



The University of North Carolina

GENERAL ADMINISTRATION – SPANGLER CENTER

POST OFFICE BOX 2688, CHAPEL HILL, NC 27515-2688

Brian Usischon, *Associate Vice President for Human Resources and University Benefits Officer*

Telephone: (919) 962-4530 Fax: (919) 962-8945 E-mail: bmusischon@northcarolina.edu

Constituent Universities

Appalachian State
University

East Carolina
University

Elizabeth City
State University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
School of
the Arts

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

Western Carolina
University

Winston-Salem
State University

Constituent High School

North Carolina
School of Science
and Mathematics

An Equal Opportunity/
Affirmative Action
Employer

TO: UNC General Administration Employees

FROM: Brian Usischon
Associate Vice President for Human Resources/
University Benefits Officer

SUBJECT: Leaving University Employment

When your employment ends at UNC General Administration, your eligibility for benefits will also change, as described in the attached materials. Please take the time to examine this important information.

If you have questions about your benefits after reviewing this material, please contact either Nancy Maltais at 919-843-5186 or Diane Watts at 919-843-5673.

Leaving The University

Benefits and Pay

Final Paycheck and Other Information

Your final check will NOT be directly deposited into your bank account; instead, it will be sent to your department. Contact your supervisor/manager to make arrangements to receive your check.

- **Tax Withholding Statement (W-2):** The University will send your "Tax Withholding Statement" (Form W-2) to your home address in January of the year following your termination of employment.
- **Forwarding Address:** If you plan to relocate, you should notify the University of your new mailing address. This will assure timely delivery of your W-2 form.
- **Vacation Leave Payout:** EPA* and SPA employees leaving state service are paid in a lump sum for unused accumulated vacation leave not to exceed 240 hours (prorated for part-time employees). Any deficit is deducted on an hour-for-hour basis. Vacation pay is included in the final University paycheck.

SPA employees who leave employment as a result of a reduction in force (i.e. layoff) will forfeit any vacation leave in excess of 240. However, if, within one year of your layoff separation date you return to state employment in an SPA permanent appointment (regularly scheduled for 20 or more hours per week), the vacation hours in excess of the 240 hours will be reinstated to you.

*For EPA employees who have been employed a total of 24 months or less by one or more State or local governmental agencies, vacation leave payout is equal to one day for each month worked, less the number of days of annual leave taken during the employment period. For EPA employees employed for more than 24 months by one or more State or local governmental agencies, the employee may elect to take all or part of unused annual leave prior to discontinuation of employment up to 30 days, or the employee may elect to be paid in a lump sum for any accrued annual leave that is unused as of the date of discontinuation up to the maximum of 30 days.

- **Bonus Leave Payout:** EPA and SPA employees who have accrued bonus leave and are leaving state service are paid in a lump sum for unused accumulated bonus leave. Bonus leave pay is included in the final University paycheck.
- **Sick Leave:** Unused accumulated sick leave is not paid upon departure. Unused accumulated sick leave is reinstated if you return to state employment as a permanent employee regularly scheduled to work 20 hours or more per week within five years of termination of employment.

- **Prorated Longevity Pay:** If you are an SPA employee and are eligible for longevity pay, then you will receive a prorated amount based on the date of your departure from the University. This check is sent directly to your department.
- **UNC OneCard:** Upon departure from the University, return your card to either your department supervisor/manager. Your card number will be deactivated.
- **Unemployment Insurance:** To apply for Unemployment Insurance benefits, visit the Employment Security Commission web site at <http://www.ncesc.com> or call 1-877-841-9617.

Health Insurance

State Health Plan Coverage:

You and your covered dependents can elect to continue your health insurance coverage through COBRA for up to 18 months immediately following the termination of your coverage. Spouses and dependent children can elect to continue their coverage even if the employee does not.

- You will be responsible for paying the full cost of the monthly premium, plus a 2% administrative fee. Premiums are due one month in advance of coverage and are paid directly to Blue Cross/Blue Shield (BC/BS).
- Your coverage as an active employee will end the month following the last month the “full” premium was paid.
 - For Examples: If your employment termination date is on or after the 15th of the month, health benefits will be effective through the last day of the following month. For example, with a termination date of January 17th, health plan coverage is effective through the month of February.

How to continue your coverage:

You will receive information on your COBRA coverage options and costs directly from Blue Cross Blue Shield. You will receive that information within 30 days of the date your coverage ends.

To contact the State Health Plan, call 1-888-234-2416.

