



## BENEFIT PROGRAMS

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### I. BENEFIT PROGRAMS

#### A. GENERAL

In addition to the other programs outlined in this Manual, the University offers a wide range of benefits designed to provide its personnel and their families with the coverage, lifestyle and financial security they desire. University personnel are eligible to participate in these benefit plans, based on specific requirements as to eligibility as shown in chart.

Plan	National Origin Group
Saudi National Personnel	Saudi Nationals Only
U.S. Personnel	U.S. Citizens or Residents of the US (green card holder)
Global Personnel	All other personnel excluding US personnel

Personnel have a variety of University-provided and optional benefits to select from, with different premium funding arrangements. The benefits are offered to personnel under one of the following funding arrangements:

- University paid;
- University / Personnel cost sharing; and
- Personnel paid.

Human Resources will provide personnel the opportunity to join and/or change levels of coverage on an annual basis.

### II. BENEFIT PLANS

#### A. PURPOSE

This section summarizes benefit plans which are detailed in separate Plan Brochures. University personnel should refer to these booklets for details. In all instances, however, the booklets only deal with plan highlights. The master insurance policy or complete Plan text legally governs all Plan handling/administration.

#### B. SCOPE

University benefit plans apply to faculty and staff appointed to regular, full-time posts. Such benefits will be specified in their employment contracts.

#### C. MEDICAL/DENTAL PLAN

It provides comprehensive medical and dental coverage for all eligible Personnel, as well as their spouses and dependents. The University provides two medical plans, to address the requirement for In-Kingdom medical coverage (Standard Plan) and for international medical coverage (Optional Plan). These plans are compliant with the Council for Cooperative Health Insurance (CCHI) regulations for



insuring personnel in Saudi Arabia. Refer to chart below for details on each plan and funding arrangements.

Plan	Geographic Coverage Area	Funding
<b>Primary Plan</b>	Provides healthcare coverage for personnel and eligible dependents residing in Saudi Arabia	University Paid
<b>Optional Plan</b>	Provides healthcare coverage for personnel and eligible dependents residing both inside or outside of Saudi Arabia	Premium Sharing University 80% Personnel 20%
<b>Family Plan</b>	Provides healthcare coverage for personnel's ineligible dependents "Domestic Helpers/ Parents " residing in Saudi Arabia	Personnel Paid

#### D. GROUP INSURANCE PLAN

The Group Insurance Plan provides life insurance for all Personnel, as well as Personal Accidental Death and Dismemberment (PAD&D) coverage. Personnel also have the option to purchase additional life insurance and PAD&D coverage at group rates as well as AD&D coverage for their spouses.

Coverage Types	Funding
Basic Life	University Paid
Personal Accidental Death and Dismemberment (PAD&D)	University Paid
Supplemental Life	Personnel Paid
Dependent Life (Spouse/Child)	Personnel Paid
Voluntary Accidental Death and Dismemberment (VAD&D)	Personnel Paid

#### E. PENSION PLANS

The University provides three pension plans and they are maintained separately due to special requirements of each of the three Groups shown in the chart below.

Plan	Coverage Group	Benefits
<b>Saudi Nationals</b>	Saudi Nationals Only	Pension benefits provided under the General Organization of Social Insurance (GOSI), Old Age Annuity. These benefits are determined through a benefit formula maintained by GOSI.
<b>U.S. Personnel</b>	US Citizens or a Resident of the US (Green Card Holder)	Pension benefits are provided under the University U.S. Pension Plan and are maintained separately due to US tax law compliance requirements governing US Citizens and Residents of the U.S. (Green Card holders.)
<b>Global Personnel</b>	All Other Personnel	Pension benefits are provided under the University Global Pension Plan which has the same plan design of the US Pension Plan minus all US tax law compliance requirements.



## 1. SAUDI NATIONALS PLAN – GOSI

The General Organization for Social Insurance (GOSI) Law provides annuity, death, and disability benefits to eligible GOSI participants. All personnel in Saudi Arabia are required to be enrolled in the program. Deductions are computed according to scales of earnings and eligibility of staff as stipulated by the relevant laws, and withheld from personnel pay by the University.

**Saudi Nationals** are eligible for the Old Age pension annuities, in addition to coverage under the Hazard Branch. The University and Saudi Nationals contribute to GOSI as shown in the chart below.

General Organization for Social Insurance (GOSI) Old Age Annuity			
	Contribution Percentage	Compensation Components	Max. Monthly Contributory Wage
University	12%	Base Salary + Housing Allowance (if any)	SR45,000
Saudi National personnel	10%	Base Salary + Housing Allowance (if any)	

Saudi personnel assigned Campus Housing will pay GOSI contribution of two months base salary in lieu of housing allowance as per GOSI regulations. The benefit eligibility requirements for Old Age Annuity (retirement) are:

- 300 months of GOSI contribution, or
- Ten (10) years of participation with at least three of the last five years preceding retirement age.

