

## KEY FACTS: CLASSIFIED 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. After coverage terminates, Inspira Financial will send you and your covered family members (if applicable) an election notice that includes information about eligibility and enrollment in Extended Coverage/COBRA under Virginia Public Health Law and the federal Consolidated Omnibus Budget Reconciliation Act. You may elect Extended Coverage/COBRA within 60 days of your loss of coverage or the date of election notice, whichever is later. In most cases, you may continue coverage for up to 18 months. In certain circumstances, you may extend coverage further. **Generally, Extended Coverage/COBRA participants are responsible for paying 100% of the health care premium plus a 2% administrative fee.** The notice from Inspira Financial will contain more details – please review this information carefully. The notice is not issued by VCU.

**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.**

**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 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 COBRA extended coverage 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.

**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 within 31 days of your termination date.** 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 qualify for a defined retirement benefit under VRS or VaLORS (Virginia Law Officers' Retirement System) and defer receiving your VRS defined benefit (but do not take a refund of your defined benefit member account), your basic life insurance benefit will continue at no cost.

**Retirement: Virginia Retirement System (VRS).** Upon separation, several options are available for accessing contributions and accrued interest credited to VRS member accounts, as highlighted below. Please review the enclosed "VRS Fact Sheet," which describes participants' options and explains the tax consequences of taking a refund.

- 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;
  - age 60 with five years of service if they participate in VRS Plan 2 or the VRS Hybrid Plan; or
  - age 50 with five years of service if they participate in VaLORS.
- 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.
- If you are covered by the Virginia Sickness and Disability Program (VSDP) administered by VRS, you may continue your long-term care (LTC) benefit after employment separation through 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.

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

- If you are in the traditional sick leave plan and you participate in the voluntary (employee paid) LTD plan through The Standard Insurance Company, the third-party vendor, your coverage ends on the last day of the month in which you terminate employment or change from classified to wage employment, provided you pay your 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.

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

- LTC insurance 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 insurance 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 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 <http://www.netbenefits.com/vcu>
- TIAA: 1-800-842-2252 or <http://www.tiaa.org/vcu>

**Deferred Compensation Plan (DCP/457).** Before separating employment, participants in this plan should contact MissionSquare Retirement, 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, employees are encouraged to take a distribution of their balance as a rollover to an IRA or another qualified plan or in cash. Participants should contact their investment company/ies directly to choose a distribution option.

**Annual Leave.** After you separate from employment with VCU, 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.**

### **Sick Leave.**

- **Traditional Sick Leave Plan:** Classified employees, who participate in this plan and who have five or more years of continuous service, will receive payment for unused sick leave at 25% of the balance, not to exceed \$5,000. **This payment is subject to applicable payroll taxes.**
- **Virginia Sickness and Disability Program (VSDP):**
  - VSDP participants do not receive payment for unused family and personal leave upon termination of employment.
  - VSDP participants hired before January 1, 1999, who converted their sick leave balances to disability credits during the VSDP enrollment period and who have five or more years of continuous service, will receive payment for their unused disability credits at 25% of the balance, not to exceed \$5,000. **This payment is subject to applicable payroll taxes.** In lieu of payment, disability credits can be converted to VRS service credit upon termination of employment. (Conversion is not available if payment has already been made.) To request conversion, contact VCU Human Resources prior to or immediately upon separation from employment.

**Family and Personal Leave.** Participants in the Virginia Sickness and Disability Program (VSDP) do not receive payment for unused family and personal leave upon termination of employment.

**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:

[www.hr.vcu.edu](http://www.hr.vcu.edu)