

# KEY FACTS: FACULTY BENEFITS UPON SEPARATION

**Health Care Coverage.** If you participate in the Commonwealth of Virginia's Health Benefits Program, your group health care coverage in the active group cancels on the last day of the month in which you terminate employment. For academic year (9-/10-month) faculty who complete their contracts, coverage terminates at the end of August. In a separate mailing, you and your covered dependents (if applicable) will receive information about eligibility and enrollment in continuation coverage under Extended Coverage/COBRA. Under COBRA's extended coverage, you (and/or your dependents) may apply for continued coverage within 60 days of employee coverage termination. In most cases, you may continue coverage under COBRA for up to 18 months. In certain circumstances, you may extend coverage further. **Generally, COBRA participants are responsible for paying 100% of the health care premium plus a 2% administrative fee.** The separate mailing about COBRA extended coverage eligibility and enrollment will contain more details – please review this information carefully.

**NOTE:** Group coverage cancels at the end of the month in which you terminate employment, provided you arrange with VCU Payroll Services to pay the current month's premium. **If you do not pay the current full month's premium, your benefits end on the last day of the previous month.**

**Special note to separating faculty members aged 50 and over:** You may be eligible for retiree health coverage instead of COBRA if you are eligible for and elect an immediate Virginia Retirement System retirement benefit upon separating from VCU (see item 1 under "Retirement" below for eligibility) or if you are an ORP participant who meets the qualifications for continued life insurance under the ORP (see second bullet under "Group Life Insurance" below for eligibility). You must elect retiree health coverage within 31 days of losing eligibility for employee coverage. For more information, see: <https://www.dhrm.virginia.gov/employeebenefits/health-benefits/fact-sheets>. If you have 15 or more years of state service credit at the time of separation, you may also qualify for the VRS Health Insurance Credit. For details, see: <http://www.varetire.org/retirees/insurance/healthinscredit/eligible.asp>.

**Flexible Spending Accounts (Dependent Care and Medical).** If you participate in the Commonwealth of Virginia's Flexible Spending Accounts (FSA) program, your participation ends on the last day of the month in which you terminate employment. You have a 90-day period following your employment termination date to file claims for expenses incurred in the plan year before your participation ended. **Any funds remaining in your account(s) after the 90-day period will be forfeited.** You may elect to continue participation in a Medical FSA under COBRA by continuing to make post-tax contributions from your own funds for the remainder of the plan year. Review your Extended Coverage/COBRA letter for details. To make address changes for FSAs, complete the top section on your reimbursement claim form or call Payflex, the third-party administrator, at 1-855-516-8595.

**Retirement.** Faculty choose participation in one of two retirement plans when they are hired: (1) the Virginia Retirement System (VRS); or (2) the Optional Retirement Plan (ORP). Both plans are highlighted below.

- 1. Virginia Retirement System (VRS).** Upon separation, several options are available for accessing contributions and accrued interest credited to VRS member accounts, as highlighted below.
  - Participants may leave the balance of their defined benefit member contributions in their VRS account. Five years of service credit vests participants with VRS for a defined benefit. When vested, participants are eligible for a monthly retirement benefit as early as:
    - age 50 with 10 years of service or age 55 with five years of service if they participate in VRS Plan 1; or
    - age 60 with five years of service if they participate in VRS Plan 2 or the VRS Hybrid Plan.
  - Participants may request a refund (cash or direct rollover) of their defined benefit member account upon separation. If direct rollover is chosen, then the available account balance can be sent to an Individual Retirement Account (IRA) or another qualified retirement plan. Amounts contributed to member accounts **by VCU** after June 30, 2010 are not refundable if participants are not vested with five or more years of service credit.
    - To request a refund, visit the "Taking a Refund" page at [www.varetire.org/members/leaving-employment/taking-a-refund.asp#request-refund](http://www.varetire.org/members/leaving-employment/taking-a-refund.asp#request-refund).
  - If you participate in the VRS Hybrid Plan, you may request a distribution or rollover from your Hybrid 457 (defined contribution) investment account. You may also request a distribution or rollover of any vested employer matching funds in your Hybrid Cash Match Plan.
    - To obtain a distribution or rollover of VRS Hybrid funds in the Hybrid 457 (defined contribution) investment account and/or vested employer matching funds in the Hybrid Cash Match Plan, visit the "Leaving Employment" page at [www.varetirement.org/hybrid/milestones/leaving-employment.html](http://www.varetirement.org/hybrid/milestones/leaving-employment.html) for instructions.
- 2. Optional Retirement Plan (ORP).** In order to be eligible for a distribution from the ORP, you must complete the enclosed form VRS-65D "Termination Certification Form – Optional Retirement Plan for Higher Education" and return it to VCU. After doing so, contact your ORP investment company/ies for distribution options. Your investment company will contact VCU for any required approval.

**Group Life Insurance.** Group life insurance coverage, both basic and optional, stops when you terminate employment. However, death benefit coverage continues for 31 days after termination of this insurance. **You may convert to an individual (employee paid) policy without**

**providing proof of insurability.** To do so, complete and return to VCU Human Resources the “Conversion of Group Life Insurance Enrollment” form (VRS-35E) at <http://www.varetire.org/forms/index.asp> in sufficient time to allow for processing with the VRS within the 31-day period.

