



TO: UNC System Office Employees

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University Benefits Officer

SUBJECT: Leaving University Employment

When your employment ends at the UNC System Office, your eligibility for benefits and payroll will change. This guide provides an overview of payroll and benefits plans offered to employees and options to change or continue participation.

Please take the time to review this important information. If you have questions about your benefits, leave, or final payroll, contact the Benefits Consultant at 919-843-5674.

Attachment

# UNC System Office - Human Resources

## Leaving the University Benefits and Pay

**Disclaimer:**

The University of North Carolina System Human Resources Office reserves the right to amend the information in this document at any time. This document does not cover every detail and in the event of any discrepancy between what is written here and what is written in the Plan documents and insurance certificates, the Plan documents and insurance certificates will govern.

# Final Paycheck and Other Important Information

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- **Final Paycheck:** Your last check will be direct-deposited into your bank account based on the regular payroll schedule. To change your direct deposit information, access your paystubs, including your final paycheck, visit Connect Carolina Employee Self Service. To create a Guest ID, go to <https://connectcarolina.unc.edu/> and click on "How to create a Guest ID."
- **Tax Withholding Statement (W-2):** The UNC System Office will mail your "Tax Withholding Statement" (Form W-2) to your home address by January 31 of the year following your termination of employment, unless you elected to receive it online. It is important to ensure that your address on file is correct. If you need to update your address, review the instructions under "Forwarding Address." If you have elected to receive your W-2 online, you can create a Guest ID at <https://account.itsapps.unc.edu/guestid/create>. Contact Payroll Services at 919-962-0046 if you have any questions, or if you need to request a duplicate Form W-2.
- **Forwarding Address:** If you plan to relocate and your forwarding address is known in advance, log into the Employee Self Service portal through [Connect Carolina](#) to update your new mailing address, ensuring the timely delivery of your W-2 form or other information after your last day of employment. However, you can also create a Guest ID to access your profile by visiting <https://account.itsapps.unc.edu/guestid/create>. A Guest ID will be required to access this information as a former employee.
- **Vacation Leave Payout:** The information below explains EPS and SHRA leave payouts for the following categories: regular separations or retirement and Reduction in Force for SHRA Employees. For questions regarding your leave balance or payout, contact the UNC System Office Human Resources Payroll Unit.
  - **Regular separation or retirement for Leave earning EPS and SHRA** employees leaving state service are paid in a lump sum for unused accumulated vacation leave not to exceed 30 days/240 hours (prorated for part-time employees). Any deficit is deducted on an hour-for-hour basis. Vacation pay is included in the final UNC System paycheck.
  - **Leave Payout for Reduction in Force SHRA Employees** - SHRA employees who leave employment as a result of a Reduction in Force (i.e., layoff) will forfeit any vacation leave in excess of 240. However, if, within one year of your layoff separation date, you return to state employment in an SHRA permanent appointment (regularly scheduled for 20 or more hours per week), the vacation hours over the 240 hours will be reinstated to you.
- **Bonus Leave Payout:** EPS and SHRA employees who have accrued bonus leave and are leaving state service are paid in a lump sum for unused accumulated bonus leave. Bonus leave pay is included in the final UNC System paycheck.
- **Sick Leave:** Unused accumulated sick leave is not paid upon departure. Unused accumulated sick leave is reinstated if you return to state employment as a permanent employee regularly scheduled to work 20 hours or more per week within five years of termination of employment and if your termination was not the result of a retirement from the Teachers and State Employees Retirement System
- **Prorated Longevity Pay:** If you are an SHRA employee and are eligible for longevity pay, then you will receive a prorated amount based on the date of your departure from the UNC System Office.
- **UNC System Office One Card:** Upon departure, return your System Office One card to either your department supervisor/manager. Your card number will be deactivated.
- **Unemployment Insurance:** To apply for Unemployment Insurance benefits, visit the Employment Security Commission web site at [www.des.nc.gov](http://www.des.nc.gov) or call 1-888-737-0259.

- **State Employees' Credit Union:** If you are a member of the State Employees' Credit Union, you can continue your membership by maintaining a balance of \$25 in your share account.

