Guidelines for Implementation

Health and Wellness Stipend (HWS)
(formerly Recruitment and Retention Differential)

Effective Fall 2003

September 25, 2003

The Collective Bargaining Agreement between the Oregon University System, on behalf of Oregon State University, and the Coalition of Graduate Employees, American Federation of Teachers, Local 6069 specifies that “effective Fall 2003, OSU will provide Graduate Assistants having an appointment of 0.20 FTE or more with a $220 Health and Wellness Stipend (HWS) for each term until such time that a health plan is provided for Graduate Assistants.” Please note that the former Recruitment and Retention Differential now has been renamed the Health and Wellness Stipend. In addition, the amount of the HWS has been increased from $110 to $220 per term of eligibility.

The following guidelines specify the method by which the Health and Wellness Stipend will be allocated to eligible graduate assistants and the administrative and accounting procedures that will be established for the implementation of the HWS.

Determining HWS Eligibility

Beginning Fall 2003, all graduate assistants whose quarterly appointment levels are 0.20 FTE (defined as employment commitment of 104 hours during the 13-week term period) or greater will receive a Health and Wellness Stipend in the amount of $220 each term of eligible appointment. The HWS allocation will not be provided to graduate assistants with appointments less than the specified minimum. Students whose appointments terminate prematurely, but who have completed the minimum 0.20 FTE for the term (104 hour/13-week) will remain eligible for the HWS for that term. Individuals who receive the HWS payment, but who subsequently become ineligible due to reduced FTE, appointment termination, cancellation or withdrawal from study, will be required to repay the full amount of the HWS to the institution. (See "Recovery of Overpayment" later in this document.)

The Office of Human Resources will establish a list of graduate assistants who are eligible to receive the HWS. Eligibility will be determined by the appointment type (i.e., graduate research or teaching assistant), appointment percent (FTE), and a minimum enrollment of 12 credits of state-supported instruction each term of the appointment. The eligibility list will include student name and ID, active positions and suffixes held, appointment percent for each position and suffix, and the amount of the $220 stipend to be applied proportionally to each position and suffix based on appointment percent. Human Resources will verify and maintain the HWS eligibility list each term.

HWS Allocation Method

In keeping with the guiding principle that graduate assistants should receive the Health and Wellness Stipend as soon as possible upon eligibility determination, and recognizing that graduate appointments are made and modified on an ongoing basis throughout the term and/or academic year, timely allocation of HWS payments presents a challenge that must be addressed on a monthly basis.

Because eligibility for the HWS is directly linked to appointment level, it is regarded as compensation. Thus, HWS payments will be processed each month in conjunction with the routine monthly payroll.
Prior to administering the monthly payroll, Human Resources will provide to Payroll a file of graduate assistants identified as eligible for the Health and Wellness Stipend. Utilizing the file, Payroll will input the lump-sum stipend payments using the PHAHOUR time entry process. The earn code "GDR" (Grad Health and Wellness Stipend) will be used, which links to account code 10640. The use of this account code will be limited to the HWS payment. The stipend payment will display as a separate line item on each recipient’s earnings statement. If the recipient has multiple active graduate assistant positions and suffixes, there will be multiple entries on the earnings statement reflecting the appropriate HWS proration. Stipend payments will be charged to the default labor distribution on an employee’s job record. It is anticipated that at a future date, the PHAHOUR time entry process may be automated through the PHPMTIM process.

On subsequent monthly payrolls, the eligibility list provided by Human Resources must reflect newly eligible appointees, as well as individuals that previously received the HWS payment, but have subsequently become ineligible.

The HWS payment will be subject to state, and federal, Social Security, and Medicare withholding based upon the employee's filing status. Graduate students enrolled for at least 5 credit hours are excluded from Social Security and Medicare withholding tax based on a student exemption. HWS eligibility requires a minimum 12-credit enrollment. Therefore, recipients may be exempt from Social Security and Medicare as long as required enrollment levels are maintained. SAIF, Unemployment, Workers' Compensation, and Mass Transit taxes do not apply.

**HWS Expense**

HWS disbursements will be a direct expense to the salary index from which graduate assistant salaries are paid. In the case of split appointments, HWS expenses will be prorated according to the default labor distribution on the graduate assistant’s job record. The HWS disbursement will be reported under earnings code "GDR" (Grad Health and Wellness Stipend) which links to account code 10640.

Employing departments initiating salary redistribution will need to make commensurate redistributions in the Health and Wellness Stipend expense.

Expenditures will need to be made from an OSU general fund (001100) index or a cost-sharing fund (005xxx) in order to qualify for partial or full reimbursement of the HWS from the institution. For all other funds (ranges 030000 – 039999; 050000 – 199999; 200000 – 499999; and A00000 – ZZZZZZ), the HWS will be a direct cost of the operation. Salary items are not exempt from indirect costs. Consequently, the same indirect cost rate that is applied to a grant or contract’s salary expense will be applied to the HWS expense. In cases where insufficient grant or contract funds are available, the HWS and related indirect costs will be charged as a cost overrun. Upon approval, cost overruns will be born by the appropriate department head or academic dean.

**HWS Cost Recovery**

As specified by the Provost’s FY2001 Budget memorandum dated August 15, 2000 regarding the former Recruitment and Retention Differential, the institution will centrally support 100% of HWS payments associated with general fund, cost-sharing, and Statewide Public Service cost-sharing funds.

For graduate appointments supported by OSU general fund budgeted operations, reimbursement for the HWS will be distributed as an additional budget authority to the 001100 indexes in which the "GDR" earn code (account 10640) expenditures are recorded. Adjustments from institutional funds will be based on HWS expenses posted to FIS at the end of each term. Prior to closing of the books each fiscal year, a settlement process will ensure that units are fully funded for their HWS expense. This process will be administered by the Office of Budgets and Planning.
OSU cost-sharing funds (005000 – 005999) will receive coverage for HWS expense via a year-end transfer from institutional resources. This process will be administered by Research Accounting.

Statewide Public Service (SWPS) unit budget offices will continue to administer HWS within their pertinent range of funds (AES / 030000 – 033999; Extension / 034000 – 036999; and FRL / 037000 – 039999). SWPS business offices will administer budget adjustments to recognize the actual expense.

For graduate appointments supported by other funds (ranges 050000 – 199999; 200000 – 499999; and A00000 – ZZZZZZ), the HWS will continue to be a direct cost (“GDR” earn code, account 10640) to the operation.

**Recovery of Overpayments**

Each month, the eligibility list provided by the Office of Human Resources must reflect individuals that previously received the HWS payment, but who have subsequently become ineligible due to appointment termination, cancellation or withdrawal from study. These cases will follow the same process as other overpayments.

Payroll will calculate the net amount due, and will provide the employee or former employee with the calculation and an overpayment acknowledgement form. Payroll will send two letters if necessary to obtain repayment. If repayment is unsuccessful after three months, the debt will be referred to Business Affairs collections for recovery.

When an overpayment is recovered, Payroll will process an adjustment entry to reverse the income and return the funds to the appropriate salary index (or multiple indexes) that established graduate assistant eligibility for the HWS payment.