- If you are a VRS member, qualify for a defined benefit under VRS and defer receiving your VRS defined benefit (but do not take a refund of your defined benefit member account), your basic life insurance will continue at no cost.
- ORP participants can continue to be covered by group life insurance after they separate from employment if they are:
  - age 55 with at least five years of service or age 50 with at least 10 years of service and participate in ORP Plan 1; or
  - age 60 with at least 5 years of service and participate in ORP Plan 2.
    - A 25% reduction in the amount of coverage begins on January 1 of the first full calendar year after they terminate employment and continues each January 1 until the amount of coverage is 25% of the value of the natural death coverage at termination of employment.
- **Group life insurance coverage does not continue automatically.** The completed “Termination Certification Form-Optional Retirement Plan for Higher Education” (VRS-65D) at [www.varetire.org/forms/index.asp](http://www.varetire.org/forms/index.asp) must be returned to VCU Human Resources for certification in sufficient time to allow for processing with VRS within 15 business days of employment termination.

#### **Long-Term Disability (LTD) for Faculty Not in the Virginia Sickness and Disability Program (VSDP).**

- If you are a VRS member, voluntary (employee paid) LTD coverage through The Standard Insurance Company ends on the last day of the month in which you terminate employment, provided you pay the full month’s premium. **If you do not pay the full month’s premium, your coverage will cancel retroactively as of the last day of the full month in which you paid your premium.** You may convert your LTD coverage to an individual (employee paid) policy without providing proof of good health if you have 12 consecutive months of insurance coverage under this plan. To do so, complete and return to The Standard Insurance Company the “Request for Long-Term Disability Conversion Materials” form at <https://hr.vcu.edu/media/hr/documents/forms/ltdconversionform.pdf> within 31 days from the date your group coverage terminated.
- If you are an ORP member, LTD coverage ends on your employment termination date. The conversion option is limited to participants who (1) have been insured under the group policy for 12 consecutive months; (2) have not become disabled under the plan; and (3) are not eligible for another employer’s plan. You do not need to show proof of good health to take the conversion option. To do so, complete and return to The Standard Insurance Company the “Request for Long-Term Disability Conversion Materials” form at [www.hr.vcu.edu/media/hr/docs/forms/ltdconversionform.pdf](http://www.hr.vcu.edu/media/hr/docs/forms/ltdconversionform.pdf) within 31 days of your employment termination date.

#### **Long-Term Care Insurance (LTC).**

- LTC coverage that is employee paid (voluntary) is direct-billed from Genworth, the plan administrator, to participants. If you have questions, contact Genworth at 1-866-859-6060.
- LTC coverage that is included in the Virginia Sickness and Disability Program (VSDP) may be converted to an individual (employee paid) policy by completing the “VSDP Long-Term Care Plan Authorization of Coverage Retention” form (VRS-170) at [www.varetire.org/forms/index.asp](http://www.varetire.org/forms/index.asp) within 60 calendar days of your last day of VSDP-covered employment.

**Tax-Deferred Annuities (TDAs).** TDA 403(b) contributions cease with the last regular paycheck. Participants may choose to leave their investments with the managing company/ies or request a distribution or rollover. No taxes are due on the contributions or the investment returns earned until the money is withdrawn. **Contact the company/ies to discuss options for accessing or rolling over contributions.**

- Fidelity: 1-800-343-0860 or [www.netbenefits.com/vcu](http://www.netbenefits.com/vcu)
- TIAA: 1-800-842-2252 or [www.tiaa.org/vcu](http://www.tiaa.org/vcu)

**Deferred Compensation Plan (DCP/457).** Before separating employment, participants in this plan should contact ICMA-RC, the plan administrator, at 1-VRS-DCPLAN-1 (1-877-327-5261) about their options and/or to request an election form to select a date to begin their benefit payments. For more information, visit the plan’s web site at [www.varetirement.org/dcp.html](http://www.varetirement.org/dcp.html).

**Cash Match.** Upon separation, all of a participant’s monies invested in the cash match plan should be rolled over to an IRA or another qualified plan or cashed out within 90 days of the date of termination from employment. Participants should contact their investment company/ies directly to choose a distribution option. Balances with Fidelity are automatically cashed out following separation.

**Leave.** You will receive a lump-sum payment for the maximum allowable amount of your unused annual leave. **This payment is subject to applicable payroll taxes.** Faculty do not receive payment for unused sick leave. Likewise, faculty who participate in the Virginia Sickness and Disability Program (VSDP) do not receive payment for unused family and personal leave.

**IMPORTANT ADDITIONAL REMINDER: Requires action on your part!**

Please see the guidelines for separating employment with VCU at <https://insidehr.vcu.edu/media/insidehr/forms/Separatingfacultyandstaffchecklist.docx>.

Return completed forms to our office below, unless otherwise indicated.  
If you need additional assistance or information, contact us at:

**Virginia Commonwealth University, Human Resource Welcome Center**  
600 West Franklin Street, P. O. Box 842511, Richmond, VA 23284-2511

Phone: (804) 828-0177; Fax: (804) 828-0321; Email: [askhr@vcu.edu](mailto:askhr@vcu.edu) Web: [www.hr.vcu.edu](http://www.hr.vcu.edu)