

Glossary of Benefits Terms

Health Insurance Basics

- **Premium:** The amount you pay for your insurance every pay period.
- **Deductible:** The amount you pay for covered health care services before your insurance starts to pay.
- **Copay:** A fixed dollar amount you pay for a covered service, typically at the time of service.
- **Coinsurance:** Your share of the costs of a covered service, calculated as a percentage.
- **Out-of-Pocket (OOP) Maximum:** The most you'll pay in a plan year for covered services. After this, your plan pays 100%.
- **Explanation of Benefits (EOB):** A summary showing what your insurance paid and what you owe.

Plan Types & Provider Networks

- **HMO (Health Maintenance Organization):** A plan that usually requires in-network care and referrals for specialists.
- **PPO (Preferred Provider Organization):** A plan that allows you to see specialists without referrals and includes out-of-network benefits.
- **High Deductible Health Plan (HDHP):** A medical plan with lower premiums and higher deductibles, meaning you pay more out-of-pocket before the plan begins to pay. This plan type is eligible for a Health Savings Account (HSA), allowing you to save pre-tax money for healthcare expenses.
- **In-Network:** Providers/facilities contracted with your insurance to provide services at lower rates.
- **Out-of-Network:** Providers not contracted, which usually cost you more.
- **Formulary:** A list of prescription drugs covered by your health plan.
- **Pharmacy Benefit Manager (PBM):** A company that administers prescription drug benefits on behalf of your health plan. A PBM manages the formulary (covered drug list), negotiates pricing with drug manufacturers and pharmacies, processes prescription claims, and helps determine how much you pay for medications.

Enrollment & Contributions

- **Cafeteria Plan:** A benefits plan allowing you to choose from pre-tax options like insurance and FSAs.
- **Pretax Contributions:** Deductions from your salary before taxes for benefits like insurance or FSAs.
- **Open Enrollment (OE):** Annual period to enroll or make changes to your benefits.
- **Qualifying Life Event (QLE):** a significant life change—such as marriage, birth/adoption of a child, or loss of other coverage, that triggers a Special Enrollment Period (SEP), allowing you to change or enroll in health insurance outside the annual open enrollment period.

Accounts

- **Health Savings Account (HSA):** A tax-advantaged savings account available only if you are enrolled in a High Deductible Health Plan (HDHP). You can contribute pre-tax dollars to pay for eligible healthcare expenses now or in the future. Funds roll over year to year and remain yours even if you change jobs or retire.
- **FSA (Flexible Spending Account):** A pre-tax account to pay for eligible healthcare or dependent care expenses.
- **Limited Purpose Flexible Spending Account (LPFSA):** A pre-tax account used to pay for eligible dental and vision expenses. This account is typically available to employees enrolled in a High Deductible Health Plan (HDHP) with an HSA, since it does not cover general medical expenses and helps preserve HSA eligibility.

Additional Benefits

- **EAP (Employee Assistance Program):** A confidential service for counseling and support with personal or work issues.
- **AD&D (Accidental Death & Dismemberment):** Insurance paid to your beneficiary(ies) if you die or lose a limb in an accident.
- **LTD (Long-Term Disability):** Insurance that provides income if you're unable to work due to long-term illness or injury.
- **Beneficiary (Primary and Contingent):** The person or entity you name to receive your benefits after your death.

Retirement Terms

Core Retirement Plans

- **NMERB (New Mexico Educational Retirement Board):** A pension plan for educational employees offering lifetime retirement benefits.
- **ARP (Alternative Retirement Plan):** A defined contribution plan available to certain employees as an alternative to NMERB defined benefit pension.
- **Vested:** Being eligible to receive retirement benefits once you meet service and age requirements.
- **Defined Benefit Pension (DBP):** retirement plan that guarantees a specified monthly income for life based on a formula considering salary and years of service. The NMERB pension plan is a DBP.
- **Defined Contribution Plan (DCP):** retirement plan where the employee (and often the employer) contributes a set amount of money into an individual investment account, with the final retirement payout depending on contribution plus investment growth or losses. The NMERB ARP plan is a DCP.
- **FAS (Final Average Salary):** Used in NMERB calculations to determine your pension benefit.

Voluntary Supplemental Plans

- **Deferred Compensation:** A savings plan where you set aside income for retirement, before taxes.

- **403(b) Plan:** A tax-advantaged retirement savings plan for employees of public education institutions. Contributions are made on a pre-tax (and/or Roth, if available) basis. Withdrawals before age 59½ may be subject to taxes and penalties.
- **457(b) Plan:** A tax-advantaged retirement savings plan for government employees. Contributions are made on a pre-tax (and/or Roth, if available) basis. Funds are generally available without an early withdrawal penalty after separation from employment (taxes still apply).

Key Federal Laws

- **ACA (Affordable Care Act):** Law that expanded access to health insurance and consumer protections.
- **COBRA (Consolidated Omnibus Budget Reconciliation Act):** Allows temporary continuation of health insurance after job loss, paid at full cost.
- **HIPAA (Health Insurance Portability and Accountability Act):** Protects your medical privacy and ensures insurance coverage can transfer between jobs.
- **FMLA (Family and Medical Leave Act):** Offers unpaid, job-protected leave for certain family or medical situations.
- **USERRA:** Protects the job rights of employees who serve in the uniformed services.
- **ADA (Americans with Disabilities Act):** A federal law that prohibits discrimination against individuals with disabilities and may require employers to provide reasonable accommodations to enable employees to perform their job.
- **Workers' Compensation:** A state-regulated program that provides medical care and wage replacement benefits if you are injured or become ill as a result of your job.
- **FLSA (Fair Labor Standards Act):** A federal law that establishes minimum wage, overtime pay, and standards for classifying employees as exempt or non-exempt.

NMSU-Specific Resources

- **ARP (Administrative Rules and Procedures):** Guidelines for administering benefits and HR policies. [Link](#)
- **BPM (Business Procedures Manual):** Finance and business procedure guidance at NMSU. [Link](#)
- **FTE (Full-Time Equivalency):** A measure of an employee's working hours as a fraction of full-time employment.