

# 6.

## Insurance and Related Matters

All group insurance programs, except the retirement program and a survivor's insurance benefit, are the same for both faculty and benefit-based staff employees. Because the eligibility and benefits associated with these programs change frequently, details of the insurance programs and some of the optional benefits are supplied by the Faculty Records Office.

### ***Retirement Annuity Plan***

The Board of Trustees has adopted the contractual annuity plan of the Teachers Insurance and Annuity Association (TIAA) and the College Retirement Equities Fund (CREF). The Institute contributes a percentage of the participant's gross salary less a part of the Institute's contribution to the participant's Social Security account. A participant whose annual salary is in excess of the Social Security Taxable Wage Base is required to contribute a percentage of salary, based on the excess amount. The Booklet *Caltech TIAA-CREF Retirement Plan* details Institute and participant contributions as well as other provisions of the plan.

Immediate participation in the plan is a condition of employment for all new appointees of the rank of assistant professor or research assistant professor or higher, except for those in the first two years of a temporary visa. For all new appointees of the rank of instructor or long-term lecturer, participation is compulsory after two years of service at the Institute. Full-time instructors and lecturers may, if they choose, begin their participation immediately upon appointment.

### ***TIAA - CREF Investments***

"Monies paid into TIAA-CREF annuity contracts may be invested in any or all of the funds made available by that organization. There are several investment options ranging from the TIAA Traditional Fund that provides guaranteed income at no risk, to a growth fund, that offers an opportunity for greater returns, but with far higher risk and likelihood of price fluctuation. Participants can secure information about these investment options either from the Caltech Human Resources Office, or directly from TIAA-CREF. Retirement plan participants should take into consideration their tolerance for risk and their expectations for retirement income as they elect the fund(s) into which Institute and personal contributions are to be invested. And since these factors commonly change over one's career, participants should periodically review their premium allocation and retirement account accumulations, and shift them as personal needs and market conditions change."

### ***Voluntary Tax-Deferred Retirement Plans***

Employees of certain nonprofit organizations like Caltech can, within limits, elect to take a reduction in salary, pay current taxes only on the remaining after-reduction amount of salary, and have the amount of the reduction invested in any of several tax-deferred annuity/investment plans offered by Caltech. The earnings on such investments are also excluded from current taxation. These plans offer a wide variety of investment options: Fixed-interest accounts, money market funds, and different variable stock and bond funds. Additional information may be obtained in the Benefits Office.

### ***Additional Information***

Individuals holding faculty appointments without stipend are on a nonbenefit basis. Evidence of health insurance will be required of all faculty appointments without stipend and, in its absence, appointees will be required to enroll in one of the Institute health plans, with either the individual or the sponsoring agency bearing the full cost.

Individuals holding faculty appointments as recipients of Caltech fellowships will be offered health insurance on the same basis as salaried employees.

Individuals who are on leave from other institutions should maintain their full benefit package at their home institutions. In some instances, it may be reasonable for the Institute to reimburse the other institution for a fair portion of the cost of those benefits. In other cases, it may prove necessary or desirable for the visitor who receives only partial salary from the Institute to receive some Institute benefits. In such instances, it may be reasonable for the visitor's home institute to pay Caltech a portion of the cost. In other instances, the individual may be required to bear the cost. Whatever the arrangement, it should be specified in writing as one of the terms of the appointment to a research or visiting faculty position at the Institute.

Individuals with part-time faculty appointments with stipend are eligible for the same benefits as full-time faculty members of equivalent rank or title. However, these benefits will be on a prorated basis as a function of the time period specified in the appointment or on salary actually earned. The major exception is health and dental insurance, which will be made available on the same full-coverage basis extended to full-time faculty.

### ***Survivor Benefit Policy***

The Survivor Benefit Policy provides a benefit to your beneficiary(ies) in the event of your death. Participants eligible for this benefit are the active President, Vice Presidents, and voting faculty. This benefit is equivalent to six months salary paid to the beneficiary(ies). In addition, the Institute pays a supplement to cover the estimated tax liability. This policy is fully paid by the Institute and benefits will be paid to your beneficiary(ies) in one lump sum.