

Benefits Question and Answer (Q&A)

HEALTH COVERAGE

How long will my health benefit be available?

Health coverage is paid at the beginning of the month and effective through that month. In the event you have a termination date within a month, your health coverage will not end until the end of that month. [E.g. You have health insurance and are terminated on March 10th. Your health benefit is available to you through March 31st.]

If I gain employment with another State of Texas agency, what happens to my health coverage from UH?

If you obtain employment with any State of Texas agency, your health coverage can be transferred with no 90 day wait provided you have NO break in service.

What options do I have with reference to medical insurance once I lose my UH medical coverage?

You have the option of electing COBRA through the Employee's Retirement System of Texas (ERS). Upon termination, ERS is notified and will initiate informing you about your COBRA benefit. You MUST respond with 60 days of notification to elect the COBRA benefit which can be available for up to 18 months.

TRS RETIREMENT

I have funds in TRS. What happens to that money?

There are several options with your TRS Retirement money.

Option 1: *If you have 5 years of contributions in TRS and have vested, you have the option of leaving the funds in TRS until you decide retire.*

Option 2: *In the event you do not have 5 years of contributions, you may take the funds you contributed out of TRS. Twenty percent (20%) will automatically be taken out and submitted for taxes. An additional 10% will be charged as a penalty for early withdrawal.*

Option 3: *You have the option of rolling your funds contributed into an IRA. In doing so, you will not be taxed nor penalized for this option.*

ORP RETIREMENT

I have funds in ORP. What happens to that money?

In the event you have NOT vested in ORP (vesting: 1 year and 1 day) only the funds you

contributed are available to you. You may roll the funds into an IRA or take them out with the 20% tax penalty and 10% early withdrawal penalty.

In the event you HAVE vested (1 year and 1 day), you then have access to the funds you contributed as well as your matching funds. If you opt to take the funds out, there will be applicable tax penalties.

SICK TIME

What happens to my sick leave when I leave?

An employee who is terminated because of RIF and who is re-employed by the University within 12 months shall have his/her sick leave balance restored.

Will I be paid for any accrued sick leave?

No, you will not be paid for accrued sick leave.

VACATION TIME

What happens to my vacation time?

All accrued vacation time at the time of termination will be paid to the employee within a month of termination after applicable taxes.

OTHER QUESTIONS

When should I expect my final paycheck?

An employee's final check will be submitted to them along their same pay guidelines. [E.g. If the employee is a monthly employee, their last payroll check will be distributed the first of the following month. If the employee is a biweekly employee, their final payroll check will be distributed in the next biweekly paycheck cycle.]

If I am hired before my last day (according to my RIF notification letter), what happens to my benefits?

Individuals hired back at UH or with another State of Texas agency will have their medical benefits continued or transferred to the new agency with no 90 day wait. If the employee has other optional benefits and is rehired at UH, there will be no change in their benefits because their benefits will continue with their hiring department. Depending upon where the employee transfers, they will need to reinstate those optional benefits with that State of Texas agency.

What happens to my Flexible Spending Account?

If you have a Flexible Spending Account (FSA), your benefit ends at the end of the month of your termination. That means you MUST spend the remaining balance of your FSA before the month ends or you will forfeit what has already been taken from your past paychecks.

In the event you wish to have the opportunity to enjoy your FSA through the rest of the FSA period (ends November 15), you will have to pay the remaining balance of your pledge BEFORE you terminate. Please contact the Benefits Office to take advantage of this option.

If I qualify for retirement and opt to do so, may I continue my optional life insurance?

In the event you opt for retirement after a RIF, if you wish to continue your optional life insurance, you must make this election within 30 days of your last day of employment. There cannot be more than a 30 day lapse between termination and election of optional life insurance in retirement. You will have the option for 1 or 2 times your annual salary or you may elect a \$10,000 optional life insurance policy IF you had optional life insurance at the time of termination. If you did not have optional life insurance at the time of termination, you may opt for a \$10,000 optional life insurance policy only if you complete Evidence of Insurability (EOI) and are approved by Ft. Dearborn.