



Continuation of University Benefits upon Termination of Employment

A permanent or time-limited staff employee, regularly scheduled to work 20 or more hours per week, who is terminating their employment from the University, is welcome to schedule an exit interview with the Benefits Office. During this interview, the following important benefits information is discussed.

STATE RETIREMENT SYSTEM - TSERS

You may retain membership in the Teachers' and State Employees' Retirement System (TSERS) even though you no longer work for a State agency. If you have five or more years of creditable service in the Retirement System, you are "vested." Vested employees who do not withdraw their retirement contributions will be eligible to apply for a retirement benefit when the appropriate age and service requirements are met (currently age 60 with five years of contributing membership for Early Retirement with a reduced benefit, or age 65 with five years of contributing membership for Full Retirement with an unreduced benefit). In addition, if you do not withdraw your retirement and return to work for the State as a permanent full- or 3/4-time employee, your retirement account will be reactivated. If your reinstatement is within five years, your sick leave balance will be restored. (Note: If you are receiving Short Term Disability benefits under the Disability Income Plan of North Carolina (DIPNC), you may not withdraw your retirement contributions. A person in receipt of benefits under the Long-Term Disability Plan also may not receive a refund of accumulated contributions from the Retirement System unless these disability benefits are being received under the transition rules.)

If you are vested, you may withdraw your contributions plus a percentage of interest (currently 4% compounded annually). Upon receipt of your retirement refund, you waive any rights to retirement benefits (including participation in the Retirees' Health Insurance benefit) from the Retirement System. If you return to work for the State in a position which qualifies you for retirement benefits, you may repurchase (and thus restore) the creditable service you lost when you received your retirement refund. You must contribute to the Retirement System for five years, upon your return, to be eligible for this service.

If you terminate employment with less than five years of creditable service, you are not vested and are only eligible for a refund of your contributions to the Retirement System (no interest).

If you have been a contributing member of the Retirement System for one year, you are still covered under the TSERS Death Benefit for 180 days from the last day for which you were paid salary. The payment equals the highest 12 months' salary in a row during the 24 months before you die, but no less than \$25,000 and no more than \$50,000.

The State Retirement System Form 5 can be used to receive a refund of your retirement contributions. Please note that this form must be notarized. When completed, this form should be sent to the retirement system. An address can be found on the form. Once TSERS receives your application, they

may not refund your retirement contributions any earlier than 60 days from the date you terminated your employment, as governed by state law.

Any employee hired on or after October 1, 2006 is still vested for the purposes of a retirement benefit after 5 years of creditable service, but the criteria for continuation of health insurance has changed. Employees hired on or after October 1, 2006 must complete 10 years of creditable service in order for TSERS to pay for your health insurance benefits upon retirement and 20 years of creditable service to have your retiree health insurance paid for in its entirety. If you withdraw or transfer your contributions from this system, you forfeit this benefit.

When requesting a refund of your retirement contributions, please read the form carefully. Of interest is the section which discusses the 20% federal tax withholdings if you have your refund paid directly to you. You may avoid this 20% federal withholding as well as the possibility of an additional 10% excise tax if you are under age 59-1/2, are not disabled, etc., if you arrange to have your refund rolled over to an individual retirement account (IRA) or to another qualified employer plan.

OPTIONAL RETIREMENT PROGRAM – TIAA or Fidelity

It is important to review the options that are available to you in terms of your retirement contributions in the event of separation from the University. If you are considering withdrawing or transferring your retirement contributions, please be aware of the possible consequences including tax implications and benefits that you may forfeit as a result of this decision.

If you have completed five years of participation in the ORP plan, OR if, at another institution or agency of higher education, you will continue your participation in a "like" retirement plan as your core retirement plan (with TIAA or Fidelity), you are considered fully vested and the contributions which the University has made to your ORP account on your behalf will not be repurchased.

If you have not completed five years of participation in the ORP and you will not be participating at another institution or agency of higher education in a "like" retirement plan as your core retirement plan (with TIAA or Fidelity), the North Carolina law requires that the University's contributions on your behalf be refunded to the UNC General Administration. Your contributions always belong to you. You are entitled to withdraw your funds, roll them to another plan, or leave them in your ORP account.