Reduction in Force Special Continuation Rules

Health Insurance under the State Health Plan Coverage may be continued for up to one year following the date of separation for SPA and certain EPA employees, provided you had 12 or more months of consecutive state service and were covered under the plan at the time of the job’s elimination. The University will continue to pay the employer contribution towards the cost of healthcare during this one year period. Any required employee premiums, including dependent coverage, would continue to be paid by you.

Continuation of coverage will terminate if you or your dependents obtain coverage under another group health plan during this one year period. If the other group health plan has a pre-existing condition limitation and you have 12 or fewer months of coverage before enrolling in the other plan, you may continue coverage under the State Health Plan until this pre-existing condition limitation is met.

At the expiration of this one year, you will receive notification from the State Health Plan on how to continue your coverage, and that of any dependents. If you elect to continue coverage, you will be required to pay the full cost. There is no time limit as to how long this coverage may be purchased.

Retiree Health Insurance Special Continuation Rules

If you retire or terminate your employment and you have five years of State Membership Service in the Teachers' and State Employees Retirement System (TSERS) or are vested in Optional Retirement Program (ORP), you may be eligible to continue to receive retiree health insurance through the State Health Plan as long as you are receiving a monthly retirement benefit from either TSERS or the ORP.

If you withdraw all of your retirement contributions in TSERS or your ORP account, you will **NOT** be eligible for retiree health coverage. Health insurance coverage as a State Retiree will begin one month after the start of your monthly annuity benefit through TSERS or your ORP account.

- If you were hired prior to October 1, 2006, the State may pay the total cost of your health insurance premium depending on the plan you were enrolled in at the time of your retirement. You pay 100% of the cost of dependent coverage.
- If you were *hired on or after October 1, 2006*, the State may pay the total cost of your health insurance premium depending on the plan you were enrolled in based on the following schedule.
 - 20 or more years of TSERS or ORP participation, the State may pay 100 percent of your contribution.
 - If you have 10 but less than 20 years of TSERS or ORP participation, the State may pay 50 percent of your contribution.
 - If you have less than 10 but at least five years of TSERS or ORP participation, you are eligible for coverage, but you must pay the full cost of coverage.
 - You pay 100% of the cost of dependent coverage.

Dental Insurance

United Concordia (NC Flex Dental Plan):

- Employees will be covered through the end of the month in which they terminate from the University.
- You can elect to continue coverage for up to 18 months immediately following the end of your coverage.
-

How to continue your coverage:

You will receive information on your COBRA coverage options and costs directly from United Concordia. You will receive that information within 30 days of the date your coverage ends.

Vision Insurance

Superior Vision (NCFlex) Coverage:

- Employees will be covered through the end of the month in which they terminate from the University.
- You can elect to continue coverage for up to 18 months immediately following the termination of your coverage.

How to continue your coverage:

You will receive information on your COBRA coverage options and costs directly from Superior Vision. You will receive that information within 30 days of the date your coverage ends.

Cancer Insurance

American Heritage Life (NCFlex) Coverage:

- Employees will be covered through the end of the month in which they terminate from the University.
- You or your covered dependents can convert your cancer insurance coverage to an individual policy within 30 days of your termination date.

How to continue your coverage:

Complete the Cancer Conversion Form available at www.ncflex.org and send it to Human Resources within 30 days of your termination date.

Critical Illness Insurance

MetLife Critical Illness (NCFlex) Coverage:

- Employees will be covered through the end of the month in which they terminate the University.
- When your employment ends, you may elect to continue your coverage for yourself and your dependents at the current group rates.

How to continue your coverage:

Complete the Critical Illness Continuation of Coverage Form available at www.ncflex.org and send it to Human Resources within 45 days of your termination date.

Flexible Spending Accounts

If you are enrolled in either the Health Care or Dependent Day Care flexible spending accounts:

- You can file for claims for eligible services incurred prior to your termination from the University. **Services incurred after your termination will not be covered.**
- Your claims must be submitted by the same date as active employees, which is March 31 of the year after your expenses were incurred.
- Any unused money in your account is forfeited and remains with the State.
- An 18-month continuation plan through COBRA is offered *for the health care spending account only*. This continuation plan is an after-tax plan. Services received after your termination date cannot be claimed unless you elect continued coverage through COBRA.

How to continue your coverage for the Health Care Flexible Spending Account:

Aon Consulting will send the continuation information to your home address.

If you do not receive this information within 30 days of your termination date, contact Aon Consulting at 877-371-2926.

