

What happens to my benefits if I leave UAMS?

The attached information was developed to assist you in making decisions about your benefits when your employment ends. Perhaps you are leaving UAMS to work for another employer. Perhaps you do not have a new job lined up at this time. Perhaps you are retiring.

If you are terminating UAMS employment for **medical reasons**, contact our office immediately about possible eligibility for disability, retirement, and other benefits.

If you are **retiring**, contact our office at 686-5650 to make an appointment with a benefits counselor to discuss your benefit options. If you are interested in part-time temporary work after you retire, contact the UAMS Temps Program at 686-6562.

If you are going to work for another University of Arkansas campus, be sure to visit your new Human Resources Office to arrange for continuation of your benefits.

We would be very happy to talk about your individual circumstances. The attached information is provided as general information only and is not intended to replace the summary plan descriptions (insurance booklets) for any of the UAMS benefit plans. This information is subject to change. Again, we encourage you to contact our office if you have questions.

**UAMS Office of Human Resources
Employee Services (501) 686-5650**
www.uams.edu/ohr

Medical, Dental and Vision Insurance

Your coverage will end at 11:59 p.m. on your last day to be employed by UAMS.

Your medical and dental coverage will automatically end when you leave UAMS' employment. There are no forms for you to complete.

If your last day is before the end of the pay period, your last premium deduction will be a reduced, prorated amount. For example, if you are paid monthly and your last day is June 15, the deduction from your June 30 check should be half the normal amount. If your department keys your termination status after payroll runs, the full premium will be deducted as normal. But you will receive any overpaid premiums on the next regular payroll cycle.

Under a federal law called "COBRA", you and/or your eligible family members may be eligible to continue coverage for up to 18 months. Your cost for COBRA coverage is 102% of the premium. That includes the amount you were paying by payroll deduction, plus the portion UAMS was paying, plus a 2% administrative fee. COBRA rates are listed on the last page.

You cannot convert your UAMS medical, dental or vision plan to an individual policy. COBRA may be your only opportunity to continue coverage.

After your last day, we will notify CONEXIS, our COBRA administrator, to send you a letter advising you of your rights to continue coverage. You will have 60 days from the date of Conexis' letter to elect coverage. Once you elect coverage, you have 45 days to make your first payment and 30 days to pay subsequent premiums to CONEXIS. Once you make your first COBRA payment, your coverage will be reinstated retroactively so that there is no gap in your coverage. If you elect COBRA coverage, you will get new insurance cards showing a new group number.

If you are moving out-of-state and elect COBRA, you may change your current UA medical plan (Point of Service or Classic) to the Alternative Point of Service plan. This plan is only available to individuals who live out-of-state and don't have access to the QualChoice network. It would give you access to health care providers through the "PHCS" national network. Alternative Point of Service rates and summary plan description are posted on our website at www.uams.edu/ohr (click on Benefits, then Medical).

If you are age 65 or older, contact our office for information on how your COBRA medical coverage would coordinate with Medicare. Detailed information is also posted on our website at www.uams.edu/ohr (click on Benefits, then Medical). You will need to sign up for Medicare Part B if you haven't done so already.

If you are retiring from UAMS, you may be eligible to continue your medical and dental coverage as a "retiree" instead of COBRA. If at the time of your retirement your age plus years of UA service equal 70 or more, and you have been continuously covered by the UA medical and dental plans for at least 10 years, you may be eligible for retiree benefits. Please contact our office at 686-5650 to schedule an appointment so that we may discuss your benefit options with you.

If you elect medical or dental insurance at your new job, be mindful of the effective date. Many employers have a waiting period before coverage takes effect. For that reason, you may need to elect COBRA coverage to cover the gap between the time you leave UAMS and your new coverage begins.

If you have a pre-existing health condition, ask your new employer or their medical insurance carrier how expenses will be covered. A federal law called "HIPAA" (Health Insurance Portability and Accountability Act) addresses this issue. If you were covered for one year before changing insurance plans, your new plan cannot exclude any pre-existing health conditions. If your employer

requires a “HIPAA Certification” (which establishes that you had previous coverage), you can use the one that CONEXIS will automatically mail to you, or you can contact our office at 686-5650.

Life Insurance

Your coverage will end on your last day to be employed by UAMS.

Your group life insurance coverage -- Basic Life, Dependent Life, and Optional Life -- ends when you leave UAMS. You have a 31-day window to change this coverage to a private policy. There are two options. One is “portability” coverage if you and your dependents do not have a medical condition that has a material effect on life expectancy (in other words, you are in good health). The second is “conversion” coverage. Conversion premiums are higher because you don’t have to provide evidence of good health. Forms and rates for both options are available in our office; they are also posted on our website at www.uams.edu/ohr (click on Benefits, then Life Insurance). When you change coverage to a private policy, you would pay premiums directly to the carrier, UNUM.

