

GUIDE TO
Separating from State Service



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Introduction

This guide is being provided to you by the Office of Human Resources and Payroll Services in an effort to ensure that all of your questions relating to separating from state service are answered. Should you have any specific questions pertaining to your separation that are not addressed here, there is a helpful list of contacts on the last page for your convenience.

GIC Insurance Information

When separating from state service, you have the right to continue coverage through the Group Insurance Commission (GIC).

Unless you are retiring, you may continue life insurance coverage at the same group rate under the portability option. GIC's life insurance carrier will contact you directly with the details and the application. If you have Long-Term Disability, your coverage will end immediately. You do not need to take any additional action.

Your health insurance options vary based upon your length of state service. Please review the options listed below and take into consideration those that apply to you.

Less Than 10 Years of State Service

OPTION I: Keep GIC health coverage only under COBRA. This allows you to stay in the same plan with the same group benefit. Please note that the Commonwealth will no longer be making contributions towards this premium. Rather, you will be paying 100% of the premium plus an additional 2% for administration.

About COBRA: The maximum coverage length is 18 months. You have 60 days to elect COBRA coverage. The COBRA coverage is effective the first of the month following the regular coverage end date. You must complete the COBRA application and send it directly to GIC. If you elect COBRA coverage, you must make your first payment within 45 days after you elect it, otherwise, your coverage will be cancelled.

OPTION II: Convert to non-group health coverage with your current plan. By choosing this option, you will be able to keep your coverage for longer than 18 months. More frequently than not, the benefits are less than the GIC plan. In order to choose this option, you must contact your health insurance plan for a non-group conversion application, as well as information on benefits changes, procedures, and costs.

OPTION III: Continue Basic Life and/or Optional Life coverage under portability option (referenced above). This will allow you to maintain life coverage at a competitive rate, but you will only have life insurance coverage.

OPTION IV: Commonwealth Health Connector coverage for Massachusetts residents. Electing this option offers you a variety of health insurance options with different benefits and prices. Depending on which plan you choose, your monthly premium could be lower than your other coverage options. Unlike COBRA coverage, Health Connector coverage does not have a maximum coverage period; you can continue coverage as long as you pay your premium on time. The benefits may not be the same as your current GIC coverage. If you enroll in Health Connector coverage, you are waiving your rights to GIC's COBRA or conversion coverage. For more information on plans, visit the Health Connector online at www.mahealthconnector.org.

OPTION V: Convert to non-group life coverage with current plan. This gives you the ability to maintain life insurance coverage. The benefits are frequently less than the GIC plan coverage. The GIC will notify the insurance carrier that you've left state service, and the insurance carrier will mail a conversion packet to your home.

10 or More Years of State Service

If you have 10 or more years of state service, you should call the State Board of Retirement to confirm your retirement eligibility. If you are under the age of 55 (or 60 for employees hired on or after April 2, 2012) with 10 years, but less than 20 years of state service, we recommend that you elect deferred retirement. Under this option, you keep your money in the retirement system until you retire and continue, at minimum, basic life coverage. This enables you to pick up health coverage at the retiree contribution rate when you retire. When you apply for your pension (at retirement), you should notify the GIC, so that you can pick up health coverage.

If you will not receive health coverage through another employer, you can keep the health and life coverage at the full cost premium until your retirement.

OPTION I: Deferred Retiree Coverage. You have two health options under this selection.

1. You may keep your life insurance, paying 100% of the premium as a Deferred Retiree. You can obtain health coverage elsewhere until retirement. You will then resume GIC health coverage at retirement and the Commonwealth will contribute the prevailing contribution percentage for retirees.

2. You may keep your basic life and health insurance, paying 100% of the premium until retirement. If you obtain health coverage elsewhere before retirement, continue to keep, at minimum, basic life insurance to ensure health benefits at retirement.

For other alternatives, please see the options listed under the Less Than 10 Years of State Service section of this guide, located on the previous page.

20 or More Years of State Service at Any Age OR 10 or More Years of State Service at Age 55 (60 for employees hired after April 2, 2012) or Over

You should contact the State Board of Retirement to confirm your eligibility to retire.

OPTION I: Retirement coverage. You may elect health benefits at the employee premium cost and maintain them as a retiree. You will need to notify the State Board of Retirement of your decision to retire and contact the GIC regarding the benefits you are eligible for. Please see a Human Resources Representative for more information.

OPTION II: Deferred Retirement Coverage. (See options located under 10 or More Years of State Service).

OPTION III: Keep GIC health coverage under COBRA. (See options located under Less Than 10 Years of State Service)

OPTION IV: Continue basic life and/or optional life under portability option. (See options located under Less Than 10 Years of State Service)

OPTION V: Convert to non-group life with current plan. (See options located under Less Than 10 Years of State Service)

Retirement Accounts

Optional Retirement Program (ORP)

If you are a participant in the Optional Retirement Program, you must contact the individual company that your funds are with upon separation. They will discuss the different options regarding your retirement account. You will also need to meet with a Human Resources Representative to discuss possible conversion of your life insurance and long term disability policies. Please contact Human Resources as soon as you plan to separate from state service.

State Board of Retirement

If you leave state service before you are vested, there are options available to you. You may receive a refund of your accumulated retirement contributions, with 20% deducted for federal taxes. If you take a refund, you lose all rights associated with membership. Please note, there may be a substantial federal tax penalty if you take a direct refund of your contributions. You may wish to

consult with the IRS or tax advisor for specific information. Alternatively, you can have your accumulated retirement contributions “rolled over” or transferred directly into a tax-qualified IRA or other qualified retirement vehicle. Under certain circumstances, there may be a penalty for early withdrawal. By law, if you voluntarily leave employment that began after January 1, 1984 and have less than 5 years of service, no interest will be refunded to you. If you have served between five and ten years, you will receive half the interest credited to your account. If you have over ten years of service, all of the interest will be refunded to you. Also, if you are removed or discharged, you will receive interest regardless of the years of service. If you leave state service after you are vested, you may leave your retirement contributions in the system and receive a state pension at age 55 or 60 if hired on or after April 2, 2012. Visit the State Retirement web site to print a Withdrawal Request Form.