## 2. GLOBAL AND US PLANS

The University contributes a fixed percentage of the faculty or staff member's Base Salary (based on years of service, as per the table below).

Years of Cash Balance Service	Years 1 - 5	Years 6 - 8	Years 9 - 11	Years 12 or More
% of base salary	10%	13%	15%	18%

- **Enrollment** - eligible personnel are automatically enrolled on their date of employment.
- **Cash Balance Service** - is in general, the period of employment with the University. Personnel earn one year of Cash Balance Service for every calendar year in which they perform one hour of service as an eligible employee of the University and are employed on December 31 of the year.
- **Contributions** - The University contributes a fixed percentage, according to the plan document, of the Base Salary into an investment account.
- **Withdrawal** – should personnel terminate their employment with the University, the benefit payable from the Pension Plan is subject to the withdrawal rules of the plan.



#### F. SAVINGS PLANS

The University provides two (2) voluntary savings plans, although identical in design, they are separate due to US tax laws governing US citizens. Personnel are eligible to enroll into the plan based on the chart below.

Plan	Coverage Group	Benefits
<b>Global Personnel</b>	Saudi Nationals and all Other Personnel	The University matches personnel contribution up to 10% of the Base Salary.
<b>US Personnel</b>	US Citizens or a Resident of the US (Green Card Holder)	The University matches the personnel contribution up to 10% of the Base Salary.

- **Enrollment** – is voluntary for all eligible personnel. Personnel may enroll and begin making contributions to the Plan on the 1st day of the month coinciding with or following their date of hire.
- **Contribution** – the University matches the personnel contribution dollar-for-dollar, up to a maximum of 10% percent of the Base Salary.
- **Withdrawal** – personnel are entitled to the full contribution made by themselves and KAUST, upon separation from the University.
- **In-Service Withdrawal** – KAUST employees who have 5 years or more service, are eligible to withdraw their own contributions while still employed by the University.

#### G. SHORT-TERM DISABILITY

The plan provides salary continuation for eligible personnel who become temporarily disabled and unable to work as the result of a non-work related illness or injury.

1. **Coverage Levels** is determined by a percentage of Base Salary for set period of time (days) and is provided by the University.

Time Period of Temporary Disability (Number of Days)	Regular Compensation (Base Salary)
30 days	100%
31 – 90 days	75%
91 days and over	No Pay

2. **Eligibility** - All University personnel are covered by this Plan.
3. **When Benefits are Payable** - Personnel do not have to be hospitalized to receive the short-term disability benefit; however, personnel must be ill or injured and therefore unable to report to work. The University may request medical evidence of disability for any absence due to illness or injury.
4. **Reinstatement of Benefits** - The maximum amount plan benefit payable is based on the length of absence as shown in Table 1 above per sick year. No reinstatement of benefits is permitted within same sick year. A sick year is the 12 month period which begins from the date of the first sick leave.
5. **Limitation on Benefits** - Benefits payable under the Plan are reduced by benefits payable from any other employment-based disability income sources, including Saudi Arabia Social Insurance law, worker's compensation or other applicable regulations.
6. Plan benefits are not payable for losses caused by or resulting from self-inflicted injury, active participation in war, or upon conviction of the commission of an illegal act. Plan benefits are not payable during unpaid leave of absence.



7. Plan benefits are payable for a disability which occurs while on vacation only if the disability lasts more than two (2) days, if the supervisor has been notified, but not later than the first day personnel are scheduled to return to work, and if personnel provide adequate medical evidence of their disability. Plan benefits end when personnel:
  - exhaust their full entitlement for calendar year; or
  - are no longer to eligible participate; or
  - terminates their service with the University
8. **Record Keeping** - When personnel are removed from duty on the recommendation of the Medical Department and placed on partial day disability (e.g., four hours of disability time daily for fourteen consecutive days), the daily reported time should show the specific number of disability hours and regular work time hours for each day. As appropriate, the partial disability time used by personnel is counted against their calendar year benefits level.

#### H. LONG-TERM DISABILITY

The plan provides salary continuation for eligible personnel if they become disabled and unable to work as the result of a qualifying long-term illness or injury.

- a. **Eligibility** - Personnel must have completed two (2) years of continuous active service to receive Long Term Disability payments.
- b. **Coverage Level** - benefits are based upon a percentage of Base Salary (up to a US \$10,000 monthly benefit maximum).
- c. **Coverage Period** - benefits payments are payable for a maximum period of 5 years. The plan is aligned with the GOSI benefit for Saudi nationals.

#### I. SEVERANCE AWARD PLAN

The Severance Award Plan provides an end of service award. Severance awards administered in accordance with the Saudi Labor Law will be calculated on total pay, that is, all components of regular compensation.

