



Insurance and Retirement Options for Terminating Employees

Metropolitan Life Insurance

As a terminating employee participating in the Metropolitan Life Insurance program, at your request you may have issued to you, without medical examination, any type of individual Life or Endowment policy. You must apply for this individual policy within 31 days following the date of termination. If you wish to convert your life insurance, contact MetLife customer service at 1-866-492-6983.

UGA Health and Dental Insurance

Under a Federal law called the "Consolidated Omnibus Budget Reconciliation Act" (COBRA), you and your eligible covered dependents may continue your group health and dental benefits under the plan when your coverage is lost due to a "qualifying event." You and your spouse and/or dependent children must apply for coverage under COBRA following the qualifying event. Then, you must make monthly payments in order to keep your coverage.

What you need to do

If you are covered by a UGA health or dental plan and wish to continue your coverage, you contact UGA Employee Benefits at 706-542-2222 within 60 days of the qualifying event. You will be responsible for making premium payments for your coverage, so you should contact Employee Benefits regarding the amount of your premium payments and when your first and subsequent payments will be due.

Coverage period

Health and dental plan members may continue your coverage and/or the coverage for your dependents for a maximum of 18 months (except as noted in the above chart under "duration of continuation coverage"). If a dependent has a second qualifying event while continuing his coverage as a result of your termination or change in employment, then the maximum period is measured from the first qualifying event that applied to the dependent.

Cost of coverage

The amount of self-payment to be paid by the covered health or dental plan individual shall be 102% of the applicable premium (total cost of plan coverage for a participant), in accordance with procedures permitted by applicable law. Coverage will not be provided if self-payments are not made, in full, when due. No claims will be paid for any medical expenses incurred by a person during any period for which self-payments have not been made. Reimbursements for covered expenses incurred will only be made when all required self-payments have been made. For current COBRA rates, please visit <http://www.hr.uga.edu/benefits/cobra.html>

Address changes after enrolling in COBRA

In order to protect your family's rights; you should keep the University informed of any changes in addresses of family members. UGA will not be responsible for loss of coverage if the COBRA-covered individual provides incorrect or outdated address information. Be sure to contact the Office of Employee Benefits if you are moving out of the area, in the event you need to make changes to your coverage.

Teachers Retirement System of Georgia

Upon termination from TRS covered employment, you may withdraw your contributions and accumulated interest or leave your contributions and interest in the TRS system. No interest is credited to your account after a break in service of more than four years.

If you apply for a refund, your refund from TRS is a lump-sum distribution of the contributions and interest in your account. The taxable portion of your refund is subject to federal and Georgia taxes. To defer taxation, you may elect a direct rollover of the taxable funds in your account to another qualified retirement plan -- 401(a), 403(a) or 401(k); a 403(b) tax sheltered annuity; a governmental 457 plan; or a traditional or rollover IRA, but **not** a Roth IRA.

If you do not elect a rollover, federal tax law requires that TRS withhold 20% federal tax from the taxable portion of your refund. You may also be required to pay an additional 10% federal tax if you are younger than age 59½ when you withdraw your funds.

To apply for a refund of contributions, you must complete the Application for Refund of Contributions Form found at <http://www.trsga.com/>.

If you have 10 years or more of creditable service with Teachers Retirement System of Georgia, three options are available:

1. If you terminate employment after you are vested, your TRS account remains active and accumulates interest for four years. During this four year period, you are eligible for a disability annuity if you become disabled. If you were to die during this period, your beneficiary would receive a survivor's benefit for the rest of his/her life. At the end of the four year period, your account becomes "frozen".
2. You may "freeze" your membership and service credit toward retirement until age 60. At that time, you become eligible to receive a monthly retirement benefit. Benefits are based on your years of service and highest two-year average salary prior to the "freezing" of your account.
3. You may withdraw your contributions and interest into the system at any time, subject to the rules as stated above.

Optional Retirement Plan

You become eligible to receive distributions from your ORP account when you terminate employment or retire. You should seek the advice of a professional tax advisor before making decisions concerning your retirement funds.

Upon termination of your employment with the University System of Georgia you have the following options:

1. You may retain the contract(s) you have selected for investment, allowing the fund to grow until your retirement. Although your deposits will cease, your account will continue to earn interest.
2. You may request a direct transfer of your account to a qualified plan, such as an Individual Retirement Account (IRA). As long as the transfer is made directly from one vendor to another, no taxes will be withheld from your account. Be sure you understand the terms of your ORP contract before you make a transfer. Some accounts impose a surrender fee on an account withdrawal.
3. You may elect a cash withdrawal. Lump sum withdrawals are subject to 20% Federal income tax withholding and a 10% penalty for premature withdrawal if you are under 59½.
4. You may use your fund to purchase an immediate annuity. If you elect to purchase an annuity, your monthly benefit will be based on the size of your fund, your age, and the annuity purchase rates in effect at that time. If you are under age 59½, any amount withdrawn would be subject to a 10% premature withdrawal penalty.

Annual Leave

When you terminate employment, you will receive a lump-sum payment of your accumulated annual leave up to 45 days. The lump-sum leave payment is not subject to insurance or retirement deductions. Only FICA, federal and state taxes will be withheld from this payment.

PayFlex

You are no longer eligible to participate in the PayFlex flexible spending account program when you terminate employment, retire or lose eligibility for benefits. You may continue to submit claims up to the balance in your account as of the date of termination/retirement/loss of benefits.

In order to extend your PayFlex contributions after you terminate, retire, etc., you may elect to have a pre-tax lump sum contribution from your last regular paycheck. The PayFlex lump sum contribution application may be found at

http://www.busfin.uga.edu/forms/health_fsa_lump_sum.pdf

CIGNA Accidental Death and Dismemberment Insurance

Upon termination, an employee insured by the CIGNA group AD&D policy has the option to convert to an individual policy within 31 days of the date of termination with no proof of insurability required. Contact UGA Employee Benefits regarding conversion to an individual AD&D policy at 706-542-2222.

Other Voluntary Benefits

UGA offers employees four voluntary benefits through AFLAC and Boston Mutual. These policies include cancer insurance, accident insurance, critical illness insurance and short-term disability insurance. If you are enrolled in one or more of these policies, they are individual policies that are portable to go with you after your termination of employment. Please contact the appropriate company with whom you carry your policy in order to set up an arrangement for payment of premiums after your termination date.

Additional Information

If you need additional information or have questions, please contact your local business office:

CAES Business Office- Athens
215 Conner Hall
University of Georgia
Athens, GA 30602-7506
706-542-2373

Griffin Campus Business Office
Georgia Experiment Station
1109 Experiment Street
Griffin, GA 30223-1797
770-228-7261

Tifton Campus Business Office
Coastal Plain Experiment Station
P O Box 748
Tifton, GA 31793-0748
229-386-3336