



University of Massachusetts

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Guide to Separating from the University of Massachusetts



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Introduction

This guide is being provided to you by the Office of Human Resources 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.

A. INSURANCE

Your health and life insurance coverage will continue until the end of the month following the month you end state service. After that, you may continue your health and life insurance coverage based on the options outlined below.

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 or convert to a non-group policy with the carrier. GIC's life insurance carrier (The Hartford) will contact you directly with the details and the application. Portability coverage is a term life insurance policy that provides more favorable rates than converting to a non-group whole life policy. Persons with medical conditions that materially affect their life expectancy are ineligible for portability coverage, but are eligible for a conversion policy. The Hartford will send you information about your options. 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. You may also go to www.mass.gov/gic for more information.

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: If your two monthly deductions for health insurance are not taken during the month you leave employment, the GIC will bill you for the missed premium deductions. You must pay this bill in order to be eligible for 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 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 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*)

Dental Insurance: Your dental coverage benefit will terminate the last day of the month following your separation date. Health Plans Inc. (HPI) 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 is \$44.34/month for individual Non-Unit coverage, and \$108.24/month for family Non-Unit coverage. If you do not receive the necessary information, please contact Health Plans, Inc. at 781-753-7550.

B. RETIREMENT FUNDS

ORP (Optional Retirement Program) Participant: 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. If you are eligible to retire, an ORP Retiree Checklist will be provided to you for your convenience. 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. Visit the State Board of Retirement web site at <http://www.mass.gov/retirement> to print a Withdrawal Request Form.

Mandatory OBRA- (Non-Benefited Employees Only): Employees may contact the SMART Plan at 877-457-1900 to request paperwork to withdraw or rollover their Mandatory OBRA account. The SMART Plan will not receive a termination date before a participant calls to request paperwork. Please contact the UMass Supplemental Retirement Plan Specialist at 774-455-7586 to have your status updated with Empower. Additionally, please note that the Plan Administrator charges an administrative fee on accounts. Since you are not actively contributing into the Plan, overtime, your account balance will diminish due to these administrative fees.

Tax Deferred Savings Plans

SMART Plan: 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 the SMART Plan 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 9 of this guide. You may also call the University’s Supplemental Retirement Plan specialist at 774-455-7586.

C. 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 the end of the payroll period that includes your last day of work. You will only be able to submit claims for eligible health care expenses that were incurred on or before your last paycheck deduction. In order to use your HCSA after you separate from state service, you have two options:

1. You may elect to continue to contribute to the HSCA under COBRA by making direct payments on a post-tax basis. The HCSA COBRA Application is available on the GIC's web site. 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.
2. You may choose to contribute the deductions for the balance of the Plan Year taken from your last paycheck on a pre-tax basis. This option will permit you to save the taxes as if you were still on the Commonwealth's payroll. Please note that you will have to contact Human Resources at least two weeks prior to your last paycheck date in order to take this option.

If you choose neither of these options, 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. Please contact ASI Flex at 1-800-659-3035 or www.asiflex.com/ for further information.

D. OTHER BENEFITS

MetLife Auto/Home: If you have a MetLife Auto/Home deduction, your deduction will stop and you will receive information directly from MetLife regarding options for direct pay. Please contact MetLife at 1-800-438-6381.

MetLife Legal Plan: Coverage is available until the last day worked. If you wish to continue your legal plan benefit after retiring or terminating employment, you must enroll for portable enrollment within 30 days of your last payroll deduction for the legal plan.

To apply for portable enrollment:

- Call the Hyatt's Client Service Center at: 1-800-821-6400, Monday-Friday (8am - 7pm ET). A Client Service Representative will assist you in the application process.
- Enrollment is prepaid via remittance of a lump sum payment equal to our legal plan's monthly rate times 30 months. Example: (\$18.25 X 30 months= \$547.50).
- Upon receipt and approval of payment, Hyatt will send the enrollee verification of the portable enrollment.
- Portable enrollments will remain effective for a 30-month period and refunds will not be issued.

- Under portable enrollment, dependent definitions are the same as those for active Employees.

The covered services and exclusions are the same as those under your current plan. Please visit www.legalplans.com or call 1-800-821-6400 for plan details. If you should have any questions, please do not hesitate to call Hyatt's Client Service Center.

