



# State Personnel Board

## Flexible Benefits Program Rules

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Georgia Department of Administrative Services

### 478-2-.01 Definitions.

- (1) “Act” means the legislative act that authorized the establishment of a flexible employee benefit plan and is designated in the Official Code of Georgia Annotated as Article 3 of Chapter 18 of Title 45. (07-30-86/08-08-86)
- (2) “Active” means that the employee is receiving wages or salary through a department, school system, local employer, employer, agency, authority, board, commission, county department of family and children services, county department of health, or community service board and for whom the employee’s cost of the coverage is stated as a payroll deduction or reduction. (03-27-97/04-09-97)
- (3) “Administrator” means the State Personnel Administration or the Commissioner of Personnel Administration.
- (4) “After-Tax Premium” or “After-Tax Contribution” means the contract rate approved by the Council for a specific benefit or health care spending account contribution transmitted directly to the Flexible Benefits Program by the employee or extended beneficiary or the contract rate for after-tax options that have been approved by the Council to be offered through payroll deductions. (06-28-90/07-01-90)
- (5) “After-Tax Option” means any benefit option that is approved by the Council to be offered to employees through payroll deductions and for which the cost of the option is not a reduction of gross salary for the purposes of federal or state income taxes or FICA taxes. (06-28-90/07-01-90)
- (6) “Approved Leave of Absence Without Pay” means a period of time approved by the appropriate organizational official during which the employee is absent from work and is not paid wages or salary. (03-27-97/04-09-97)



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- (7) “At Work” means that the employee is at the employee’s customary place of employment, on paid leave for conditions other than illness or injury, or performing his normal duties at a place other than the place of employment or in a non-scheduled work period, must be able to perform normal duties on that day and cannot be hospitalized or otherwise institutionalized. (03-27-97/04-09-97)
- (8) “Annuitant” means a retired employee or surviving spouse or dependent child who Legislative Retirement System, Superior Court Judges Retirement System receives a monthly retirement benefit from the Employees Retirement System, District Attorney’s Retirement System, Teachers Retirement system, or Public School Employees Retirement System. (03-27-97/04-09-97)
- (9) “Beneficiary” means the person, individual, trust, or estate named by the employee to receive the value of the insurance proceeds at the employee’s death.  
(07-30-86/08-08-86)
- (10) “Benefit” or “benefits” means any of the types of offerings under the Flexible Benefits Program. (07-30-86/08-08-86)
- (11) “Benefit Salary” means the amount of compensation used to calculate certain salary based coverage. This compensation is intended to be normal, regular, non-temporary, and shall include base salary and any special salary supplements that are intended to be regular and not of short duration. This salary amount shall not exceed the amount on which retirement contributions are calculated. (03-27-97/04-09-97)
- (12) “Cafeteria Plan” means a plan which meets the requirements of the Regulations of the Internal Revenue Service under Internal Revenue Code (IRC) 125.  
(03-27-97/04-09-97)
- (13) “Commissioner” means the Commissioner of Personnel Administration as created by the Official Code of Georgia Annotated 45-20-4. (07-30-86/08-08-86)



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- (14) "Community Service Board" means a public community mental health, mental retardation, and substance abuse board established pursuant to the Official Code of Georgia Annotated 37-2-6. (03-27-97/04-09-97)
- (15) "Contractor" means a company or corporation approved to provide one or more benefit types under the Flexible Benefits Program. (07-30-86/08-08-86)
- (16) "Contribution" means the amount to be reduced by a salary agreement transferred to the Administrator for the employee's health and/or dependent care spending counts. (03-27-97/04-09-97)
- (17) "Council" and "Employee Benefit Plan Council" are synonymous and mean the governing body as created in O.C.G.A. 45-18-51. (07-30-86/08-08-86)
- (18) "Department," "Employing Entity," and "agency" are synonymous and mean any of the separate and distinct employing entities defined as a State Employer, an Educational Institution, or a Community Service Board that employs an employee as defined in these regulations. (03-27-97/04-09-97)
- (19) "Dependent" means any eligible spouse, dependent child, fulltime student under age 26, or disabled child and as more specifically defined by the insurance option Contracts and policies. (03-27- 97/04-09-97)
- (20) "Educational Institution" means any separate and distinct local school system, regional educational services agency, and county or regional library whose heads are legally authorized to appoint employees to positions and whose heads have elected to participate in the Flexible Benefits Program administered by the State Personnel Administration (O.C.G.A. 45-18-52) (12-18-90/01-10-91)
- (21) "Employee" means a person eligible to participate in the Flexible Benefits Program. (07-30-86/08-08-86)



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(22) “Employer” means the State of Georgia and the department, agency, or entity from which the employee receives his compensation. (03-27-97/04-09-97)

(23) “Extended beneficiary” means the individual who was covered as an active or retired employee or employee on approved leave of absence without pay; or a person who was covered as a spouse or eligible dependent of an active or retired employee or employee on approved leave of absence without pay on the day the dental option or health care spending account option was lost as a result of a qualifying event under the requirements of federal law and regulation known as the Consolidated Omnibus Budget Reconciliation Act (COBRA), as amended; and further defined and expanded under the Health Insurance Portability and Accountability Act (HIPAA) of 1996 to include a child who is born to the covered person, adopted or placed for adoption by a qualified beneficiary while on COBRA continuance. The applicable regulations for the health option are outlined in the Regulations of the State Personnel Board for the Health Benefit Plan.  
(03-27-97/04-09-97)