If you have a loan with the Credit Union and have a payroll deduction for the loan payment, contact the Credit Union ([www.ncsecu.org](http://www.ncsecu.org)) for information on payment options.

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# Health Insurance

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## State Health Plan of North Carolina:

You and your covered dependents can elect to continue your health insurance coverage through COBRA for up to 18 months immediately following the termination of your coverage. Spouses and dependent children can choose to continue their coverage even if the employee does not.

- You will be responsible for paying the full cost of the monthly premium, plus a 2% administrative fee. Premiums are due one month in advance of coverage and are paid directly to ITedium, the State Health Plan COBRA Vendor.
- Your State Health Plan health coverage end date is contingent on your employment separation date.
  - If your employment end date is the 1<sup>st</sup> through the 15<sup>th</sup> of the month, your health insurance ends the last day of the month of your employment.
  - If your employment end date is the 16<sup>th</sup> through the end of the month, your coverage ends the last day of the month following your separation date.

For questions about your coverage end date as an active employee, contact the UNC System Benefits Office at 919-843-5186.

### ➤ ***How to continue your coverage under COBRA:***

You will receive COBRA enrollment information from ITedium, the State Health Plan's COBRA administrator. COBRA information about coverage options and costs will be mailed to the address on file with the State Health Plan. You should expect to receive your letter within 30 days of the date your State Health Plan coverage ends, not your separation date. For COBRA enrollment and eligibility inquiries, contact the State Health Plan customer service unit at 1-855-859-0966.

### ➤ **Reduction in Force Special Continuation Rules**

Health insurance under the State Health Plan may continue for up to one year following the date of separation for SHRA and certain EPS employees, provided you had 12 or more months of consecutive state service and were covered under the plan at the time of the job's elimination.

Employees must confirm/submit their intent to continue coverage through RIF health coverage before last day of employment. The decision to continue or not continue coverage is binding.

#### *If you continue coverage under RIF:*

- The university will continue to pay the employer contribution towards the cost of health care for up to one year. Any required employee premiums, including dependent coverage, would continue to be paid by you.
- Continuation of coverage terminates if you or your dependents obtain coverage under another group health plan during this one year. Contact the Benefits Service Center ([benefits@northcarolina.edu](mailto:benefits@northcarolina.edu)) if you gain coverage under a separate group health plan to ensure Reduction in Force health coverage is terminated timely.
- If you continue coverage under RIF for one year, at the expiration of one year, you will receive notification from the State Health Plan on how to continue coverage, including dependents. If you elect to continue coverage, you will be required to pay the full cost. There is no time limit as to how long this coverage may be purchased.

If you do not continue coverage under RIF:

- Employees electing not to continue coverage under RIF privileges directly after their employment terminates forfeit their right to coverage under the RIF benefit. Forfeiting RIF privileges automatically forfeits COBRA privileges.
- **\*\*Note: Forfeiting Reduction in Force coverage, forfeits COBRA coverage rights.\*\***

#### ➤ Retiree Health Insurance Special Continuation Rules

If you retire, you may be eligible to continue to receive retiree health insurance through the State Health Plan as long as you are receiving a monthly retirement benefit from either The Teachers and State Employees Retirement System (TSERS) or the UNC Optional Retirement Plan (ORP).

#### Retiree Health Insurance Eligibility Rules

- If you were hired before October 1, 2006, the State may pay the employer contribution towards the cost of your health insurance premium. You will continue to pay required employee premiums, including dependent coverage.
- If you were hired on or after October 1, 2006, the State may pay the employer contribution of your health insurance premium depending on the plan you elect and based on the following schedule:

<b><i>20 or more years of TSERS or ORP participation, the State may pay 100% of the employer contribution</i></b>
<b><i>If you have ten but less than 20 years of TSERS or ORP participation, the State will pay 50 percent of the employer contribution.</i></b>
<b><i>If you have less than ten but at least five years of TSERS or ORP participation, you are eligible for coverage, but you must pay the full cost of coverage.</i></b>

- **IMPORTANT:**
  - If you were first-hired on or after January 1, 2021, you **will not** be eligible to receive retiree medical benefits.
  - Any required employee premiums, including dependent coverage, would continue to be paid by you.
  - If you withdraw all of your retirement contributions in TSERS or your ORP account, you will NOT be eligible for retiree health coverage.
  - Please speak with your university Benefits Consultant should you have prior permanent, part-time state employment concerning its impact on the first-hire date rules for retiree health benefits eligibility.

