

Transitions

- A Guide to Leaving System Offices Employment

As you leave System Offices employment, you should be aware of all the benefits available to you. This brochure provides a summary of those benefits and discusses other issues regarding your departure. Benefit Programs information is available online at www.tamus.edu/benefits/programs.

Health/Dental/Vision coverage

Your health, dental and/or vision coverage will continue through the last day of the month in which your employment ends. Your premiums for the last month's coverage will be deducted from your final paycheck. If you are paid biweekly and leave employment in the middle of a month, you can either pay the additional premium to continue coverage for the rest of the month, or the premium taken from your final paycheck will be refunded to you and your coverage will end as of the end of the month, or the premium taken from your final paycheck will be refunded to you and your coverage will end as of the end of the month before your employment ended. You may elect to continue coverage for yourself and/or any covered dependents for up to 18 months under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). However, you must pay the full premium plus 2%. If you are enrolled in an HMO but will be moving out of its service area, you can enroll in one of the A&M Care Plans or in an A&M

System-offered HMO that is available in your new location. Information about your COBRA election rights will be mailed to your home address.

After your COBRA coverage expires, or if you choose not to continue health coverage through COBRA, you can apply for health coverage under an individual insurance policy, which most health plans offer. However, you may be required to provide evidence of good health, and your benefits will likely be different from those you received under the A&M System policy.

If you are not approved for coverage under an individual health insurance policy because of your medical history, you may be eligible for coverage under the State of Texas' State-wide Health Insurance Risk Pool. For more information on this program, call (888) 398-3927 or e-mail: texasriskpool@bcbstx.com.

Other insurance coverages

Your Basic Life/Basic Accidental Death and Dismemberment (AD&D), Alternate Basic Life, Optional Life, Dependent Life, AD&D and Long-Term Disability (LTD) coverages will continue through the last day of the month in which your employment ends. Your premiums for the last month's coverage will be deducted from your final paycheck. If you are paid biweekly and leave employment in the middle of a month, you can either pay the additional premium to continue coverage for the rest of the month, or the premium taken from your final paycheck will be refunded to you and your coverage will end as of the end of the month before your employment ended.

Within 31 days after your coverage ends, you may convert these coverages (except LTD) to individual policies without providing evidence of good health by submitting the required forms to the insurance company. The terms of and premiums for these conversion policies will be different from those provided through the A&M System.

To convert your AD&D coverage, complete the Application for AD&D Conversion (www.tamus.edu/benefits/publications/forms/Dearborn_ADD_Conversion_Form.pdf) and submit it to Fort Dearborn. All coverage amounts must be between \$10,000 and \$250,000 in \$10,000 increments, not to exceed your current AD&D coverage amount.

To convert your life insurance to an individual whole life policy, complete the Application to Convert Group Life Insurance (www.pfg-life.com/forms/z5254.pdf) and submit it to Fort Dearborn. The minimum issue amount under conversion is \$2,000 and the maximum is your and your dependent's current coverage amount. Instead of converting your life insurance, you may continue coverage through a portability option by completing the Application for Portability (www.tamus.edu/benefits/publications/forms/ftdearborn_portability.pdf) and submitting it to Fort Dearborn. The portability option, which is available until age 70, will allow you to keep the same amount of term life coverage with higher premiums than active employees but lower premiums than conversion coverage. You may elect portability coverage in any amount up to your or your dependent's current coverage amount. You must provide Evidence of Insurability to change from Dependent Life Plan B to Plans A or C.

If you are enrolled in Long-Term Care, you may continue coverage by making direct payments to John Hancock, the A&M System's Long-Term Care plan administrator. John Hancock will contact you with information on continuing coverage, or you may call John Hancock at (800) 498-9100.

Flexible Spending Accounts

If you are enrolled in a Health Care Spending Account, you may continue contributing to your account for the remainder of the plan year (through Aug. 31) by electing COBRA continuation. The cost will be the amount of your current deduction plus 2%, but you will no longer be able to contribute using before-tax dollars. PayFlex, the plan administrator, will send you a form to complete and return within 60 days from the mailing date reflected on the form if you wish to continue contributing. If you choose not to contribute to your account

after your employment ends, you can be reimbursed only for eligible charges incurred up to the last day of the month in which your employment ended.

If you are enrolled in a Dependent Day Care Spending Account when your employment ends, you will no longer be able to contribute to your account. However, you may continue submitting claims incurred through Aug. 31 of the current plan year against the balance of your account. The claims submission deadline is Dec. 31 of the next plan year.

