Employee Separations and Information Management

• When an employee leaves Indiana University, it is the department’s responsibility to ensure that all critical university documentation is retained so that business processes continue to run normally.

• *Think about these things to avoid problems:*
  • Use a departmental group account for email when possible (to avoid having critical documentation in individual’s email accounts)
  • Utilize shared files and use generic names
Employee Separations and Information Management

When you know an employee is leaving:

Work with the departing employee to be sure that all critical office documents (paper or electronic) are moved from his or her personal folders to shared departmental locations.

• This includes EMAIL!
• This includes documents in ALL locations (home computer, personal laptop, briefcase, etc.)
Employee Separations and Information Management

2. Remember to have the employee:
   • Set an out-of-office message upon departure indicating new contact information
   • Provide phone/email information for external contacts to others in the department
   • Email external contacts to inform them of the transition (and include the name/email of the new contact)
Employee Separations and Information Management

3. Determine and implement an email transition plan:
   • Employee manually forwards work emails to the department until the account is disabled (seven days after termination date (unless employee meets IU Retiree Status)), or
   • Set the auto forward to send all of the departing employee’s email to the department until the account is disabled
Employee Separations and Information Management

Find more useful information here:

http://protect.iu.edu/cybersecurity/supervisorsguide#employees-leave
Separations

Jane Suhr
Manager, HR Records and Services

April 19, 2012
Separations (Voluntary or Involuntary)

- http://hr.iu.edu/
- Search “separation”
- Supervisor’s Checklist
- Excellent resource to ensure you remember everything
Separations (Voluntary or Involuntary)

- [http://hr.iu.edu/](http://hr.iu.edu/)
- Search “separation”
- List of Termination/Separation Reasons
  [http://www.indiana.edu/~uhrs/relations/termcodes.html](http://www.indiana.edu/~uhrs/relations/termcodes.html)
- Choose reason carefully – it affects rehire status
- Employee Relations should be involved if rehire status is *conditional* or *do not rehire*
- Complete Termination eDoc
Separations (Voluntary or Involuntary)

- **Departmental** Termination eDoc Processing
- Your submission – ideally one pay period prior to term date
  - Be timely - Affects benefits such as retirement payouts, COBRA eligibility
- Complete and submit Adjustment Voucher
  - [http://www.fms.indiana.edu/](http://www.fms.indiana.edu/)
Separations (Voluntary or Involuntary)

- **UHR** Termination eDoc Processing
- UHR will process (approve) during pay period in which separation occurs
  - Support and Service Staff (and PAO who don’t use ePTO) – Adjustment Voucher must be received before approval of eDoc
  - Professional Staff – Verify ePTO calendar is up-to-date and include comment in eDoc
Separation Pay
Support & Service Staff

• Unused holidays that are still available for use within the specific time allowed
• All accrued compensatory time off
• Vacation time
  o An employee must have six months of university service to be eligible for a payout
  o Maximum hours payable based on years of service
    o [http://www.indiana.edu/~uhrs/benefits/rights/separationPay.html](http://www.indiana.edu/~uhrs/benefits/rights/separationPay.html)
Separation Pay Support & Service Staff (continued)

- Separations with IU Retiree Status or Because of Death

- Income protection time (sick time) accruals. Eligible employees enrolled in PERF receive separation pay for unused income protection accruals *in excess of* 152 hours
  - 0% of accumulated hours up to 152.0 hours
  - 25% of accumulated hours in excess of 152.0 through 312.0, and
  - 50% of accumulated hours in excess of 312.0
Separation Pay
Professional Staff

- Unused holidays that are still available for use within the specific time allowed
- All accrued compensatory time off for PAO staff
- Accrued PTO balance
- Accrued honorary vacation (if applicable) up to the max allowed
  - [http://www.indiana.edu/~uhrs/benefits/rights/separationPay.html](http://www.indiana.edu/~uhrs/benefits/rights/separationPay.html#pa)
Separation Pay
Professional Staff (continued)

- Eligible employees (Death or Separation with IU Retiree Status and enrolled in PERF or Retirement Plan 11.25%) receive separation pay for unused income protection accruals in excess of 152 hours
  - 0% of accumulated hours up to 152.0 hours
  - 25% of accumulated hours in excess of 152.0 through 312.0, and
  - 50% of accumulated hours in excess of 312.0
Separation Pay
Professional Staff (continued)

• Staff enrolled in the IU Retirement 10%, 12%, or 15% Plans do not receive separation pay for income protection (sick hours) with the exception noted within the policy:
  - http://www.indiana.edu/~uhrs/policies/appointed/separation_pay.html
Separation Pay