Retirement Programs

Teachers' and State Employees' Retirement System (TSERS)

- Contributing participation in the Teachers' and State Employees' Retirement System (TSERS) ceases upon your departure from state employment. You will, however, retain your account as long as you do not withdraw your contributions.
- If you do not withdraw your accumulated contributions from TSERS and you return to state employment as a permanent employee regularly scheduled to work 30 hours or more each week, your TSERS account will be reactivated and you will continue to add to the creditable service you had previously accumulated.
- If you withdraw or roll over your accumulated contributions from TSERS, you **forfeit** all rights to any benefits provided by TSERS.
- If you withdraw your contributions, but return to state employment as a permanent employee regularly scheduled to work 30 hours or more per week, your TSERS account will be that of a new employee. However, you can buy back retirement credit after you have become vested.
- You are eligible to receive fully paid retiree health insurance through the State Health Plan if you were hired by the State prior to Oct. 1, 2006, and have completed, or if you were hired by the State on or after Oct. 1, 2006, and have completed 20 years of contributory service. **You must leave your contributions in your TSERS account to be eligible for retiree health insurance.** Contact Human Resources for additional information on your eligibility.
- You may wish to seek financial advice concerning the effects – including tax consequences – if you decide to withdraw your TSERS contributions. If you were vested in TSERS on or before August 12, 1989, your TSERS retirement benefits, no matter what amount, are exempt from State income tax. **If you withdraw your TSERS contributions, you will forfeit your right to this exemption.**

Actions required:

If you decide to maintain your TSERS account following your departure from the University, you do not need to take any action.

If you wish to receive a refund of your TSERS contributions or roll over your account, complete the Withdrawing Your Retirement Service Credit and Contributions Form (Form 5) available from the TSERS website at www.nctreasurer.com.

You should read carefully the important information on Form 5 regarding the taxability of the refund before deciding how to receive your contributions.

Complete Form 5 in black ink and have it *notarized*. In limited situations, Employer Certification is required on Form 5. If your request meets the reason(s) listed for Employer Authorization, send the form to Human Resources. Otherwise, the form can be sent directly to TSERS at the address on the bottom of the form. State law provides that your refund cannot be paid any earlier than 60 days after your final paycheck.

If you leave state employment with less than five years of creditable service, interest on contributions will not be paid after July 1, 1981, unless termination is involuntary. If you terminate employment with more than five years of creditable service, 4 percent interest is paid on contributions. This interest is compounded annually and is credited at the end of each calendar year.

Active Employees can call TSERS at (919) 807-3050. Retirees can contact TSERS at (919) 733-4191 for more information on account balances and refunds.

Discontinued Service Retirement

SPA employees who leave employment as a result of a reduction in force (i.e. layoff) could request discontinued service retirement and begin to receive State retirement benefits, rather than severance pay. To be eligible, you must have:

- 20 or more years of creditable retirement service and be age 55 or older to receive an unreduced benefit
- 20 or more years of creditable retirement service and be age 50 or older to receive a reduced benefit (reduced by 1/4 of 1 percent for each month under age 55)

This benefit is subject to the availability of departmental funds and approval by the State Budget Director on the recommendation of the State Personnel Director.

Optional Retirement Program (ORP) for EPA Employees

- Your contributing participation in the Optional Retirement Program (ORP) ends upon your departure from University employment. You will, however, retain your account as long as you do not withdraw your contributions.
- If you have completed five years of retirement participation, you may “vested” in the University’s contributions
- If you withdraw or roll over your accumulated contributions from the ORP, you **forfeit** all rights to any benefits provided by ORP.
- You may be eligible to receive fully paid retiree health insurance through the State Health Plan if you were hired by the State prior to Oct. 1, 2006, and have completed, or if you were hired by the State on or after Oct. 1, 2006, and have completed 20 years of contributory service. **You must leave your contributions in your ORP account to be**

eligible for retiree health insurance. Contact Human Resources for additional information on your eligibility.

