



**Policy Title: Baylor Benefits Section 125 Cafeteria Plan**

**Policy Number: BU-PP 420**

**Date Issued: Updated January 15, 2007**

**Responsible Executive: Vice President & Chief Human Resources Officer**

**Date Last Revised: July 23, 2021**

**Responsible Office: Human Resources**

## **Baylor Benefits Section 125 Cafeteria Plan BU-PP 420**

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### **Policy Statement**

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Baylor University provides a cafeteria plan that allows health-related insurance premiums and other allowable expenses to be deducted from the employee's pay before Federal income tax withholding and Social Security taxes are calculated and deducted. The result is that taxable income is reduced by the amount of such premium payments and other allowable expenses. The Baylor Cafeteria Plan (the "Plan") is allowed under Section 125 of the Internal Revenue Code of 1954, as amended. All aspects of the Plan are governed by the terms set forth in the Baylor Cafeteria Plan. In the event of conflict between this Policy and the Plan documents, the Plan documents control. Baylor retains the discretion to modify this policy and the Cafeteria Plan.

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### **Reason for the Policy**

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To provide details on the Baylor Cafeteria Plan including enrollment, flexible spending accounts, health savings accounts and pre-tax benefit premium deductions.

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### **Individuals/Entities Affected by this Policy**

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All Eligible Employees

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### **Exclusions**

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Non-benefit eligible faculty, staff, and temporary employees

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### **Related Documents and Forms**

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#### **University Policies and Documents**

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[Group Insurance](#)

[Baylor Cafeteria Plan Summary](#)

1. Baylor Benefits Section 125 Cafeteria Plan (BU-PP 420)

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## Definitions

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These definitions apply to terms as they are used in this policy.

<b>Eligible Employee</b>	Benefit eligible faculty, staff and temporary employees
<b>Participant</b>	Eligible Employee who has enrolled in a group insurance and/or voluntary insurance plan

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## Contacts

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<b>Subject</b>	<b>Contact</b>	<b>Telephone</b>	<b>Office email/web site</b>
<b>Policy Questions</b>	Human Resources	254-710-2000	<a href="https://www.baylor.edu/hr/">https://www.baylor.edu/hr/</a>

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## Principles

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The Baylor Cafeteria Plan document specifies the benefit plans whose premiums are exempt from Federal Income and Social Security tax withholding and therefore deducted for an Eligible Employee's paycheck on a pre-tax basis. These benefit plans include:

- Health Flexible Spending Account
- Dependent Care Flexible Spending Account
- Health Savings Account
- Health Insurance
- Dental Insurance
- Vision Insurance
- Cancer Insurance
- Accidental Death and Dismemberment Insurance

Voluntary term life or dependent term life insurance, long-term care insurance, short term disability, or accident life insurance does not qualify for pre-tax premium payments.

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## Flexible Spending Accounts

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Flexible Spending Accounts provide Eligible Employees an opportunity to exempt from Federal Income tax withholding and Social Security taxes those eligible expenses known as Dependent Care Expenses and unreimbursed Medical Care Expenses.

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## Health Savings Account

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Health Savings Accounts (HSA) provide Eligible Employees an opportunity to exempt from Federal Income tax withholding and Social Security taxes expenses deemed eligible by the Internal Revenue Service (IRS).

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## Enrollment/Qualifying Event/Cancellations

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Initial Enrollment	The Eligible Employee has 31 days from their date of hire to enroll.
Open Enrollment	Open Enrollment occurs near the end of each calendar year (dates are announced). Coverage becomes effective January 1 of the following year.
Change in Status* (applicable to medical, dental, vision, cancer, critical care and voluntary accidental death and dismemberment plans)	The employee may request changes consistent with a change in status within 31 days of any of the following events: <ul style="list-style-type: none"><li>• Marriage or divorce</li><li>• Childbirth or adoption</li><li>• Death of spouse or child</li><li>• Change in employment of spouse</li><li>• Additional changes may also apply; for a supplemental list, see the <a href="#">Baylor Cafeteria Plan - Plan Summary</a></li></ul>
Cancellations	Employees may cancel participation only during the open enrollment period or within 31 days of a change in status. Cancellations made during open enrollment will take effect January 1 of the following year.

\* Qualifying event regulations are stipulated by Internal Revenue Code 125.