If you have not completed five years of participation in the ORP but expect to enroll in a core retirement plan at a subsequent institution or agency of higher education, and if the subsequent employer's plan is deemed a "like" retirement plan, you may elect to delay notification about your enrollment for up to 12 months following your termination from the University. If you do not notify the University of your enrollment in a "like" plan within 30 days following the 12 month period, in writing, the University will proceed with the repurchase of the University's contributions.

You will be asked to complete a form ORP-3, Acknowledgement for Disposition of Account Contributions. This form is used to notify the UNC System of your departure from the University and inform them of your choice between the following:

- Continue participation in a "like" retirement plan
- Request a release of funds
- Delay this decision by 12 months

HEALTH INSURANCE BENEFITS

You may elect to continue your health insurance, at group rates, for up to 18 months immediately following the termination of your employment from the University. Your covered dependents may also elect continuation of coverage for up to 18 months (36 in certain circumstances). The Benefits Office will notify your health plan of your termination of employment. Since you will no longer be covered under the University's group plan, your health plan will then, in turn, notify you directly of your continuation options under the Consolidated Omnibus Budget Reconciliation Act (COBRA). You and/or your dependents will have 60 days to make your election of COBRA coverage, either from the date you receive notice from your health plan or from the date you lose group health insurance coverage on account of a qualifying event. All individuals covered under your group health plan (at the time that your employment terminated) have independent election rights.

Group rates under COBRA include any employer contributions previously made toward the cost of your health care plus any additional expenses you may have had to cover eligible dependents, or additional costs you may have assumed for employee-only coverage under a PPO. In addition, your health plan will assess a 2% administrative charge. If you have questions about your continuation options, you should contact the State Health Plan directly at 1-800-234-2416.

OTHER BENEFITS – COBRA AVAILABLE

If you are participating in one or more of the voluntary benefits plans, you may elect to continue coverage for up to 18 months from the date that your group coverage ends. COBRA continuation information will be mailed to your home. Even though you may continue these plans at group rates, your premiums will increase 2% for administrative costs. You will also lose the pre-tax savings you were receiving by having the premiums payroll deducted. Benefits with COBRA provisions are:

Dental Insurance - If you are participating in the University's voluntary dental plan, you may elect to continue coverage for up to 18 months from the date that your group coverage ends. Your dental insurance company will send COBRA continuation information to your home. Questions may be directed to MetLife at 1-855-676-9441.

Vision Insurance - If you are participating in the University's voluntary vision plan, you may elect to continue coverage for up to 18 months from the date that your group coverage ends. Superior Vision will send COBRA continuation information to your home. Questions may be directed to Superior Vision at 1-800-507-3800.

Cancer Insurance - If you are participating in the University's voluntary cancer insurance plan, you may elect to continue coverage for up to 18 months from the date that your group coverage ends. Allstate Workplace Division will send COBRA continuation information to your home. Questions may be directed to AllState at 1-866-232-1517.

Health Care Flexible Spending Account (FSA) - If you are terminating your employment with the University, you may continue to file for reimbursement of claims incurred prior to the date of your termination. If you elect continuation of your health insurance under COBRA, you may also continue to file for claims against the balance of your Health Care FSA through the remainder of the calendar year. If you do not elect COBRA continuation, any claims incurred after your termination cannot be reimbursed.

and the remainder of your Health Care FSA is forfeited. For additional information, contact P&A Group at 1-866-916-3475.

Dependent Care Flexible Spending Account (FSA) - If you are terminating your employment with the University, you may continue to file for reimbursement of dependent care expenses incurred prior to the date of your termination. Expenses incurred after your termination cannot be reimbursed and the money remaining in your account will be forfeited. For additional information, please contact P&A Group at 1-866-916-3475.

OTHER BENEFITS - CONTINUATION OPTION AVAILABLE

Life Insurance - If you are interested in continuing your group term life insurance policy, you will need to contact Securian at 1-833-365-0326 for details.

