Exiting Employee Benefits Information

This acknowledges your termination of employment with Radford University.

Enclosed is information concerning your benefits which should be reviewed carefully.

If you have not already been contacted, we encourage you to arrange a personal interview to ensure your understanding of the impact of your termination on your benefits. An appointment can be made for this interview or additional information obtained by calling (540) 831-5008.

Attachments
RADFORD UNIVERSITY
EXITING EMPLOYEE BENEFITS INFORMATION

The following benefits information is provided to employees separating from the university. All information should be read carefully to ensure that the impact of termination on personal benefits is thoroughly understood. Specific questions or concerns should be directed to the Department of Human Resources (540) 831-5008.

RETIREMENT

Retirement contributions may be left in the retirement fund, refunded to the employee, rolled over into an IRA, or transferred to another employer plan that accepts rollovers. This applies to either the Virginia Retirement System (VRS) or an Optional Retirement Plan (ORP), which is available only to faculty. If a former VRS member returns to state employment at a later date, credit for prior service is given if VRS funds have not been withdrawn. Five years of service credit is required for pension eligibility with VRS.

Refund of Contributions: Contributions are not automatically refunded. A separating employee must complete a VRS-3, Membership Withdrawal form, and forward it to the Department of Human Resources. Refunds/transfers/rollovers should be received 60-90 days after separation. Terminating faculty members who have been ORP participants are also entitled to a refund. The ORP participant should contact the appropriate retirement plan for forms to initiate withdrawal or rollover.

Regular or Early Retirement: Certain retirement benefits are available for faculty and classified employees who are 55 years of age or older and have at least five years of service in the VRS, or who are 50 years of age and have at least ten years of service with VRS. The Department of Human Resources should be contacted for computations and information regarding VRS retirement benefits and application procedures. Optional Retirement Plans have an immediate vesting provision. Because of the immediate vesting provision, ORP participants who terminate are entitled to receive an annuity regardless of age or years of service. The ORP should be contacted to determine the annuity amount.

VRS Disability Retirement: If an employee intends to apply for disability retirement, a completed application must be received by the VRS within 90 days of termination. Individuals must be permanently disabled physically or mentally, and incapacitated from the future performance of their job duties in order to qualify for an annuity. ORP participants who terminate due to disability should contact the appropriate retirement plan.

Virginia Sickness & Disability Program (VSDP): After 180 calendar days of short-term disability, an employee may qualify for long-term disability at a 60% income replacement level. Income replacement may be supplemented to 80% after 90 days, if the eligible employee has a catastrophic disability. VSDP is administered by UNUM Provident. When an employee qualifies for long-term disability, the employee’s case will be turned over to UNUM Provident and the individual must use disability credits, if available. The agency will pay any unused annual and compensatory balances and may recruit to fill the position. The individual will be converted to VRS service retirement at age 65. If the disability occurs after age 60, the individual will receive disability benefits for five years before a conversion to VRS service retirement occurs.

HEALTH CARE COVERAGE

University Health Care coverage ends the last day of the month in which employment is terminated. Departing employees are strongly encouraged to take the appropriate steps to ensure continuity of coverage so that there is no loss of health care coverage after termination. Two options are available:

1. Conversion to a non-group plan is available to terminating employees provided conversion arrangements are made within 31 days from the date coverage ends under the State plan.

2. Terminating employees may be eligible for extended health care coverage as a result of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). Enclosed is a notice concerning eligibility and a cost schedule. Individuals interested in participating in the extended health care plan should complete and return the enclosed form to the Department of Human Resources, P.O. Box 6889, Radford University, Radford, VA 24142.

Terminal Liability: Under the current Anthem Blue Cross/Blue Shield COVA Care contract, major medical benefits are available for expenses incurred after an employee terminates if the expenses are the result of an illness or injury that began while a covered employee was still employed by the university. The terminal liability coverage extends to the end of the calendar year in which an employee terminates, or for a period after termination equal to the length of time the employee was covered under the contact, or until the employee becomes eligible for other group coverage, whichever is less. Under Major Medical, the employee pays part of the medical expenses.
GROUP AND OPTIONAL LIFE INSURANCE

The Minnesota Life Insurance Company and Optional Life Insurance Programs administered by the Virginia Retirement System (VRS) may be converted to an individual policy provided the employee leaving the University notifies the carrier within 31 days of termination. This conversion provides the advantage of not requiring a medical examination. A F.4638, Conversion to Classic Life brochure, is included with this packet. Complete the enrollment form included in the packet and return it to the Department of Human Resources, if you wish to convert to an individual policy.

CASH MATCH PLAN

Employees participating in the Commonwealth’s Cash Match program may elect to remove the match funds from the 401 (a) by either transferring the funds to another qualified plan/IRA of your choice or electing a cash-out. Contact your tax shelter annuity provider representative to determine your options.

LEAVE

**Annual Leave:** Classified employees will be paid for all accumulated annual leave not to exceed the maximum accrual allowed. An administrative/professional (A/P) faculty member hired before January 1, 1995 will also be paid for accumulated annual leave not to exceed maximum accrual amounts. An A/P faculty member hired on or after January 1, 1995 will not be paid for annual leave balances.

**Sick Leave:** An A/P faculty member hired prior to January 1, 1999 and classified employees with five or more years continuous service will be paid for 25 percent of accumulated sick leave not to exceed $5,000.

An instructional faculty member hired prior to January 1, 1994, with five or more years of service, will be paid 25 percent of accumulated sick leave not to exceed $2,500. Instructional faculty members hired on or after January 1, 1994 will not be paid for any portion of his/her sick leave balance upon termination.

**Employees Participating in the Virginia Sickness and Disability Program (VSDP):** All employees who participate in the VSDP will not be paid for any portion of their sick leave balance upon termination. If an employee converted their sick leave balance to disability credits under the VSDP, the employee will be paid for any unused disability credits according to the sick leave provisions at the time of the VSDP enrollment. (See above section for annual leave payments.)

FINAL PAYCHECKS

Assuming appropriate termination or retirement notice was given; employees will receive a final paycheck as scheduled. If appropriate, contract payoff amounts are normally included in the final paycheck. A supplemental payment will be made to eligible employees for unused leave balances (see Leave section). This payment will be paid on the next available payroll after receipt of separation and final leave documents. **Supplemental payment(s), i.e., annual or sick leave payout, may be subject to a higher withholding rate according to rates determined by the IRS. Please contact Payroll at (540) 831-7610 if you have any questions regarding tax withholding rates.** Normally, supplemental payment(s) will be paid on the following scheduled pay day after final payment amounts have been determined.

Employees who do not participate in Direct Deposit or close their existing account(s) must make forwarding arrangements with the Cashier's Office.

Health insurance premiums must be paid to the end of the month in which the employee separates. If timely resignation notice is given, every effort will be made to deduct the health insurance premium for the entire month from the employee's final paycheck. If this deduction does not occur, a final premium bill will be sent to the employee.