• Additional Exceptions
  • PB employees
  • Employees with interest in both PERF and IU Retirement
  • Contact UHR for help in figuring payout

• Separation Pay Policy:
  • [http://www.indiana.edu/~uhrs/policies/appointed/separation_pay.html](http://www.indiana.edu/~uhrs/policies/appointed/separation_pay.html)
This presentation covers

• What is Retiree Status?
• Benefits of Retiree Status?
• Retiree Health Care Options
Resources

- University Benefits web page: [http://hr.iu.edu](http://hr.iu.edu)

Online Benefits Video

Online Benefit Briefs
What is Retiree Status?

• Many employees leave IU for reason of retirement

• Some qualify for “IU Retiree Status” based on:
  
  age, and

  length-of-service
IU Retiree Status Criteria

- At ages 60, 61, 62 employees covered by PERF on the date of termination will qualify with at least 15 years of IU service.
- Years of IU service are pro-rated for ages that fall between the ages listed above.

<table>
<thead>
<tr>
<th>Age at Termination</th>
<th>Minimum Years of Active Full-Time IU Service</th>
<th>Age at Termination</th>
<th>Minimum Years of Active Full-Time IU Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>30</td>
<td>61*</td>
<td>18</td>
</tr>
<tr>
<td>56</td>
<td>28</td>
<td>62*</td>
<td>16</td>
</tr>
<tr>
<td>57</td>
<td>26</td>
<td>63</td>
<td>14</td>
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<td>12</td>
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<tr>
<td>59</td>
<td>22</td>
<td>65</td>
<td>10</td>
</tr>
<tr>
<td>60*</td>
<td>20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
IU Retiree Status

• Years of IU service means full-time, appointed service excluding periods of leave without pay.

• Sabbatical leaves and leaves for purposes of research of distinction are included.
IU Retiree Status Benefits

• Health Care
  Under age 65 – IU provides primary coverage
  Age 65 and older – secondary to Medicare (supplement)

• Life Insurance - $6,000 IU-paid

• IU Tuition Benefit – same as active employees

• Other courtesies
  Retain IU Email Address
  Campus-specific complimentary services
Health Plan Options (as of January 2012)

1. Retirees may move to their spouse’s IU coverage and retain eligibility.

2. Temporary Continuation of Active Employee Coverage – “COBRA”

3. Under age 65 (not Medicare eligible)
   • IU PPO $900 Deductible

4. Age 65+ (Medicare eligible)
   • Blue Retiree Plan supplement (Insured by Anthem)
“Rules” for Retiree Health Coverage

• Dependents (those enrolled at the time that active employee coverage ends) are eligible to continue coverage.

• Those retirees age 65+ (eligible for Medicare) Must carry Medicare Parts A & B;
  In order to have prescription coverage, must carry a Medicare D plan.

• Retiree/Spouse may split coverage between plans when one is over and one is under age 65
“Rules” for Retiree Health Coverage

• Must enroll in IU Retiree coverage within 60 days of separation.
• Cannot enroll after initially waiving IU coverage
• Cannot reinstate after dropping IU coverage
• Generally cannot add new dependents
• Retirees pay the full cost of medical coverage without subsidy from IU.
COBRA Option – Federal program for all employees losing coverage

• Temporary Continuation of Active Coverage in any of the 4 IU-sponsored medical and/or dental plans

• 18 months (however; COBRA medical ends if you become Medicare age (65) after enrolling in COBRA)

• Advantages:
  • Keep Dental Coverage (dental is not a retiree benefit)
  • Keep PPO $400 Deductible, HDHP or IUHQP (not retiree options)
Options Under Age 65

• The Retiree, spouse, and/or children may enroll in this plan.

• Same PPO $900 Deductible plan as active employees, except:

  Premium is the same as COBRA rate
2012 Premium Rates

IU PPO $900 Deductible Plan – Under Age 65 (same as COBRA Rates)

- One Participant $ 499.79
- Participant and Child(ren) $ 996.93
- Retiree and Spouse $ 1,218.74
- Retiree and Family $ 1,384.06
What is the Advantage of IU-sponsored Coverage?