Compensation Benefits

Sick Leave: When you separate employment, you will not be paid for any unused sick days. Sick time will remain on the records for three years. If you return to state service within three years, you may request a transfer of your sick time. However, such a transfer of sick time is governed by the policies of the new hiring state agency.

If you officially retire from State service, you will receive payment for 20% of your sick time. You may expect payment within the month after separating from state service. You may also be eligible to defer your sick pay into your 403b or 457 accounts. Please see letter below.

Vacation Leave: You will receive payment in lieu of accrued vacation leave. You may expect payment within the month after separating from state service. You may also be eligible to defer any accumulated vacation pay into your 403b or 457 accounts. Please see letter below.

Compensatory Time (Classified 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: If you separate from employment with UMass while you, your spouse, or dependent child are enrolled in a course or program of study, eligibility for university tuition waivers and system-wide tuition remission will continue until the end of the current semester. At the end of the semester, eligibility for tuition benefits ceases.

E. OTHER IMPORTANT INFORMATION

Address Change: If you are moving from your current address, please update your address in Employee Self Service in PeopleSoft/HR Direct before your termination date. If you have a change of address after termination, please notify the Office of Human Resources of your new address. Please see form below.

University Property: All University property and equipment must be returned to your manager prior to your last day of employment. If not returned, the University reserves the right to withhold monies from your last paycheck.

Releasing Employment Information: When the Human Resources Department is contacted for employment information from other organizations, Human Resources will only verify your dates of employment and the last position held.

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.

Unemployment Insurance Benefits: Unemployment insurance provides temporary benefits to individuals who have become unemployed through no fault of their own and who are looking for full-time employment. The unemployment insurance program is administered by the Commonwealth's Department of Department of Unemployment Assistance (DUA) and all DUA decisions are made according to the Employment Security Law.

Upon request of the DUA, UMass provides a breakdown of an individual's earnings for the 52-week period prior to the date an unemployment claim is filed and to provide a reason for separation. UMass does not determine whether or not a terminated employee member is eligible to receive unemployment benefits. If you need information please visit www.mass.gov/DUA or call the TeleClaim Center at 1-877-626-6800 or (617)626-6800 from Monday through Friday, from 8:30 a.m. to 4:30 p.m. or go to DUA for additional information.

There are two ways to file your claim. You can file online at www.mass.gov/DUA; or you can call the TeleClaim Center to the number mentioned above.

Worker's Compensation Claims: An employee who has a claim pending or who is actually receiving weekly worker's compensation benefits is not entitled to a refund of retirement contributions from SERS until the claim is settled and weekly compensation benefits have ceased.

Human Resources Information: A Human Resources Representative will provide you with a GIC Form-1, a COBRA application, a State Retirement Withdrawal Notice (if member of SERS), ORP Life Insurance and LTD conversion materials (if member of the ORP), and unemployment information upon your separation. If you need further assistance regarding, please contact The Office of Human Resources Department directly at 774-455-7568 and we will be happy to assist you.

Contact Information

UMass Office of Human Resources.....774-455-7568

UMass Supplemental Retirement Plan Specialist774-455-7586

403(b) Plan Providers

Fidelity.....800-343-0860

TIAA-CREF.....800-842-2252

| | |
|--|------------------------------|
| Empower (SMART Plan)..... | 877-457-1900 |
| Group Insurance Commission..... | 617-727-2310 |
| Health Plans Inc. (HPI) (Non-Unit Dental)..... | 877-906-5939 |
| ORP Providers | |
| Fidelity (Plan Number 84828)..... | 508-717-5666 or 617-777-4770 |
| TIAA-CREF (Plan Number 150966 or 404938)..... | 800-842-2776 |
| VALIC (Plan Number 23300)..... | 603-594-8340 or 800-892-5558 |
| State Board of Retirement..... | 617-367-7770 |

WEB SITES

www.mass.gov/gic

www.mass.gov/DUA

www.mass.gov/retirement

<https://bhe.healthplansinc.com>

www.mass.edu/orp

www.umassp.edu/hr

www.mass-smart.com

www.netbenefits.com/umass

Dear Employee Leaving or Retiring from the University:

The University and the Commonwealth allow for the pre-tax deferral of accumulated sick, vacation and back pay into both the University of Massachusetts 403(b) Plan and into the Massachusetts 457(b) Deferred Compensation SMART Plan, as long as the conditions described below are met.¹

