

# What happens to my benefits when I leave UAMS

## or otherwise become ineligible for benefits?

Updated January 2019

The attached information was developed to assist you in making decisions about your benefits when your benefits-eligible 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 or reducing your hours to less than half-time.

If you are ending your UAMS employment for **medical reasons**, contact our office immediately (phone number below) about possible eligibility for disability, retirement, and other benefits.

If you are **retiring**, contact our office to make an appointment with a benefits counselor to discuss your benefit options.

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. This 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. You'll also find information on our website.

**UAMS Office of Human Resources  
Employee Services (501) 686-5650**

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

## 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, dental and vision coverage will automatically end when you leave UAMS' employment. There are no benefit forms for you to complete. Coverage ends on your last day to be an active employee in SAP. It does not extend until the end of the pay period or month.**

If you don't work through the end of the pay period, your last premium 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 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 a refund of 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.

There is no option to 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 WageWorks, our COBRA administrator, to send you a letter advising you of your COBRA continuation rights. You will have 60 days from the date of WageWorks' letter to elect coverage. Then you have 45 days to make your first payment and 30 days to pay subsequent premiums to WageWorks. Once you make your first COBRA payment, your coverage will be reinstated retroactively so that there is no gap in your coverage.

If you are age 65 or older, contact our office to find out how your COBRA medical coverage would coordinate with Medicare. Detailed information is also posted on our Benefits web site at [www.hr.uams.edu](http://www.hr.uams.edu). You will need to sign up for Medicare Part B if you haven't done so already, as Medicare would be primary.

**If you are retiring from UAMS**, you may be eligible to continue medical and dental (not vision) coverage as a "UA retiree" instead of COBRA. If at the time of your retirement your age plus years of continuous UA service equal 70 or more, and you have been continuously employed and covered by the UA plans for the last 10 consecutive years, you may be eligible for retiree benefits. You would also be eligible if you are age 65 or older, have at least 5 years of UA service, and have been covered under the UA plans for the last 5 consecutive years. Please contact our office at (501) 686-5650 to schedule an appointment so that we may discuss your benefit options with you.

If you elect coverage at your new job, be mindful of the effective date. Most 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. It is likely they will be covered, as this is a requirement of the Affordable Care Act, but still a good idea to ask.

The COBRA notice you will receive from WageWorks will provide dates you were covered under medical. You should keep this in case your new employer requests verification. Should you need additional verification, your employer may contact our office at (501) 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 -- automatically 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 web site at

[www.hr.uams.edu](http://www.hr.uams.edu). When you change coverage to a private policy, you would pay premiums directly to the carrier, The Standard Insurance Company.

You may be eligible to keep **\$10,000 of life insurance coverage as a retiree** if you meet the "70-10" rule. If at the time of your retirement your age plus years of continuous UA service equal 70 or more, and you have been continuously employed and covered by the University's Basic Life plan for the last 10 consecutive years, you would be eligible. Contact our office at (501) 686-5650 to enroll. The deadline is within one month (31 days max) following your last day.

## Short Term Disability Insurance (STD) Accidental Death and Dismemberment Insurance (AD&D)

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

Your Short Term Disability and AD&D insurance coverage automatically end when you leave UAMS.

There is no option to change coverage to a private policy.

## Long Term Disability (LTD)

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

Your LTD coverage automatically 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 web site, [www.hr.uams.edu](http://www.hr.uams.edu).

You have a 31-day window to convert to an individual policy. Conversion forms are available on our website under Forms. When you convert

coverage, you pay premiums directly to the carrier, The Standard Insurance Company.

**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. If you wish to retain your LTD coverage, you must contact Jim Foss & Associates at (501) 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 flexible spending account after 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 end on 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; you cannot file any claims for new expenses after your last day. Any remaining funds in your account after March 31 will be forfeited.
2. Elect to have your remaining annual election -- which is the amount that would have been deducted had you remained on UAMS's payroll through December 31 -- taken out in a pre-tax lump sum from your last regular paycheck. This would allow you to submit requests for reimbursement for health care expenses that you incur through the end of the

calendar year, instead of just through your last day.

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 WageWorks 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.

Please be aware that the \$500 rollover benefit does not apply to your health care flexible spending account once your employment ends.

## UA Retirement Plan

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

Options for University of Arkansas Retirement Plan benefits are outlined below. If you are a member of an alternative State retirement plan, you will need to contact that plan vendor for information. We can provide those phone numbers if you need them.