- If you were enrolled in the ORP on or before August 12, 1989, your ORP retirement benefits are exempt from State income tax. **If you withdraw or roll over your ORP contributions to an IRA or other employer retirement account, you will forfeit your right to this exemption.**
- If you are leaving the University with less than five years of participation but are beginning a new job with another educational institution, and you plan to continue to participate in a substantially similar retirement program at your new employer with one of the four ORP vendors (Fidelity, Lincoln, TIAA-CREF or VALIC), then the University's contribution to your ORP may be vested.
- If you have not completed five years of retirement participation and do not commence participation in a similar plan at another educational institution, State law requires that The University contribution to your account be withdrawn and returned to The University. However, you can keep your contributions in your account with the ORP vendor or you can directly roll over your contributions to an Individual Retirement Account (IRA) or other employer plan. **You may wish to seek financial advice concerning the effects – including tax consequences – if you decide to withdraw your ORP contributions.**

Actions required:

Complete the “**Acknowledgement for Disposition of Account Contributions**” form (ORP-3 Form) at <http://www.northcarolina.edu/hr/ga/benefits/retirement/ORP/ORPMain.htm>. Keep a copy for your records and return the original to Human Resources within 30 days of your termination date. If you do not complete this form, you will experience delays when you attempt to access funds in your ORP accounts.

If you are making any changes to your vendor account (closing the account, rollover of contributions, etc.), contact your ORP vendor directly.

For more information on the ORP, visit

<http://www.northcarolina.edu/hr/ga/benefits/retirement/ORP/ORPMain.htm>.

Supplemental Retirement Programs [403(b), 457(b), or 401(k)]

If you are contributing to any of the Supplemental Retirement plans:

- Contributing participation ceases upon your departure from the University.

Actions required:

No action need be taken if you wish to leave existing assets in your account. Contact the vendor(s) directly for information about the status of your account, including receiving annuity payments, requesting a distribution of assets, or transferring/rolling over your account assets. You will need to notify the vendor directly if you have an address change.

Group Life Insurance

MetLife Coverage:

- Your group life coverage will continue through the end of the month in which you terminate from the University.
- You can elect to continue your MetLife Group Term Life Insurance policy by applying for coverage through a separately rated portability program within 31 days of the date of your departure from the University.
- You can also convert your coverage to a whole life policy.

How to continue your coverage:

MetLife will mail a packet to your home address outlining your options. If you do not receive a packet within 31 days from your date of termination, you can contact MetLife directly at 1-877-275-6387 for information on conversion or portability.

ING Life (NCFlex) Coverage:

- Employees will be covered through the end of the month in which they terminate from the University.
- You can elect to continue your ING Group Term Life Insurance policy by applying for coverage through a separately rated portability program within 30 days of the date of your termination from the University.
- You can also convert your coverage to a whole life policy within 30 days of the date of your termination from the University.
- Premium rates for portable term life insurance are generally less expensive than conversion rates.

How to continue your coverage:

Complete the Term Life Continuation or Conversion Form at www.ncflex.org and send it to Human Resources within 30 days of your termination date.

Accidental Death & Dismemberment Insurance

Reliance Standard Coverage:

- Employees will be covered through the end of the month in which they terminate from the University.
- You can elect to convert to individual coverage within 30 days from your last day of employment with the University.

How to continue your coverage:

Contact Human Resources for a conversion form. This form must be certified by the University prior to being sent to Reliance.

AC Newman (NCFlex) Coverage:

- Employees will be covered through the end of the month in which they terminate the University.
- You may apply for a conversion policy if your coverage ends because your employment ends. You or a covered dependent must apply in writing and pay the first premium within 45 days of coverage terminating under the plan.

- You can elect to continue your AD&D coverage for yourself and your dependents at the current group rates. You need to apply for portable coverage within 45 days of your termination date.

How to continue your coverage:

Complete the AD&D Portability or Conversion Form available at www.ncflex.org and send it to Human Resources within 45 days of your termination date.

Supplemental Disability Insurance

The Standard Coverage:

- Your coverage will end upon your departure from the University.
- You can elect to convert to individual coverage if you are currently enrolled in the plan and you have had at least 12 months of continuous coverage under the plan.
- You can elect to convert to individual coverage within 30 days from your last day of employment with the University.

How to continue your coverage:

Complete a conversion form available from the Human Resources within 30 days of your termination date.

Liberty Mutual Coverage:

- Your coverage will end upon your departure from the University.

Long-Term Care Insurance

Prudential Long Term Care Coverage:

- Your coverage will continue through the end of the month in which you leave the University.
- You can elect to convert to individual coverage within 30 days from your last day of employment with the University.

Actions required:

Contact Prudential Long Term Care at 800-284-9648 (group name is stateplan; password is stateplanltc) or e-mail LTC4me@prudential.com regarding continuation options.

State Employees' Credit Union

If you are a member of the State Employees' Credit Union, you can continue your membership by maintaining a balance of \$25 in your share account.

If you have a loan with the Credit Union and have a payroll deduction for the loan payment, contact the Credit Union (www.ncsecu.org/) for information on payment options.