Personnel are eligible for a Severance Award under Saudi Labor law if:

- the University terminates the individual for any reason other than cause;
- the individual is terminated as a result of a force majeure beyond his/her control; or
- the individual dies while employed by the University.

The Severance Award is calculated per year of service, prorated to the time spent in the job, based on the table below:

Category	0-2 Years Service	2-5 Years Service	5-10 Years Service	>10 Years Service
If Terminated or End of Contract	½ month salary	½ month salary	1 month salary	1 month salary
If Resigned	Nil	⅓ of ½ month = ⅙ month	⅔ of 1 month = ⅔ month	1 month salary

**Note:** No reduction shall be made for female personnel who resign within six months from the date of marriage or three months from the date of delivery of a child.



## a. Severance Award and Pension Benefits for US and Global Personnel

Personnel with three or more years of continuous service or who attain age 60 are vested in the Pension Plan. Upon termination of service they receive the greater of the Pension Plan benefits or Severance Award Benefits, but not both. Personnel will receive either (I) or (II) below, depending on which is applicable:

- I. If the Severance Award paid under Saudi Labor Law exceeds the value of the funds as of termination date compared with benefits paid from University contributions to the Pension Plan, personnel will receive a cash amount from the University for the excess and a cash amount from the Pension Plan equal to the present value of University contributions. The two cash amounts will total the Severance payout to which they are entitled. Under this plan, personnel will not receive any monthly benefits from the Plan. Lump sum payment of the Pension Plan benefit requires the written consent of the spouse of Personnel.
- II. If the Severance Award is less than the present value of benefits paid from University contributions to the Pension Plan, personnel will receive the accrued Pension Plan benefit. Lump sum payment of the Pension Plan benefit requires the written consent of the spouse of personnel.

## b. Non-Payment of Severance Award

The Severance Award will not be paid in the event of:

- Discharge for cause;
- Deportation by Saudi Arabia Government Order;
- Resignation with less than two years of continuous service;
- Terminations according to the Provisions of Article 80 of the Saudi Labor Law.

## c. Severance Award and GOSI Benefits for Saudi Nationals

There is no offset for the Severance Award against GOSI payments. Therefore, the severance award is paid in full.

## J. INDUSTRIAL INJURY BENEFITS

Personnel receive industrial injury, illness and death benefits in accordance with the workmen's compensation law of the place of residence and employment at the time of such injury, illness or death, which in the case of Saudi Arabia is the Hazard Branch of the General Organization for Social Insurance ("GOSI").

The supervisor should notify Human Resources, within three (3) days of the date of the injury or illness. Human Resources is obligated to report any industrial injury to GOSI within three (3) days from the date of reporting the accident. This includes the following:

## a. Work-Related Injuries

Work Related Injuries are defined by the applicable laws, including:

- Any injury suffered from performance of work;
- Any injury suffered during traveling from home to workplace and back;
- Any injury suffered during working hours while going to or coming from a meal or prayer place; and
- Any injury suffered in the course of travel, carrying out an assigned task, within the Kingdom.



#### b. Occupational Diseases

Occupational Diseases are defined by the applicable Saudi laws. It is mandatory that work-related injuries, as mentioned above, be reported to the Human Resources Department in the appropriate time period with the required forms completed. Failure to report such injuries may deprive personnel of their rights to industrial injury benefits and may deprive the University from claiming reimbursement for medical treatment expenses and the disability days.

**Note:** GOSI regulations provide for annuity, death, and disability benefits to eligible GOSI participants. All personnel in Saudi Arabia are required to be enrolled in the program. Deductions are computed according to scales of earnings and eligibility as stipulated by the relevant laws, and withheld from monthly pay by the University.

Non-Saudi personnel are covered under GOSI Hazard Branch (Workman's Compensation) only. The University pays 2% of the monthly contributory salary, to provide coverage and compensation to all personnel from injuries or death resulting from work-related accidents (industrial).

#### K. MEMBERSHIPS OF PROFESSIONAL ASSOCIATIONS

The University is committed to supporting personnel in continuing their professional education or development in order to maintain their technical and professional knowledge base and skills. A means by which faculty and staff can achieve this outcome is through personal memberships of professional associations where continuing professional development is often mandated and participating in periodic continuing development programs.

##### Eligibility and Limitation

University personnel are eligible for the reimbursement of their annual membership costs for one professional association, where such membership is required to keep personnel up to date within their profession.

Reimbursement of such membership fees will, however, be limited to one membership per year per individual. Personnel must demonstrate a clear relationship between the membership they are seeking reimbursement and the professional requirements of the position they occupy at the University. The University reserves the right to deny any application for reimbursement in cases where the membership is not directly related to the staff member's employment at the University, or the responsibilities of the position they occupy. All reimbursement claims should be supported by receipts.