• The premium is not based on ‘enrolled’ or ‘attained’ age

• The premium is not based on lifestyle factors such as smoking, weight, or on prescription drug use

• Prescription benefit: no deductible or maximum and copays are low
Commercial Plan Cost Comparison

- Female, age 63
- Non-smoker; no pre-existing conditions
- $1,000 deductible
- Office visit copays: $30 primary/$40 specialist
- 20% copay In-Network, 40% copay Out-of-Network
- $3,000 copay maximum
- Prescription Coverage: Tier 1 (generic) $15 copay; Tier 2,3,4, $250 Rx deductible and 40% copay.
- **Estimated Premium: $701.19 / month**
Options Age 65 and Over

Anthem Blue Retiree Plan

• Coordinates with “Original Medicare” like a Medicare Supplement or “Medigap” plan

• Pays Medicare deductibles and copays

• Includes a wellness benefit (in addition to Medicare preventive coverage)

• No prescription coverage (you must also elect a Medicare Part D plan to have prescription coverage)
What Does Blue Retiree Coverage Cost?

- The Retiree pays the full cost of coverage.
- Premiums Change Annually with inflation, but otherwise are not based on age.
- For PPO retiree and dependent coverage, when one is ‘under 65’ and one is ‘over 65,’ separate premiums must be added together.
2012 Premium Rates

Blue Retiree Plan – Age 65+

• One Participant $183.90
• Retiree and Spouse $367.81

• **Note**: to obtain the total cost, you must add the cost of Medicare B (about $100; more for incomes $170K+) and a Medicare D prescription plan (about $16 to $117).
# 2012 Total Health Care Cost

## Couple with split coverage - Monthly premiums

<table>
<thead>
<tr>
<th></th>
<th>Kate  – Age 66</th>
<th>Mike – Age 64</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare A</td>
<td>$0</td>
<td>IU PPO $900</td>
</tr>
<tr>
<td>Medicare B</td>
<td>$100</td>
<td>$499</td>
</tr>
<tr>
<td>Medicare D</td>
<td>$87*</td>
<td></td>
</tr>
<tr>
<td>Blue Retiree</td>
<td>$184</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$371</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Prices range from about $16 to $117, depending on coverage option.
Medicare Enrollment

• Two penalty free opportunities

  1. When first eligible—the month you turn 65, and the 3 months before and 3 months after*

  2. Within 8 months of employer coverage ending

• Otherwise January 1 and March 31 each year—coverage starts July 1 with higher premium

*If you are receiving SS benefits at age 65 you will be automatically enrolled in Medicare A with no waiver-out
Medicare Part D Notice

• Federal law requires employers to notify employees of certain Medicare prescription drug information, deadlines, and penalties.

• IU’s notice is printed annually in the Informed Employee bulletin and at http://hr.iu.edu

• IU covered employees do not pay a penalty to enroll in Medicare Rx plan within 63 days of retiring.

• Premium penalties after 63 days are significant

• Note: there is no 63-day grace period when COBRA ends
University Human Resource Services

http://hr.iu.edu

Click “Benefits”
Retirement Income Sources

• Social Security
• IU Retirement Plan
• PERF
• Personal Savings
  – IU Tax Deferred Account Plan (TDA)
  – IU Retirement Savings Plan 457(b)
Social Security Resources

• Administered by Social Security Administration

Website: www.socialsecurity.gov
IU Base Retirement Plans

• IU Retirement Plan
• PERF
IU Retirement Plan

• Administered by UHRS

Plan Administrator
Sue Dukeman
email: shdukema@indiana.edu
website: hr.iu.edu
IU Retirement Plan

• Approved retirement vendor
  ➢ Fidelity

  National Phone Center: 1-800-343-0860

  Website:
  https://www.mysavingsatwork.com/atwork/iu.htm
IU Retirement Plan

• Approved retirement vendor
  ➢ TIAA-CREF

  National Phone Center: 1-800-842-2273
  Bloomington TIAA-CREF Office:
  (812)349-4440
  Website: www.tiaa-cref.org/indiana
PERF

• Administered by the state of Indiana

Phone: 1-888-526-1687
Website: www.in.gov/inprs/

UHRS PERF Specialist:
Sue Dukeman
shdukema@indiana.edu
Personal Savings

- IU Tax Deferred Account Plan (TDA)
- IU Retirement Savings Plan - 457(b)
- Both plans administered by UHRS
- UHRS Supplemental Retirement Plan

Specialist:
Michelle White
email: mbwhite@indiana.edu
Personal Savings

• Approved Vendors
  ➢ Fidelity
  ➢ TIAA-CREF
Separation of Employment

• Federal and State rules/regulations

➢ Bona Fide

  “Separation of Employment”
  PERF-requires 30 days of separation