You are entitled to UA retirement benefits if you are "vested" and UAMS made retirement contributions on your behalf (therefore not applicable to Resident Physicians). Of course, any monies you contributed to your retirement plan are vested and available to you.

You are vested in UAMS' contributions if you have completed 24 full months of continuous, benefits-eligible employment.

If you are retiring and are vested, you have several payout options. Because these options can be complex and your retirement plan is in your name, you will need to contact your fund sponsor to discuss your individual circumstances.

TIAA	1-800-842-2252
Fidelity	1-800-343-0860

TIAA and Fidelity counselors regularly visit our campus to meet individually with employees, particularly those who are close to retirement. Please contact our office at (501) 686-5650 for a schedule of these visits. You can also see a schedule at [www.hr.uams.edu](http://www.hr.uams.edu).

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

# 1: 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 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.

# 2: 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 another retirement plan, we encourage you to carefully compare the return rates of both plans.

# 3: You may choose to receive a "distribution" under any of the available options available through TIAA or Fidelity. It is important to contact your fund sponsor, TIAA 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 59½. There may be limitations depending on where you invested your money. For example, money over \$2000 in some TIAA accounts 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 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 requests to cash out any money from your retirement plan may require Employer Authorization through our office.

**If it has been less than 32 days since your last day, you will also be required to sign a release form in our office.** This form is available on our website under Forms. Or you may contact our office at (501)-686-5650.

After you complete your portion of the forms, you may:

- mail them to our office at 4301 W. Markham, Box #564, Little Rock, AR 72205;
- 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
- Fax to our office at (501) 686-5386. However, please note that some forms require original signature and cannot be faxed.

Several individuals in our office are authorized to sign-off on TIAA 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. Often we are able to sign-off online.

**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. You may be required to sign a form acknowledging this. If your vacation payout exceeds that time period, the waiting period could be longer.

## Leave Benefits, Misc.

### **Vacation/Holidays**

You will be paid for your vacation and holiday leave balance on a separate check after you leave UAMS. The maximum payout is 240 hours (30 days). Once the clearance process is complete, Payroll will process the check on the next payroll cycle. The check will be mailed to your home. If your vacation/annual leave is paid out, you will not be able to return to University employment until the number of days for which you received additional compensation has expired. Employees rehired or transferring to another State agency or institution may transfer all accrued annual leave. Please refer to Administrative Guide 4.6.04.

### **Sick**

There is no provision for payment of sick leave upon separation of UAMS employment unless all of the following apply: you were in a classified position, worked more than 10 years, had more than 50 days saved up, and you are retiring.

### **Voluntary Insurances**

Premium deductions for the voluntary insurances – home/auto and critical illness – 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.

Liberty Mutual, Home/Auto Insurance:

1-800-524-9400

MetLife, Critical Illness Insurance:

1-800-438-6388

### **W-2**

Your W-2 form may 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 2019**

\* 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:

WageWorks  
P.O. Box 226101  
Dallas, TX 75222-6101  
PHONE (toll-free): 1-877-722-2667  
INTERNET: [mybenefits.wageworks.com](http://mybenefits.wageworks.com)

<b>MEDICAL</b>	<b>Classic Plan</b>	<b>Premier Plan</b>	<b>Health Savings Plan</b>
Single coverage for Employee Only, Spouse Only, or Child Only	\$ 430.62	\$501.15	\$ 399.47
Employee and Spouse	\$ 978.69	\$ 1,144.48	\$ 909.13
Employee and Child(ren), or Spouse and Child(ren), or Children only	\$ 805.62	\$ 938.44	\$ 748.78
Employee, Spouse and Child(ren)	\$ 1,363.98	\$ 1,587.20	\$ 1,268.57

### **DENTAL**

Single coverage for Employee Only, or Spouse Only, or Child Only	\$ 32.64
Employee and Spouse	\$ 67.32
Employee and Child(ren), or Spouse and Child(ren), or Children only	\$ 56.81
Employee, Spouse and Child(ren)	\$ 91.49

### **VISION**

	<b>Basic</b>	<b>Enhanced</b>
Single coverage for Employee Only, or Spouse Only, or Child Only	\$ 5.88	\$ 11.85
Employee and Spouse	\$ 11.66	\$ 23.43
Employee and Child(ren), or Spouse and Child(ren), or Children only	\$ 11.41	\$ 22.97
Employee, Spouse and Child(ren)	\$ 17.35	\$ 34.90