

**RULES  
OF  
TENNESSEE DEPARTMENT OF HUMAN SERVICES  
TENNESSEE BUSINESS ENTERPRISE**

**CHAPTER 1240-06-16  
HEALTH INSURANCE AND RETIREMENT PROGRAM**

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**1240-06-16-.01 HEALTH INSURANCE ELIGIBILITY.**

- (1) Pursuant to a majority vote of all licensed managers, vending machine income received by the Agency which is not payable to licensed managers as provided in 34 C.F.R. § 395.8 and which is sufficient in amount shall be used in accordance with 34 C.F.R. § 395.9 to provide health insurance coverage to all licensed, permanently assigned vending facility managers and eligible dependents. Managers who are not permanently assigned and who have established transfer or demotion eligibility shall continue to receive the health insurance benefits so long as there is an accrual of seniority in accordance with chapter 1240-6-5-.06(3). Licensed managers who are temporarily assigned shall not receive such coverage. Pursuant to budgetary decisions made by the Agency and Committee, managers may be required to pay a portion of their health insurance premiums.
- (2) If managers are required to pay a portion of their premiums and their checks or Automatic Clearing House (ACH) transfers are returned for insufficient funds, this will be treated as any other delinquency and shall subject the manager to the same penalties as prescribed in 1240-06-09-.03(2). Once a manager is notified by virtue of receiving a probation letter that a check or ACH transfer has been returned, he/she will have insurance coverage terminated if the manager fails to get current with all premiums due within thirty (30) days. Reinstatement will be subject to the requirements of the carrier.

**Authority:** T.C.A. §§ 4-5-201 et seq., 71-1-105(12), 71-4-503, 71-4-509, and 71-4-604; 34 C.F.R. § 395.  
**Administrative History:** Original rule filed April 8, 2005; effective June 22, 2005. Amendments filed May 25, 2017; effective August 23, 2017.

**1240-06-16-.02 RETIREMENT BENEFITS ELIGIBILITY.**

- (1) Pursuant to a majority vote of all licensed managers, vending machine income received by the Agency which is not payable to licensed managers as provided in 34 C.F.R. § 395.8 shall be used in accordance with 34 C.F.R. § 395.9 to provide a retirement plan for all licensed, permanently assigned vending facility managers. Managers who are not permanently assigned and who have established transfer or demotion eligibility shall continue to receive the retirement benefits if there is an accrual of seniority in accordance with chapter 1240-6-5-.06(3). Licensed managers who are temporarily assigned shall not receive such benefits.

**Authority:** T.C.A. §§ 4-5-201 et seq., 71-1-105(12), 71-1-503, 71-4-509, and 71-4-604; 34 C.F.R. § 395.  
**Administrative History:** Original rule filed April 8, 2005; effective June 22, 2005.

**1240-06-16-.03 CONTRIBUTIONS TO THE RETIREMENT PLAN.**

- (1) The Agency shall, if the monies are available after contributing funding to the health insurance program, make contributions to a retirement plan on an annual basis, if possible.

(Rule 1240-06-16-.03, continued)

Such contributions may be made directly to the manager or to an established retirement account depending upon the vote of the Committee.

**Authority:** T.C.A. §§ 4-5-201 et seq., 71-1-105(12), 71-1-503, 71-4-509, and 71-4-604; 34 C.F.R. § 395.

**Administrative History:** Original rule filed April 8, 2005; effective June 22, 2005.