

BENEFIT CONTINUATION FOR SPA

As an employee facing a reduction in force, you are undoubtedly concerned with the continuation of your health care coverage and other insurance programs under payroll deduction. Also, you will likely have questions about your retirement benefits, the funds you have contributed to your retirement account, and your vacation and sick leave balances. This section will answer many of these questions and provide guidance on exactly what you need to do, when you need to do it, and whom you need to contact. Please be assured that Human Resources will make a concrete effort to place you in another position so that your benefits will continue uninterrupted. However, if you find that you are facing separation, the following information will be important to you.

Health Insurance

Your health insurance coverage under the State Health Plan will be continued for you up to one year following the date of separation, provided you have 12 or more months of consecutive state service. You must be covered by the Plan at the time of the job's elimination in order to be eligible. You may also continue coverage on your dependents by paying premiums directly to University Payroll. After one year, you and your eligible dependents may continue on health insurance; however, the University will no longer pay the premium cost for your coverage.

Employees who elect not to continue coverage under RIF priority directly after separation may not obtain coverage at a later date. Eligibility for coverage under RIF priority ends when you become re-employed by the State and are eligible for coverage on a non-contributory basis.

If you do not have 12 months of consecutive service, you may continue your health coverage under COBRA for up to 18 months. Information regarding your continuation rights under COBRA will be made to you from the State Health Plan.

Continuation options for other Health and Welfare benefits paid by payroll deduction:

Plan	Options	What to do?
Retirement/Supplemental Retirement	Contributions are no longer allowed	More info provided under <i>Retirement Options</i>
NC Flex Programs (Spending Accts, Dental, Vision, Supplemental Medical, AD&D*)	May continue under COBRA for specific period of time. You must pay the required cost of coverage. *AD&D cannot continue under COBRA but participants can port (continue coverage) to an individual policy within 31 days of termination.	Call vendors for additional assistance. www.ncflex.org AON 1-800-726-3221; Dental 1-800-252-0972 Vision 1-800-507-3800 Supplemental Medical 1-877-378-1505 AD&D 1-800-257-0930
State Disability Programs (Short-Term and Long-Term)	Coverage stops on termination date.	No action required
Short Term Voluntary Disability	Can continue policy by direct pay.	Call vendor for additional assistance 1-800-325-4368
Long Term Voluntary Disability	May convert to an individual policy within 31 days of termination at different rate. Must have been enrolled at least 12 consecutive months.	Call vendor for additional assistance 1-800-732-7875
Death Benefit (Provided under the Teachers' and State Retirement System)	This benefit is paid if you die within 180 days of the last day for which you were paid a salary. (If you were a contributing member for at least one year and you have not withdrawn funds)	No action required

Voluntary Life Insurance	May continue under conversion privileges at different rates.	Call vendor for additional assistance 1-800-523-8294
Hyatt Legal	Can continue by direct pay	Call vendor for additional assistance 1-800-821-6400
Automobile & Homeowners	Can continue by direct pay	Call vendor for additional assistance 919-847-4909

Retirement Options

Service Retirement (Unreduced Benefits)

You may retire with unreduced service retirement benefits after:

- You reach age 65 and complete five years of creditable service, or
- You reach age 60 and complete 25 years of creditable service, or
- You complete 30 years of creditable service, at any age.

Early Retirement (Reduced Benefits)

If you have at least 20 years of creditable service when you leave, you can apply for early payments beginning at age 50. However, your benefit is reduced because you may receive payments for a longer period of time. You may retire early with a reduced benefit after:

- You reach age 50 and complete 20 years of creditable service, or
- You reach age 60 and complete five years of creditable service.

Discontinued Service Retirement

State employees, age 50 to 55, with at least 20 years of creditable service may be eligible for a reduced monthly retirement benefit. The reduction is equal to $\frac{1}{4}$ of 1% (3% per year) for each month that retirement precedes the 55th birthday. An unreduced discontinued service retirement allowance may be approved for employees with 20 or more years of creditable retirement service who are at least 55 years of age.

A Discontinued Service Retirement Allowance is not payable while you are receiving severance pay.

Refund of Retirement Contributions

You have the option of leaving your contributions in the retirement system and maintaining all of the creditable service you have as of the date of separation. If you elect to leave your contributions in the retirement system and you have made contributions for at least five years, you are entitled to retirement benefits at a later date. One advantage to retiring later from the Teachers' and State Employees Retirement plan is that the State will continue to provide health insurance coverage for you at no cost.

If you leave state employment, you also have the option of receiving a refund of your contribution to the retirement system. If you leave before you have five years of creditable service, the only payment you will receive is a refund of your contributions. If you have at least five years as a contributing member, the accumulated interest will be added to your refund. Tax withholding is mandatory unless the taxable portion of the refund is directly transferred to an IRA or another qualified retirement plan, which is another option available when employees are no longer eligible to contribute.

State law does not permit the retirement system to make refunds earlier than 60 days after your application is received. Refund applications are available at the Benefits Office or at <http://www.treasurer.state.nc.us/dsthome/RetirementSystems/ApplicationsandForms>. It is important to note that if you have your contributions refunded and are re-employed by the State at a later date, you must contribute five years to the retirement system before you are eligible to buy back your prior state service.

If you transfer to an agency under the Local Government Employees' Retirement System, you can transfer your contributions and creditable service as long as you are an eligible member of the system to which you are transferring and have not received a refund of your contributions

from the state retirement system. If you transfer to another state agency, your retirement account number will remain the same.

Unemployment Insurance

Employees separated due to reduction in force are eligible to collect unemployment insurance provided they meet the normal eligibility requirements. You are not eligible to receive unemployment insurance benefits while receiving severance payments. Contact your local office of the Employment Security Commission concerning your eligibility to receive benefits. The Raleigh office is located at 700 Wade Avenue, Raleigh, NC.

Leave Balances

Annual Leave

If you are separated, you will be paid for the annual leave you have accumulated up to a maximum of 240 hours. You will receive your check on the earliest payroll possible following your separation. If you transfer to another state agency or university, the balance may transfer with you. Transferring your leave is determined by your new State Agency.

Sick Leave

You cannot be paid for accumulated sick leave if you are separated. However, if you return to state employment within five years from your separation date, it will be reinstated. If you transfer to another agency or department, your sick leave transfers with you.

Community Service Leave

If you transfer to another state agency, the balance of your community service leave will be transferred to that agency. If you separate from state government, you will not be paid for this leave.

Longevity

If you are eligible to receive longevity pay and are separated from state government, you will receive a prorated amount on the earliest payroll possible following the date of your separation. If you transfer to another state agency, you will receive longevity on your regularly scheduled eligibility date.