Retiring employees may elect to defer accumulated sick pay, vacation pay and back pay into their University 403(b) and 457(b) SMART Plan accounts². In addition, employees who separate from service may elect to defer accumulated vacation pay and/or back pay. Only a person who is retiring can defer accumulated sick pay. The amounts may be deferred for any calendar month only if:

1. The amount would have been available for use or would have been paid to the employee if employment had not terminated;
2. The amount is paid by the later of two and a half (2 ½) months following severance from employment or the end of the calendar year in which severance occurs; and
3. An agreement providing for the deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available. (Requirement number 3 only applies to the 457(b) SMART Plan; there is no such requirement for the University's 403(b) Plan.)

In addition to the above requirements, all deferrals are subject to the employee's maximum 403(b) plan and 457(b) plan deferral limits in the year of the deferral.

If you do not currently have a 403(b) or a 457(b) account, please keep in mind that it can take up to 15 business days to process new enrollments and establish new accounts. For information about opening a 403(b) account, please contact the UMass Supplemental Retirement Plan Specialist at (774) 455-7586. For information about opening a 457(b) SMART Plan account, please contact your local representative at 1-877-457-1900 (option 2) or visit the SMART Plan website at www.mass-smart.com.

If you are retiring and/or separating from service, and you have an existing bi-weekly payroll deduction/deferral for the 403(b) plan and/or for the 457(b) plan in place, your existing deduction(s) will not be taken out of your accumulated vacation, sick and/or back pay. If you want a 403(b) and/or 457(b) deduction to be taken out of your accumulated vacation, sick and/or back pay, you will need to complete a new 403(b) salary reduction agreement form and/or a new 457(b) participation agreement form.

If you open a new account(s), or if you have an existing account(s), and you want to defer an amount from your accumulated vacation, sick and/or back pay, the Office of Human Resources needs to receive an

¹ Back pay is pay received in a tax year(s) for actual or deemed employment in an earlier tax year(s). Back pay includes delayed wage payments as well as retroactive pay increases. Damages for personal injury, interest, penalties, and legal fees included with back pay awards, are not wages.

² Please note that retiring employees will only be able to defer up to the amount of accumulated sick pay that they are entitled to receive at time of retirement.

executed 403(b) salary reduction agreement form and/or an executed 457(b) participation agreement form at least one week before the paycheck date that you would like the deduction(s)/deferral(s) to occur. However, as indicated in requirement number 3, the 457(b) participation agreement for the deferral of accumulated pay has to have been executed before the beginning of the month in which the amounts would otherwise be paid or made available.

Please contact the UMass Supplemental Retirement Plan Specialist at (774)455-7586, if you have any questions or need additional information.

CHECKLIST FOR
EMPLOYEES SEPARATING FROM STATE SERVICE

Employee Name

Termination Date:

Position:

Employee ID:

Benefitted Employee

Non Benefitted employee

Transfer Employee to another state agency

Transfer Employee to another campus

| | |
|---|---|
| I would like to schedule an exit interview and have contacted my department's HR department | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| I have received and reviewed the Separating from State Service Guide | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| I have completed an address change form (if applicable) | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| I have contacted Immigration Services at UMass for assistance with visa related questions (if applicable) | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| <p>I have returned the following University property to department administrator or manager:</p> <ul style="list-style-type: none"> • Badge/ID-Parking • Keys-office, file cabinets, etc. • Computer equipment • Cell phone • Procard/credit card(s) • Uniforms Other _____ | <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |

Please contact the Office of Human Resources at 774-455-7568 if you have any further questions or concerns.

EMPLOYEE

ADDRESS CHANGE FORM

It is the employee's responsibility to provide Human Resources with change of address information. Updated information is needed for mailing of W-2 forms and retirement and health insurance information.

PLEASE PROVIDE THE FOLLOWING INFORMATION:

| | |
|-----------------|--|
| Name: | |
| Employee ID: | |
| Address Line 1: | |
| Address Line 2: | |
| City: | |
| State: | |
| Country: | |
| Zip: | |
| Telephone: | |

Signature: _____ Date: _____

Please sign and return completed form to:

UMass Presidents Office
Office of Human Resources
333 South Street
Shrewsbury, MA 01545
Fax: 774-455-7574