(24) “Extended coverage” means coverage required to be made available by federal law or regulation to an extended beneficiary under the dental option or the health care spending account option of the Flexible Benefit Plan upon the occurrence of a qualifying event. The applicable regulations for the health option are outlined in the Regulations of the State Personnel Board for the Health Benefit Plan.  
(12-20-88/01- 19-89)



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- (25) "Flexible Benefits Program" or "Flexible Benefit Plan" or "Plan" or "Program" means the combination of approved benefits authorized for establishment by O.C.G.A. 45-18-52 and offered to all eligible employees. Benefit options may be those authorized in the Flexible Benefit Plan Document or authorized by the Council as an After-Tax Option and incorporated in these Regulations. (03-27-97/04-09-97)
- (26) "Flexible Benefit Plan Document" means the legal document required by the Regulations of the Internal Revenue Service for a cafeteria plan under IRC 125. Statutory benefit options as allowed by IRC 125 and authorized by the Council shall be incorporated in the Flexible Benefit Plan Document. (06-28-90/07-01-90)
- (27) "Fund" means any moneys received and accounted for on behalf of the Flexible Benefits Program. (12-20-88/01-19-89)
- (28) "Health benefit option" means any self-insured or health maintenance organization (HMO) option offered under the State Health Benefit Plan and which is included in the Flexible Benefits Program. (03-27-97/04-09-97)
- (29) "Insurance option" or "insurance" means the life , dependent life , accidental death and dismemberment, disability, dental, legal, and long-term care options and any other option for which a contract for underwriting the risk has been or is to be approved by the Council. (03-27-97/04-09-97)
- (30) "Option" means any specific benefit offering under the Flexible Benefits Program. (12-20-88/01-19-89)
- (31) "Plan Year" means the twelve-month period beginning on July 1, and ending on the following June 30. (06-28-90/07-01-90)



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- (32) "Premium" means the cost to the employee for each insurance option offered under the Flexible Benefits Program. (03-27-97/ 04-09-97)
- (33) "Qualifying event" means an event as defined by federal law or regulation that authorizes eligibility for extended coverage under a health benefit plan. Qualifying events include a change in employment or family status such as: termination of employment (except for gross misconduct), employee layoff, reduction of employee's hours below the minimum number required for coverage eligibility as an active employee, end of twelve (12) month leave without pay period, covered employee's death, divorce or legal separation from the covered employee, or any reason for which a dependent child would otherwise become ineligible for coverage under the applicable option. (03-27-97/04-09-97)
- (34) "Retired Employee" means a former state employee, former teacher, or former public school employee who met the eligibility criteria when active, and who receives a monthly benefit from the Employees Retirement System, Legislative Retirement System, Teachers Retirement System, Public School Employees Retirement System, Superior Court Judges Retirement System, or District Attorney's Retirement System. (03-27-97/04-09-97)
- (35) "Retiring Employee" means a covered employee who is eligible to receive an immediate retirement benefit payment from the Employees Retirement System, Legislative Retirement System, Teachers Retirement System, Public School Employees Retirement System, Superior Court Judges Retirement System, or District Attorney's Retirement System. (03-27-97/04-09-97)
- (36) "Salary deduction" means an agreement between the employee and the employer, on behalf of the Council, to deduct amount from the employee's wages for the purpose of purchasing or contributing to the purchase of benefits as allowed under federal and state laws. (12-20-88/01-19-89)



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- (37) “Salary reduction” means an agreement between the employee and the employer, on behalf of the Council, to reduce the employee’s wages for the purpose of purchasing benefits as allowed under federal and state laws. (12-20-88/01-19-89)
- (38) “Spending account option” means the reimbursement accounts for eligible health or dependent care expenses as defined by the Plan. (12-20-88/01-19-89)
- (39) “Spouse” means an individual who is not legally separated, who is of the opposite sex to the member and who is legally married or who has submitted satisfactory evidence to the Administrator prior to January 1, 1997 of common law marriage to the employee or retired employee. (03-27-97/04-09-97)
- (40) “State Employer” means all separate and distinct divisions and subdivisions of state governments, including authorities, county departments of family and children services, or county departments of health, whose heads are legally authorized to appoint employees to positions. (O.C.G.A. 45-18-50)  
(03-27-97/04-09-97)
- (41) “State Personnel Board” or “Board” means the State Personnel Board established by Article IV, Section III, Paragraph I of the Constitution of the State of Georgia. (12-20-88/01-19-89) Authority O.C.G.A. 45-18-51(g).
- (42) “Surviving Spouse” means the living spouse of a deceased active or retired employee who was covered under the dental option offered under the Flexible Benefits Program. (03-27-97/04-09-97)

Authority O.C.G.A. Secs. 45-18-51, 45-18-3.1.

**History.** Original Rule entitled “Definitions” adopted. F. Sept. 25, 1986; eff. Aug. 8, 1986, as specified by the Board.

**Amended:** F. May 17, 1989; eff. Jan. 19, 1989, as specified by the Board.



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**Amended:** F. Jan. 29, 1991; eff. July 1, 1990, as specified by the Board.

**Amended:** F. Feb. 14, 1991; eff. Jan. 10, 1991, as specified by the Board.

**Repealed:** New Rule of same title adopted. F. Apr. 22, 1997; eff. Apr. 9, 1997, as specified by the Board.

**Amended:** F. Oct. 28, 2009; eff. Aug. 27, 2009, as specified by the Board.