Memberships must be approved by the functional Vice President (or equivalent).



### III. FAMILY STATUS & DEPENDENT ELIGIBILITY

#### A. PURPOSE

The following policy describes the general eligibility requirements that a person must satisfy in order to be considered an eligible dependent for purposes of University benefits.

#### B. SCOPE

This policy applies to personnel appointed to regular, full-time posts, and whose appointments carry family status.

#### C. BENEFIT ELIGIBILITY

##### a. Housing/ Schools (K-12)/Repatriation Tickets

The University recognizes the following persons as eligible dependents for purposes of housing, schools (K-12) and repatriation tickets, provided that such persons reside on the University campus for no less than a total of 180 days per calendar year.

- Spouses of University personnel.
- Eligible dependent children as defined below:
  - Unmarried children of University personnel, including step, legally adopted children, up to and including age 19.
  - With respect to housing and repatriation tickets only, unmarried children up to and including age 19 and those who are full-time undergraduate students up to and including age 25 (provided that such full-time students satisfy the 180 day rule described above).
  - In cases where University personnel have physical custody of a child for less than fifty percent (50%) of the time (or by court order have been granted physical custody for less than fifty percent (50%) of the time), such child shall not be considered an Eligible Dependent.

##### b. Medical

The University recognizes the following as eligible dependents for medical insurance:

- Spouses of University personnel.
- Eligible dependent children up to and including age 19, unless they are full-time undergraduate students then up to and including age 25.
- Unmarried children who were disabled before age 19 while coverage was in force.

##### c. Visiting Children (college students)

The University recognizes the following persons as eligible dependents for purposes of the travel allowance for visiting University /college dependent children as long as they meet the following requirements:

- Be enrolled as full-time student in a college/University (12 credit hours per or equivalent semester);
- Be dependent upon the personnel for substantial support;
- Never have been married and currently not working full-time; and
- Be 25-years old or less.





#### IV. CHANGES IN MARITAL STATUS

When the family status of personnel changes due to circumstances such as marriage, divorce, separation, the birth or adoption of a child, or a child reaching an age that affects eligibility under this policy, it is the responsibility of the concerned personnel to report any changes in their marital status to the Human Resources Department as soon as it happens in order to update the records and process the individuals' benefits.

##### A. PURPOSE

The purpose of this policy is to outline the benefits eligibility in case of marriage, divorce or legal separation when the marital status for an employed couple changes.

##### B. SCOPE

This policy applies to all Personnel at the University and is effective as of January 21, 2012.

##### C. MARRIAGE

When two individuals, who are employed by the University, get married, some elements of compensation and benefits may be changed to reflect the changes in their marital status in accordance with the following:

###### Individual Benefits

The following benefits are designed for, and are applicable to, employed individuals based on their position regardless of their marital status:

- Pension Plan
- Savings Plan
- Competitive Adjustment Allowances for Saudi nationals
- Housing Allowance
- Start-up Allowance
- Short Term and Long Term Disability Plans
- Basic Life Insurance
- Accidental Death and Dismemberment (AD&D) Insurance
- Vacation entitlement

###### Family Benefits

The following benefits are designed for, and applicable to, each family consisting of a legally married husband and wife and their eligible children (if any). These types of benefits are based on the rate of the higher income earner employed by the University, while the lower income earner will discontinue receiving these benefits:

- Over-base Allowances for expatriates
- On-campus housing, with relevant rental charges and when applicable
- Demobilization Tickets
- Shipment of Personal Effects
- Annual Travel (repatriation) Allowance
- Medical and Dental Coverage



#### D. DIVORCE

##### Personnel (excluding Teachers at The KAUST School)

When an employed couple gets divorced, the circumstances under which the couple initially entered the Kingdom of Saudi Arabia will determine how the contractual obligations are handled by the University.

If an expatriate spouse initially entered the Kingdom of Saudi Arabia as a dependent, then this spouse will be required to leave the country in accordance with the Laws of the Kingdom of Saudi Arabia.

##### Teachers at The KAUST School

In the event of separation or divorce between expatriate married teaching couples at The KAUST School; due to change in status, the employment contract will end for both parties at the end of the academic year. In exceptional circumstances The KAUST School reserves the right to offer a new single status contract to one individual.

##### Saudi Personnel

Where an employed couple gets divorced, then they will be treated as individual employees and will be entitled to all benefits and allowances applicable to their situation as if they had been employed independently.

#### E. SEPARATION

Consistent with the laws of the Kingdom of Saudi Arabia, the University does not recognize separation. Hence, in the event of a separation between two employed personnel who are married to each other, the contract elements and the compensation and benefits paid or offered to the concerned personnel may not be changed as a result of such separation. Personnel wishing to have their separation recognized must present acceptable official divorce documents to Human Resources.

Separation does not entitle either spouse to additional housing or any other similar entitlement.