Teacher Retirement System (TRS)

When you leave A&M System employment, your TRS contributions will end and you will have the option to leave your retirement account intact or withdraw your contributions.

If you have at least five creditable years of service and you leave your TRS account intact, interest will continue to be credited to your account, and you will be eligible for group insurance benefits as a retiree if you meet the criteria listed under “Regaining A&M System benefits as a retiree.” An “intact” account is one that has not been withdrawn. If you have fewer than five creditable years of service, your account will stop earning interest after you have been absent from TRS service for five consecutive years.

If you withdraw funds, you will lose your years of TRS

service and will not be eligible for System group insurance benefits as a retiree. In addition, you may be subject to taxes and penalties. To withdraw funds, you must complete the first portion of the Notice of Final Deposit and Request for Refund (www.trs.state.tx.us/reporting/forms/form_6.pdf) and return it to Budgets and Accounting. Before withdrawing funds, you should contact Human Resources about the impact of this action on your insurance benefits and review the TRS publication *Requesting a Refund of Your Member Contribution Account* (www.trs.state.tx.us/TRS_activecare/documents/request_refund.pdf).

For more information, contact TRS at (800) 223-8778.

Optional Retirement Program (ORP)

Contributions will no longer be made to your ORP account after your employment ends, and you will have the option to withdraw your contributions (if you are terminating employment with *all* Texas public institutions of higher education) or leave your account intact.

If you leave your account intact, you will be eligible for group insurance benefits as a retiree when you meet the criteria listed under “Regaining A&M System benefits as a retiree.” An “intact” account is a 403(b) account (not an IRA, 401(k) or 457 plan) that contains funds that can be tied to

your Texas ORP account and that meets the vendor’s minimum balance requirement.

If you withdraw funds from your account, you may be subject to taxes and penalties. To withdraw from your account, you should contact your ORP vendor.

Regardless of whether you want to withdraw your funds, you will need to complete an ORP Notification of Change in Status Form, available from Human Resources or online at www.tamus.edu/benefits/publications/forms/15.pdf, and return it to Human Resources.

Tax-Deferred Account Program and Deferred Compensation Plan

Tax-Deferred Account (TDA) Program and/or Deferred Compensation Plan (DCP) contributions will stop when you terminate employment.

If you are enrolled in a TDA, you may choose to:

- leave your account as-is until you retire, become disabled or die,
- roll over your account to an individual retirement account (IRA),
- withdraw your account balance and pay tax on it (including a 10% penalty tax unless you are disabled or at least age 55, or you take an annuity), or
- if you are changing jobs and your new employer offers a

similar retirement plan, transfer your balance to that plan.

If you do not choose to leave your TDA account intact, you will need to contact your TDA vendor. Regardless of whether you want to withdraw your funds, you will need to complete a TDA Notification of Change in Status Form, available from Human Resources or online (www.tamus.edu/benefits/publications/forms/18.pdf), and return it to Human Resources.

If you opened a DCP account before Sept. 1, 2000, you must complete a Texas Deferred Compensation Plan Distribution Agreement Form within 50 days of terminating employment. Contact Human Resources, who will assist you in submitting this form.

Vacation, sick leave and compensatory time

You will be paid for unused vacation when your employment ends unless you transfer to another Texas state agency with no break in service, in which case your vacation will be transferred. You can choose to be paid in a lump sum, or, with executive management's approval, you can remain on the payroll until you have used your accrued vacation.

You will not be paid for unused sick leave. However, if you go to work for a different state institution or agency (including any other A&M System institution or agency) within 12 months of terminating employment, your sick leave balance will be reinstated and transferred to your new employer. You must tell your new employer that you have previous state service. If you return to work for the System Offices after at least 30 days but

no more than 12 months, your sick leave balance will be restored.

You may also contribute your unused sick leave to the System Offices Sick Leave Pool by completing the Sick Leave Pool Form (www.tamus.edu/offices/hr/forms/27.pdf). Sick leave hours donated to the pool will not be transferred to another state agency or restored if you are re-employed.

If you have earned compensatory time under the Fair Labor Standards Act (FLSA), you will be paid for FLSA (time and a half) compensatory time you have not used. You will *not* be paid for unused *state* (straight time) compensatory time. However, you may remain on the payroll to use the state compensatory time.

Lump-sum deferral option under TDA Program and DCP

You have the option to allocate all or a portion of your lump-sum vacation pay for deposit in a TDA or DCP account (7.65 percent will be deducted for Social Security and Medicare taxes). Deferrals are subject to the federal annual maximum contribution limits (www.tamus.edu/benefits/retirement/DeferralLimitsChart.pdf). Notification of this election must be provided to Human Resources on or before the last day of employment.

