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DATE: June 27, 2016
TO: All **regular** employees, all campuses
FROM: Garrey Carruthers, Chancellor
SUBJECT: 2016 Employee Benefit Changes

A handwritten signature in blue ink, appearing to be 'Garrey Carruthers', written over a horizontal line.

Earlier today, the NMSU Board of Regents approved a number of benefit changes that will impact current and future employees. These changes are in response to the university's budget situation and many of these have been discussed during our town hall meeting and at our open forums earlier this year.

Please know that I appreciate the work that everyone does to make this an outstanding university. With your assistance, we will be able to make the changes needed to put the university on a more secure financial footing. If you have any questions regarding benefit changes, please email benefits@nmsu.edu.

Thanks again for the good work you do. As a member of our NMSU community said to me, "We will sail this ship together through the stormy seas."

For current employees and those hired on or before June 30 of this year:

- Retiree health coverage will continue to be provided.
- The sick leave payout benefit upon termination of employment or retirement will be discontinued. The one exception will be for those employees who have accrued more than 600 hours of sick leave as of July 1, 2016. These employees will receive a grandfathered benefit.
- The annual leave accrual benefit will be reduced from 22 days to 20 days.
- Up to 240 hours of accumulated annual leave may be carried forward each July 1, consistent with current NMSU rules. However, the period for use of annual leave in excess of the maximum 240 hours will end on June 30, and all accumulated leave in excess of 240 hours at the close of business on June 30 of each year will be lost. This is a change from the current deadline of September 30. Importantly, this change in the date of forfeiture will not be implemented until June 30, 2017.
- Anyone working less than .75 FTE and currently enrolled in insurance benefits (medical, dental, group life, LTD, vision, voluntary life, voluntary AD&D, critical illness, long-term care, flexible spending accounts) will be allowed to continue to participate in the elected benefits.

For new employees hired on or after July 1:

- Retiree health coverage will not be provided.
- The sick leave payout benefit upon termination of employment or retirement will not be provided.
- Annual leave accrual will follow the schedule below, based on the employee's period of continuous service of employment at NMSU:
 - Twelve (12) days of annual leave accrual will be provided to employees during their first four years of regular continuous service.
 - Seventeen (17) days of annual leave accrual will be provided to employees during years 5 through 9 of regular continuous service.
 - Twenty (20) days of annual leave accrual will be provided to employees upon completion of nine full years of regular continuous service.
- Any leave accrual change will be effective in the first full pay period following the employee's work anniversary date.
- No insurance benefits (medical, dental, group life, LTD, vision, voluntary life, voluntary AD&D, critical illness, long-term care, flexible spending accounts) will be provided for employees working less than .75 FTE.

Updated administrative rules and procedures (ARP) providing details on the above benefit changes can be found at: https://manual.nmsu.edu/files/2013/10/9thEdARPrev06_27_16.pdf.