Accidental Death and Dismemberment Insurance (AD&D)

Your coverage will end on your last day to be employed by UAMS.

Your AD&D insurance coverage ends when you leave UAMS. You have 31 days to convert to an individual policy. Your eligibility to do so would be based upon your UAMS plan as compared to the plan offered by your new employer. If the two policies are similar, you will not be eligible to convert to an individual policy. Conversion forms are available in our office. When you convert coverage, you pay premiums directly to the carrier, Hartford Life and Accident Insurance Company.

Long Term Disability (LTD)

Your coverage will end on your last day to be employed by UAMS.

Your LTD coverage ends when you leave UAMS. At that time you may be eligible to convert to an individual policy. Your eligibility to do so would be based upon several factors which are described in the summary plan description posted on our website, www.uams.edu/ohr (click on Benefits, then LTD). You have a 31-day window to convert to an individual policy. Conversion forms are available in our office. When you convert coverage, you pay premiums directly to the carrier, UNUM.

NOTE: If you are a member of the College of Medicine Faculty Group Practice or a Medical Resident, your LTD benefits are provided through a separate plan, not the regular employee group plan. If you wish to retain your LTD coverage, you must contact Jim Foss & Associates at 221-3700. You will need to provide portability instructions, including your new address and desired payment method.

Flexible Spending Accounts

If you participate in a dependent care flexible spending account, your deduction ends on your last regular paycheck from UAMS. You can file reimbursement claims for dependent care (daycare) expenses that you incurred through your last day of work. Any funds remaining in your dependent care flexible spending account as of March 31 the following year will be forfeited.

If you participate in a health care flexible spending account at UAMS, you have three options:

1. Do nothing. Your participation will automatically cease effective your last day. You will have until March 31 of the following year to submit a request for reimbursement for health

care expenses that you incurred through your last day of work. Any remaining funds in your account as of March 31 the next year will be forfeited.

2. Elect to have your remaining annual election (the amount that would have been deducted had you remained on UAMS's payroll through December 31st) taken out in a **pre-tax** lump sum from your final paycheck. This means you would be able to submit requests for reimbursement for health care expenses that you incurred from January 1 through the end of the calendar year, plus the additional 75-day grace period (through March 15 of the following year). If you choose this option, you must notify our office at least two weeks in advance of your last day, so that we have time to process this before payroll runs.
3. Elect to continue making **after-tax** contributions on a month-to-month basis. Details about this option will be in your COBRA letter that CONEXIS will send you. For each month you continue making a contribution to your account, you extend the time you can incur an expense and file a reimbursement claim.

UA Retirement Plan

Contributions automatically stop with your last paycheck or lump sum leave payout.

Options for University of Arkansas (UA) retirement benefits are outlined below. If you are a member of an alternative State retirement plan (APERS or ARTRS) you will need to contact that plan vendor for information. We can provide those phone numbers to you if needed.

You are entitled to UA retirement benefits if you are "vested" and UAMS made retirement contributions on your behalf (therefore not applicable to Residents or Housestaff members). Of course, any monies you contributed to your retirement plan are vested and available to you. You are vested in UAMS' contributions if:

1. You have 3+years service in a benefits-eligible position with the University, or
2. You have personally contributed 5% of your wages for more than 6 full consecutive months, or
3. You are in a non-classified position.

If you are **retiring** and are vested, you have several payout options under the UA retirement plan. But because these options can be complex and your retirement plan is in your name, you will need to contact your fund sponsor directly to discuss your individual circumstances.

TIAA-CREF	1-800-842-2776
Fidelity	1-800-343-0860

TIAA-CREF and Fidelity counselors regularly visit our campus to meet individually with employees, particularly those who are close to retirement age. Please contact our office at 686-5650 for a schedule of these visits. You can also see a schedule on our web site, www.uams.edu/ohr (click on Benefits, then Retirement).

If you are vested in the UA retirement plan and are **not retiring**, you generally have three options:

- You may leave your money in your account(s). You don't forfeit any of the vested benefits that have already been set aside for you by UAMS. You will still benefit from continuing growth of these funds based on dividends, interest rates and market experience. You may even be able to continue contributing to your TIAA-CREF or Fidelity accounts, although you would no longer be able to tax-defer those contributions. By leaving the money in your account, you preserve it for its intent – retirement income.

- You may be eligible to “roll over” all or a portion of your UA retirement account into your new employer’s 403(b) or 401(k) plan, or into an IRA. If the rollover is direct to another plan (in other words, you don’t touch the money), there is no IRS penalty. However, if you have the distribution paid to you (in other words, “cash out” your plan), then there will be a mandatory 20% IRS tax withholding and possible penalties. If you are considering rolling over your UA accumulations to the other retirement plan, we encourage you to carefully compare the return rates of both plans.
- You may choose to receive a “distribution” under any of the available options available through TIAA-CREF or Fidelity. It is important to contact your fund sponsor, TIAA-CREF or Fidelity, before cashing out your retirement plan. Depending on your personal situation – for example, your age, work status and your spouse’s work – taxation could seriously diminish the value of your benefits. There will be a mandatory 20% IRS tax withholding from cash payouts. You may be subject to an additional 10% penalty if you are less than age 59 ½. There may be limitations depending on where you invested your money. For example, money in TIAA over \$2,000 cannot be pulled out all at once, but instead over a 10-year period.