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# NCFlex Insurance Plans

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## NCFlex – Health Care and Day Care Flexible Spending Accounts

If you are enrolled in either the Health Care or Dependent Day Care flexible spending accounts:

- You can file claims for eligible health care or dependent day-care expenses incurred on or before the last day of the month in which your employment ends.
- Any unused money in your account is forfeited and remains with the State.
- COBRA is available for the **Health Care Spending Account** only. Participation is on an after-tax basis and covers incurred expenses after your employment end date.
- Services received after your termination date cannot be claimed unless you elect to continue coverage through COBRA.

### **How to continue your coverage for the Health Care Flexible Spending Account:**

The P&A Group will send the continuation information to your home address. If you do not receive this information within 30 days of your termination date, contact the P&A Group at 1-866-916-3475.

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## **MetLife Dental (NCFlex Dental Plan)**

- Employees will be covered through the last day of the month in which employment ends.
- You can elect to continue coverage under COBRA for up to 18 months immediately following the end of your coverage.

### ***How to continue your coverage:***

You will receive COBRA enrollment information from NCFlex – MetLife Dental COBRA administrator. COBRA information about coverage options and costs will be mailed to the address on file in the payroll office. You should expect to receive your letter within 30 days of the date your dental coverage ends. For COBRA enrollment and eligibility inquiries, contact the COBRA customer service unit at 1-877-679-6272.

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## **EyeMed Vision (NCFlex Vision including the Core Vision Plan)**

- Employees will be covered through the last day of the month in which employment ends.
- You can elect to continue coverage under COBRA for up to 18 months immediately following the end of your coverage.
- Employees enrolled in the **Core Vision Plan** are not eligible for COBRA continuation coverage.

### ***How to continue your coverage:***

You will receive COBRA enrollment information from NCFlex Vision COBRA administrator. COBRA information about coverage options and costs will be mailed to the address on file in the payroll office. You should expect to receive your letter within 30 days of the date your vision coverage ends. For COBRA enrollment and eligibility inquiries, contact the COBRA customer service unit at 1-877-679-6272.

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## **Allstate Cancer Plan (NCFlex Cancer Plan)**

- Employees will be covered through the last day of the month in which employment ends.
  - You or your covered dependents can port your cancer insurance coverage and continue to pay premiums directly to Allstate.
  - Allstate will mail continuation of coverage information to the address on file in the payroll office. For additional information about your continuation options, contact Allstate at 866-232-1517.
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## **VOYA Critical Illness Insurance (NCFlex Critical Illness Plan)**

- Employees will be covered through the last day of the month in which employment ends.
- When your employment ends, you may elect to port and continue your coverage for yourself and your dependents at the current group rates by paying premiums directly to VOYA.
- Allstate will mail the continuation of coverage information to the address on file in the payroll office. For additional

information about your continuation options, contact VOYA at 1-877-464-5111.

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### **VOYA Accident Plan (NCFlex Accident Plan)**

- Employees will be covered through the last day of the month in which employment ends.
  - You may be eligible for a portability policy if your coverage ends because your employment ends.
  - Voya will mail information regarding the continuation of coverage options to the address on file in the payroll office.
  - For details and rates, contact VOYA at 1-877-464-5111.
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### **Selman & Co. TRICARE Supplement (NCFLEX Tricare Supplement Plan)**

- Employees will be covered through the end of the month of the last day of employment.
  - Selman will mail COBRA continuation of coverage information to the address on file in the payroll office.
  - For details and rates, contact Selman at 1-800-638-2610 option 1.
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## **The UNC Sponsored Plans**

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### **UNC Voluntary Group Term Life**

- Your group life and AD&D coverage will continue through the last day of the month in which your employment ends.
- You can elect to continue your Group Term Life Insurance policy by applying for coverage through a separately rated portability program within 31 days of the date of the last day of employment.
- You can also convert your coverage to a whole-life policy.
- All employees, regardless of enrollment, who retire are eligible to enroll in the Voluntary Retiree Life Insurance plan.

