| Wednesday | Sept. 15 | 9:30 - 11:30 a.m. | Room H-111 |
| Tuesday | Oct. 5 | 1:30 - 3:30 p.m. | Room H-111 |

Nashville (Registration not necessary.)

| | | | |
|--------|----------|------------------|------------------------|
| Friday | Sept. 10 | 11 a.m. - 1 p.m. | 193 Polk Ave., Suite C |
|--------|----------|------------------|------------------------|

UT Human Resources Officers

Linda Hendricks
Chief HR Officer, University Wide Administration
and Vice Chancellor for HR, UT Knoxville
(865) 974-8170
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Patricia Burks-Jelks
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institution in the provision of its education and employment programs and services.
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HUMAN RESOURCES

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