Before “cashing out” your retirement plan, we recommend you first contact your fund sponsor, TIAA-CREF or Fidelity, and ask for a projection of what your account balance might be if you left the money there until age 65 (or any other age you anticipate retiring). You may be surprised at how much your account can grow, simply through the magic of compounding interest.

Withdrawal forms to cash out any money from your retirement plan require Employer Authorization through our office. After you complete your portion of the forms, you may:

- (1) mail them to our office at 4301 W. Markham, Box #564-1, Little Rock, AR 72205;
- (2) deliver the completed forms to our office, Monday through Friday from 7:30 a.m. until 4:30 p.m. (call (501) 686-5650 for directions to our office); or
- (3) Fax to our office at (501) 603-1318. [Please note that faxing forms is only available to TIAA-CREF participants; Fidelity requires original signatures on all documents.]

Several individuals in our office are authorized to sign-off on TIAA-CREF and Fidelity forms. Forms will be processed on a first-come, first served basis. We will be happy to return the completed forms to you, forward them to the fund sponsor, or call you when they are ready to be picked up.

Important: If you cash out all or a portion of your retirement when you leave UAMS, you cannot be rehired at UAMS or any other University of Arkansas campus within 32 days.

<h2>Leave Benefits, Misc.</h2>

Vacation/Holidays

You will be paid for accumulated and remaining vacation and holiday leave earned through your last day at work. However, 30 days is the maximum amount of combined vacation and holiday leave you can be paid in a lump sum.

Sick

There is no provision for payment of sick leave upon separation of UAMS employment unless you worked more than 10 years and you have more than 50 days saved up.. (There are more criteria; please contact our office for more information if you meet these two criteria.) You may donate your sick leave to the Catastrophic Leave Program. Donation forms are available in our office.

Voluntary Insurances

Premium deductions for these voluntary insurances stop with your last paycheck. You will need to contact the vendor to arrange for continued payment through automatic bank draft or direct home billing.

Long Term Care Insurance: CNA, 1-877-777-9072
Home/Auto Insurance: Liberty Mutual, 1-800-524-9400
Critical Illness Insurance: MetLife, 1-800-438-6388

Social Security/Medicare Tax

These FICA tax deductions, along with UAMS' matching contributions, automatically stop with your last paycheck. If you are considering retirement and need more information, please contact the Social Security Administration, www.ssa.gov.

W-2

Your W-2 form will be mailed to your home address next January. If you move, please call our office at (501) 686-5650 to provide your new address.

Credit Union

Deductions stop with your last paycheck. However, you retain your membership in the UARK Federal Credit Union even though you may no longer work for the University of Arkansas.

COBRA* Monthly Rates

Continuation of UAMS Medical, Dental or Vision

Effective January 2011

* The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) is a federal law which mandates continuation of group health care insurance plans, at workers' expenses, after a worker leaves an employer. The University of Arkansas outsources COBRA benefits administration to:

CONEXIS
 P.O. Box 226101
 Dallas, TX 75222-6101
 PHONE (toll-free): 1-877-722-2667
 INTERNET: www.conexis.org

MEDICAL	Classic Plan	Point of Service Plan (POS)	Alternative POS Plan (out-of-state residents only)
Single coverage for Employee Only, Spouse Only, or Child Only	\$ 334.78	\$ 370.79	\$ 424.56
Employee and Spouse	\$ 760.17	\$ 841.95	\$ 964.02
Employee and Child(ren), or Spouse and Child(ren), or Children only	\$ 627.12	\$ 692.68	\$ 795.19
Employee, Spouse and Child(ren)	\$ 1,060.01	\$ 1,174.08	\$ 1,344.16

DENTAL

Single coverage for Employee Only, or Spouse Only, or Child Only	\$ 31.70
Employee and Spouse	\$ 65.28
Employee and Child(ren), or Spouse and Child(ren), or Children only	\$ 55.16
Employee, Spouse and Child(ren)	\$ 88.78

VISION

	Basic	Enhanced
Single coverage for Employee Only, or Spouse Only, or Child Only	\$ 5.77	\$ 11.85
Employee and Spouse	\$ 11.44	\$ 23.44
Employee and Child(ren), or Spouse and Child(ren), or Children only	\$ 11.20	\$ 22.97
Employee, Spouse and Child(ren)	\$ 17.03	\$ 34.92