#### ***How to continue your coverage:***

Securian will mail a packet to your home address, outlining your options. If you do not receive information within 31 days from your date of termination, you can contact Securian directly at 1-833-862-1490 for questions about conversion, portability, or Voluntary Retiree Life coverage details.

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### **UNC Core and Voluntary Accidental Death & Dismemberment Insurance**

- Your Core AD&D and Voluntary AD&D Insurance coverage will continue through the last day of the month in which your employment ends.
- Core AD&D coverage cannot be continued after coverage ends.
- You can elect to continue your UNC Voluntary AD&D Insurance policy by applying for coverage through a separately rated portability program within 31 days of the date of the last day of employment.

#### ***How to continue your coverage:***

Securian will mail a packet to your home address, outlining your options. If you do not receive information within 31 days from your date of termination, you can contact Securian directly at 1-833-862-1490 for questions about



portability coverage details.

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## **(Historical UNC System Plan) Accidental Death & Dismemberment Insurance**

### **Reliance Standard Coverage:**

- Employees will be covered through the end of the month in which they separate from service.
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## **UNC Supplemental Disability Insurance**

### **The Standard Insurance Company:**

- You will be covered through the end of the month of the last day of employment.
- You can elect to convert to individual coverage if you are currently enrolled in the plan and you have had at least 12 months of continuous coverage under the policy.
- You can elect to convert to individual coverage within 30 days from your last day of employment with the University.

### ***How to continue your coverage:***

Complete a conversion form available from the UNC System Benefits Office within 30 days of your termination date.

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### **Liberty Mutual Insurance Company:**

- Coverage ends on your last day of employment. Continuation is not available for this benefit

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# Mandatory Retirement Programs

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## Teacher and State Employee Retirement System (TSERS)

- Contributing participation in the Teachers' and State Employees' Retirement System (TSERS) ceases upon your departure from state employment. You will, however, retain your account as long as you do not withdraw your contributions.
- If you do not withdraw your accumulated contributions from TSERS and you return to state employment as a permanent employee regularly scheduled to work 30 hours or more each week, your TSERS account will be reactivated, and you will continue to add to the creditable service you had previously accumulated.
- If you withdraw or roll over your accumulated contributions from TSERS, you forfeit all rights to any benefits provided by TSERS.
- You are eligible to receive fully paid retiree health insurance through the State Health Plan if you were hired by the State prior to October 1, 2006, and have completed five years of contributory service, or if you were hired by the State on or after October 1, 2006, and have completed 20 years of retirement service credit. You must leave your contributions in your TSERS account to be eligible for retiree health insurance. Contact the UNC System Benefits Office for additional information on your eligibility. Please speak with your university Benefits Consultant should you have prior permanent, part-time state employment concerning its impact on the first-hire date rules for retiree health benefits eligibility.
- You may wish to seek financial advice concerning the effects – including tax consequences if you decide to withdraw your TSERS contributions.
- If you were vested in TSERS on or before August 12, 1989, your TSERS retirement benefits, no matter what amount, are exempt from state income tax. If you withdraw your TSERS contributions, you will forfeit your right to this exemption.

### Actions required:

**If you decide to maintain your TSERS account following your departure from the University, you do not need to take any action.**

**If you wish to receive a refund of your TSERS contributions or roll over your account, complete the Withdrawing Your Retirement Service Credit and Contributions Form (Form 5) available from the TSERS website at <https://orbit.myncretirement.com/>.**

**You should carefully read the relevant information on Form 5 regarding the taxability of the refund before deciding how to receive your contributions.**

**Complete Form 5 in black ink and have it *notarized*. In limited situations, Employer Certification is required on the Form 5. If your request meets the reason(s) listed for Employer Authorization, send the form to the UNC SO Benefits Office. Otherwise, the form can be sent directly to TSERS at the address at the bottom of the form. State law provides that your refund cannot be paid any earlier than 60 days after your final paycheck.**

