

## **INFORMATION FOR SPA EMPLOYEES REGARDING FTE REDUCTIONS**

If your employment status drops below three-quarter time (.75), your eligibility to certain benefit programs will also change. Please contact the Benefits office to discuss your options.

### **Health Insurance**

State employees who are employed in permanent job positions on a recurring basis and who work 30 or more hours per week for nine or more months per year are eligible for the State paid health coverage.

Part-time employees are eligible for coverage under the State Health Plan on a fully contributory basis (paid by the employee) if both of the following conditions are met:

- you are paid from general or special State funds
- AND**
- you are designated as half –time or more, 20 – 29 hours in a permanent job for nine or more months per year.

### **Retirement Options**

University employees who are employed in permanent job positions on a recurring basis and who work 30 or more hours per week for nine or more months per calendar year are required to contribute to retirement.

If your hours drop below 30 hours per week, you are no longer eligible for retirement.

**Employer and employee contributions must be stopped.**

Employees have the option of leaving their contributions in the retirement system and maintaining all of the creditable service they have as of the date of the last contribution. If you elect to leave your contribution in the retirement system and 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.

#### **Service Retirement (Unreduced Benefits)**

- 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)**

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

Employees also have the option of receiving a refund of their contributions to the retirement system. If you have at least five years as a contributing member, the accumulated interest will be added to the refund. If you have less than five years as a contributing member, the refund is for the contributions only. 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 once you 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 contributions are refunded and you become eligible to contribute on a later date, you must contribute five years to the retirement system before buying back your prior state service.

**Other Benefits**

<b>Plan</b>	<b>Options</b>	<b>What to do?</b>
Supplemental Retirement	May continue contributions to 403b and 457 Deferred Compensation if employed at least 20 hours per week. You are no longer eligible for 401K if your hours drop below 30.	May keep contributions in account, withdraw (subject to tax withholding) or roll-over to another tax-qualified plan.
NC Flex Programs (Spending Accts, Dental, Vision, Supplemental Medical, AD&D*)	May continue if employed at least 20 hours per week. If hours drop less than 20 hours, coverage terminates and COBRA applies. *AD&D cannot continue under COBRA but participants can port (continue coverage) to an individual policy within 31 days of coverage termination.	<a href="http://www.ncflex.org">www.ncflex.org</a> May possibly adjust contributions or drop plan. Change form required.
State Disability Programs (Short-Term and Long-Term)	Coverage stops on effective date hours are reduced below 30.	No action required
Voluntary Short-Term Disability	Can continue current policy.	If less than 20 hours, policy can continue by direct pay. Complete a Request for Service form or contact the vendor at 800-325-4368
Voluntary Long-Term Disability Program	No longer eligible if hours drop below 30. No conversion privileges.	No action required
Death Benefit (Provided under the Teachers' and State Retirement System)	Coverage stops on effective date hours are reduced below 30; however, this benefit is still payable if you die within 180 days of the last day for which you were paid a salary as a full-time employee. (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 if you are employed 20 hours per week.	If less than 20 hours, contact the vendor 1-800-523-8294 to convert or port (continue coverage) policy.
Hyatt Legal	Can continue	No action required
Automobile & Homeowners	Can continue	No action required

**If your employment status changes, you must contact the Benefits office to reinstate coverage within 31 days of the change.**

**Leave**

Please contact Salary Administration with questions concerning leave, 515-7929.  
<http://www2.acs.ncsu.edu/hr/ppm701.htm>

**Longevity**

<http://www2.acs.ncsu.edu/hr/ppm615.html>