Accidental Death and Dismemberment - If you are interested in continuing your AD&D insurance policy, you will need to contact Securian at 1-833-365-0326 for details.

Critical Illness- If you are interested in continuing your critical illness insurance policy, you will need to contact VOYA at 1-877-464-5111 for details.

AUTO/HOMEOWNERS, ETC. INSURANCE - METPAY

An employee participating in the MetPay plan for group homeowner, auto, renters, etc., may not elect to continue coverage under group rates upon termination of employment. You may elect to continue coverage up to the end of the current policy period by paying the outstanding balance on your premium. Contact MetPay at 1-800-438-6388 for additional information.

DISABILITY AND SUPPLEMENTAL DISABILITY INSURANCE

Your coverage under the Disability Income Plan of North Carolina (DIPNC) will cease with your termination of employment or upon the loss of your eligibility to participate in the Teachers' and State Employees' Retirement System or in the Optional Retirement Program.

Your coverage under the Liberty Mutual Voluntary Supplemental Group Disability Insurance Plan will cease with the termination of your employment or upon the loss of your eligibility to participate in the Teachers' and State Employees' Retirement System.

Your coverage under the supplemental The Standard Group Long-Term Disability Insurance Plan will cease with the termination of your employment or upon the loss of your eligibility to participate in the Optional Retirement Program.

ID CARDS

SHRA employees should return ID cards to Human Resources. EHRA employees should return ID cards to the Office of the Provost.

PARKING PERMIT

Parking permits should be returned to Parking Services on the final day of employment. Parking Services will then submit a voucher to stop payroll deductions. This will ensure that the parking deduction is not taken from any checks issued for adjusted earnings (overtime), leave payout, etc.

PAYCHECK - FINAL

Your final paycheck for work performed will be at the end of the month you terminate employment. If you are owed payment for any accumulated vacation or bonus leave, or a pro-rated longevity payment, you will receive that payment at the end of the month following your termination from UNCG. This is contingent on receiving the appropriate paperwork from your department to close out your employment with the university. Should that paperwork be delayed, your leave payout will be delayed as well.

Leave Payout:

Vacation Leave - If you are leaving state service, you will receive a lump sum payment for any unused accumulated vacation leave, up to a maximum of 240 hours. If vacation leave has been advanced to you, then any deficit will be deducted from your final paycheck on an hour-for-hour basis (or any portion thereof).

Sick Leave - You cannot receive payment for any unused accumulated sick leave. Instead, if you return to state employment within five years of your termination date, your unused accumulated sick leave balance is reinstated. If sick leave has been advanced to you, then any deficit is deducted on an hour-for-hour basis (or any portion thereof).

***Note: If you are an SHRA employee transferring to another state agency, please contact Human Resources, 334-5009, for information regarding accrued leave. If you are an EHRA employee transferring to another state agency, please contact the Office of the Provost for information regarding accrued leave.**

Bonus Leave - You will also receive a lump sum payout for all remaining Bonus Leave (this benefit was only granted to employees working in a leave earning position as of 9/30/02)

Longevity Pay - If you are eligible for longevity (SHRA only), you will receive the pro-rated amount in your final paycheck.

Tax Withholding Statement (W2 Form) - If you are relocating, please make sure to provide the University with your new address through UNCGenie to ensure that you will promptly receive your W2 Form at the end of the taxable year.

RECREATIONAL FACILITIES

Your recreational center privileges end upon termination of your employment with the University. If you are having your membership in the Student Recreational Center payroll deducted, your membership will end the last day of the month in which you terminated your employment. If you need to stop this deduction from your final paycheck, please contact the Kaplan Center at 334-5924.

SUPPLEMENTAL TAX-SHELTERED ANNUITY PROGRAM - 401(k), 403(b), or 457

Once you terminate your employment with the University, you are no longer eligible to contribute to your tax-sheltered annuity program. Please contact your annuity agent for questions about the status of your account. A list of agent names and telephone numbers is available in the Benefits Office.