**Effective January 1, 2015, all TSERS members who leave employment and request a refund, regardless of the number of years of retirement service credit, will have interest paid on the lump sum withdrawal. Interest is currently paid at 4 percent and is compounded annually. Contact the TSERS member services division at 1-877-627-3287 for more information on account balances, refunds, or retirement benefit payments.**

### ***Discontinued Service Retirement***

SHRA employees who leave employment as a result of a reduction in force (i.e., layoff) may be eligible for a discontinued service retirement and begin to receive State retirement benefits, rather than severance pay. To be eligible, you must have:

- 20 or more years of creditable retirement service and be age 55 or older to receive an unreduced benefit
- 20 or more years of creditable retirement service and be age 50 or older to accept a reduced benefit (reduced by 1/4 of 1 percent for each month under age 55).

**This benefit is subject to the availability of departmental funds and approval by the State Budget Director on the recommendation of the State Personnel Director and is not at your discretion.**

### **Optional Retirement Program (ORP)**

- Your contributing participation in the Optional Retirement Program (ORP) ends upon your departure from University employment. You will, however, retain your account as long as you do not withdraw your contributions.
- If you have completed five years of retirement participation, you may “vest” in the University’s contribution.
- If you withdraw or roll over your accumulated contributions from the ORP, you forfeit all rights to any benefits provided by ORP, including retiree health insurance.
- You are eligible to receive fully paid retiree health insurance through the State Health Plan if you were hired by the State prior to October 1, 2006, and have completed five years of contributory service, or if you were hired by the State on or after October 1, 2006, and have completed 20 years of retirement service credit. You must leave your contributions in your TSERS account to be eligible for retiree health insurance. Contact the UNC System Benefits Office for additional information on your eligibility. Please speak with your university Benefits Consultant should you have prior permanent, part-time state employment concerning its impact on the first-hire date rules for retiree health benefits eligibility.
- If you were enrolled in the ORP on or before August 12, 1989, your ORP retirement benefits are exempt from state income tax. If you withdraw or roll over your ORP contributions to an IRA or other employer retirement account, you will forfeit your right to this exemption.
- If you are leaving the University with less than five years of participation but are beginning a new job with another educational institution, and you plan to continue to participate in a substantially similar retirement program at your new employer with one of the ORP vendors, then the University’s contribution to your ORP may be vested. For additional information about vesting provisions for a “Like” Retirement Plan, download the ORP 3 – Acknowledgement of Participation Form in the box below.
- If you have not completed five years of retirement participation and do not commence participation in a similar plan at another educational institution, State law requires that The University contribution to your account be withdrawn and returned to The University. However, you can keep your participation in your account with the ORP vendor, or you can directly roll over your contributions to an Individual Retirement Account (IRA) or another employer plan. You may wish to seek financial advice concerning the effects – including tax consequences – if you decide to withdraw your ORP contributions.
- If you are making any changes to your vendor account (closing the account, rollover of contributions, or other action), contact the ORP vendor directly.
  - **TIAA:** 1-800-842-2888

**Actions required:**

Complete the “Optional Retirement Program of the University of North Carolina Acknowledgement of participation” form (ORP-3 Form) at <https://myapps.northcarolina.edu/hr/benefits-leave/retirement/orp/>

Keep a copy of this form for your records and return the original to UNC System Benefits Office **within 30 days of your termination date**. If you do not complete this form, you will experience delays when you attempt to access funds in your ORP accounts.

For more information on the ORP, visit - <https://myapps.northcarolina.edu/hr/benefits-leave/retirement/orp/>

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# Supplemental Retirement Savings Plans

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## University of North Carolina 403(b), 457(b) and NC Plans 401(k) or 457(b)

- Participation in any of the supplemental plans, ceases as of your employment end date.
- No action is required if you wish to leave existing assets in your account.
- Contact the vendor(s) directly for information about the status of your account, including receiving annuity payments, requesting a distribution of assets, or transferring/rolling over your account assets. You will need to notify the vendor directly if you have an address change.
  - NCPlans (Empower): 1-866-627-5267
  - TIAA: 1-800-842-2888