- If you are a TDA participant, complete and submit HR 17, TDA Salary Reduction Agreement/Change of Vendor Form (www.tamus.edu/benefits/publications/forms/17.pdf) to

Human Resources. If you do not currently have a TDA account, complete and submit HR 17 to Human Resources. New participants must attach a copy of the vendor application.

- If you are a DCP participant, provide a written request identifying the deferral amount or percentage to Human Resources. If you do not currently have a DCP account, you can enroll over the phone, through the automated online system or by mail. However, this must be done prior to separation from service. You can contact the Texa\$aver information line at (800) 634-5091.

System Offices Exit Survey

As a separating employee, you have valuable information to provide. The System Offices requests that you complete a brief online exit survey (http://www.surveymonkey.com/s.aspx?sm=YYThVgiFkMMmpCCG9pZwPw_3d_3d). We seek your honest feedback. Your input is key to improving System Offices employment.

The focus of this survey is to learn the reasons you chose to leave the System Offices. The survey contains 8 questions and will take about 5 to 10 minutes to complete.

Your responses to this survey are confidential and cannot be shared with the public, if requested. Steps will be taken to ensure summary responses do not identify individual employees. Your survey responses will not become part of your personnel file.

We encourage you to participate in the exit survey.

Reimbursement of Professional Fees

If you were reimbursed by the A&M System for professional fees and occupation taxes associated with maintaining certain certifications or licenses, state law requires that you repay the A&M System for a pro rata portion if your employment ends before your certification or licensure period expires. You will need to check with your supervisor if this requirement applies to your situation.

Forwarding contact information

If you signed up for online W-2 forms, you should update your email address in HRConnect (<https://sso.tamus.edu>) to either your personal or new business email address because your @tam.u.edu address will be inactivated.

If you are moving, you should update your mailing address and phone number in HRConnect or complete a Change of Address Form (www.tamus.edu/offices/hr/forms/183.pdf) and return it to Human Resources. We want to be sure you receive all necessary benefit and tax information.

Regaining A&M System benefits as a retiree

Under current state law, you will be able to regain benefit eligibility later as a retiree if you have an intact TRS or ORP account and meet the requirements below.

- If you were employed in a benefits-eligible position with the A&M System on Aug. 31, 2003, or left A&M System employment before Sept. 1, 2003, but you met the criteria below as of Aug. 31, 2003, you are eligible for insurance coverage as a retiree when:
 - you are at least age 55 and have at least 5 years of service credit, or your age plus years of service equal at least 80, or you have at least 30 years of service, and
 - you have 3 years of service with the A&M System, and
 - the A&M System is your last state employer.
- If you were hired by the A&M System in a benefits-eligible position after Aug. 31, 2003, or if you left A&M System employment before Aug. 31, 2003, and did not meet the criteria listed above as of Aug. 31, 2003, you are eligible for insurance coverage as a retiree when:
 - you are at least age 65 and have at least 10 years of service credit, or your age plus years of service equal at least 80 and you have 10 years of service credit, and
 - you have 10 years of service with the A&M System, and
 - the A&M System is your last state employer.

If you are in TRS, you must also provide a copy of the TRS letter that confirms that your retirement application has been processed and includes the date annuity payments will begin.

In the event of a last-minute retirement, a copy of your application for TRS retirement benefits (TRS-30, Application for Service Retirement) will suffice initially. However, you must provide a copy of the confirmation letter from TRS within three months after retiring or your retiree insurance benefits will be cancelled.

You may apply for coverage within 60 days of meeting the eligibility criteria listed above or within 60 days of leaving a TRS-eligible position with another state employer after meeting the eligibility criteria. In these cases, you may choose to have your coverage become effective:

- on the later of the first of the month following the date Human Resources receives your application or the first of the month after you meet the eligibility criteria, or
- on your state contribution eligibility date (the first of the month that falls at least 90 days after Human Resources receives your application or you become eligible, whichever is later).

If you do not enroll on one of the above dates, you may enroll during a later Annual Enrollment period. In that case, you can choose to have your coverage become effective on the next Sept. 1 or Dec. 1.

If you choose to have your coverage become effective before your state contribution eligibility date, you must pay the full cost of coverage until you become eligible for the state contribution.

Questions/Comments

If you would like to speak with someone regarding your benefits, or if you have comments you would like to share, please contact Human Resources at (979) 458-6161 or systemofficesemployment@tamu.edu, or at the following address:

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