Flexible Spending Accounts

If you separate from state service during the Plan Year, your participation in Health Care Spending (HCSA) and Dependent Care Assistance (DCAP) will terminate at midnight on the date of your separation (your card will be deactivated). You will only be able to submit claims for eligible health care expenses that were incurred on or before that day. In order to use your HCSA after you separate from state service, you may elect to continue to contribute to the HCSA under COBRA by making direct payments on a post-tax basis. The HCSA COBRA Application is available on the GIC’s web site or in the Human Resources Office. The amount that will be billed to you will include a 2% administrative fee. You must notify Human Resources within 60 days of your termination date to take advantage of COBRA.

Without electing COBRA, you will not be reimbursed for any health related expenses incurred after your date of termination. You may file claims for eligible dependent care expenses (DCAP) against your account balance for expenses you incur until your DCAP account is exhausted.

Dental Insurance

AFSCME: Your dental and vision coverage benefit will terminate on the last day of month following your separation date. The MPE Fund will send a COBRA notification to your home regarding continuation coverage for your dental plan. If you choose to elect COBRA coverage, as with health insurance, you must do so within 60 days of your separation date. Failure to reply to the COBRA notice will result in termination of coverage. Current rates for COBRA are \$30.⁰⁰ per month for individual coverage and \$88.00 per month for family coverage.

APA, MSCA, AND NON-UNIT: Your dental coverage benefit will terminate the last day of the month following your separation date. Health Plans Inc. or McKenzie and Company will send a COBRA notification to your home regarding continuation coverage for your dental plan. If you choose to elect COBRA coverage, as with health insurance, you must do so within 60 days of your separation date. Failure to reply to the COBRA notice will result in termination of coverage. Current rates for COBRA are \$28.⁷³ per month for individual APA/MSCA coverage, \$46.⁸⁸ per month for individual Non-Unit coverage, \$79.⁰⁵ per month for family APA/MSCA coverage, and \$114.⁴² per month for family Non-Unit coverage.

Compensation Benefits

SICK LEAVE: Unless you're retiring, all sick time is forfeited upon separation from state service.

VACATION LEAVE: If applicable, you will receive payment in lieu of accrued vacation leave. You may expect payment within the month after separating from state service.

COMPENSATORY TIME (AFSCME Only): If applicable, you will receive payment in lieu of unused compensatory time. You may expect payment within the month after separating from state service.

PERSONAL LEAVE: Any unused personal leave will be forfeited upon separation from state service.

Tuition Benefits

AFSCME, APA, MSCA, AND NON-UNIT: If an eligible employee separates from the employment of public higher education while a spouse, child, or dependent is enrolled in a program of study, they may complete the semester. For the most part, after that point, their eligibility for tuition remission ends. Other benefits are available in specific situations. Please contact Human Resources for more information.

Payroll Information

DIRECT DEPOSIT: You should not close out any accounts that have been established for direct deposit until final compensation benefits are paid to you, i.e. salary, accrued leave benefits, etc.

DEDUCTIONS: All bi-weekly deductions that have been established for you will cease the pay period after the separation date. Any questions about your deductions should be addressed to payroll at 978-665-3175.

Tax Deferred Savings Plans

SMART PLAN (GREAT WEST): As an employee who is separating from state service, you may be eligible to withdraw or rollover your funds in your SMART Plan account. To do so, call Great West directly at 877-457-1900 and press '0' to speak with a Customer Service Representative.

403(B) TAX DEFERRED SAVINGS PLAN: As an employee who is separating from state service, you may be eligible to withdraw or rollover your funds in your 403(b) account. To do so, call the service provider directly. Contact information for these providers is listed on page 7 of this guide.

University Property

All uniforms, keys, laptops, and other university property in your possession must be returned to your supervisor or to the Human Resources Department on or before your last day of employment.

Human Resources Information

A Human Resources Representative will provide you with a GIC Form-1, a COBRA application, a State Retirement Withdrawal Notice, and unemployment information upon your separation. If you need further assistance regarding any of your benefits, please contact the Human Resources Department directly at 978-665-3172 and we will be happy to assist you.

Contact Information

Fitchburg State University Department of Human Resources..... 978-665-3172

403(b) Plan Providers

- Fidelity..... 800-248-4213 x3129
- ING 617-376-4972
- Lincoln 866-381-8001
- MetLife 800-492-3553 x28551 or x28485
- TIAA-CREF..... 800-732-8353
- VALIC..... 800-892-5558 x87523
- Great West (SMART Plan) 877-457-1900
- Group Insurance Commission..... 617-727-2310
- Health Plans Inc. (APA and MSCA Dental) 877-906-5939
- Massachusetts Public Employees Fund (AFSCME Dental) 800-325-5214
- McKenzie & Company (Non-Unit Dental)..... 617-723-7232

ORP Providers

- Fidelity..... 800-248-4213 x3129
- TIAA-CREF..... 800-842-2004
- VALIC..... 800-892-5558
- State Board of Retirement 617-367-7770

Web Sites

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| www.mass.gov/gic | www.mpefund.org |
| www.mass.gov/retirement | www.metlife.com/dental |
| www.mass.edu/orp | www.fitchburgstate.edu/humanres |
| www.mass-smart.com | www.healthplansinc.com/bhe-mta |

