Kansas State University
Employee Benefit Information for Separating Employees

Division of Human Capital Services
www.ksu.edu/hcs
Benefits@ksu.edu 785-532-6277

This document provides post-employment information for employees separated from Kansas State University. Please refer to the website above for detailed information on any topic.

FINAL PAYCHECK INFORMATION

The final paycheck may include salary earned as well as payment for unused leave according to K-State leave policy. Any deductions made from paychecks will stop automatically with the last paycheck.

HEALTH INSURANCE OPTIONS

If you had health insurance, your coverage ends on the last day of the month in which you left employment. You will receive packets of information on the Retiree/Direct Bill Program or COBRAGuard or both.

Retiree/Direct Bill: 866-541-7100 If you *retired* and elected to continue with the State of Kansas Health Insurance plan, you will receive information on continuing coverage at the direct bill rate. You may receive several solicitations for insurance, including COBRA. Be sure to respond to the one identified as Retiree/Direct Bill.

COBRAGuard: 866-952-6272 If you *did not retire*, you may continue your health care coverage (including family) under the Consolidated Omnibus Budget Reconciliation Act (COBRA). COBRA is administered for the State of Kansas by COBRAGuard, a separate contractor.

FLEXIBLE SPENDING ACCOUNT (FSA)

http://www.KansasFSA.com **855-750-9440**

If you had a flexible spending account for health care expenses or dependent care, you have until April 15 following the end of the plan year to file claims that were incurred up to the end of the month you leave employment. Contact NueSynergy for further information.

KPERS - Kansas Public Employees Retirement System

http://kpers.org/leaving.html **888-275-5737**

A KPERS member’s vesting status determines the KPERS options available after terminating employment. Being “vested” means that you have earned enough service credit to guarantee a retirement benefit when eligibility criteria are met. You must leave your account balance with KPERS to earn interest or to receive retirement benefits when eligible.

A *vested* member is entitled to retirement benefits without further contributions and has these options:

1. Leave account balance intact and retire when eligible.
2. Withdraw the account balance and pay federal income tax and possible penalties. A request for withdrawal can be made no earlier than 30 days after the last day on payroll.
3. Rollover account balance to another retirement account or IRA – potential tax consequences. A request for rollover can be made no earlier than 30 days after the last day on payroll.

A member who is *not vested* only has options 2 and 3 above. Non-vested members have up to 5 years to decide which option to select.

KPERS retirees may not return to work for any KPERS employer until 60 days after KPERS retirement.

Kansas Board of Regents Mandatory Retirement Plan
http://www.kansasregents.org/regent_retirement_plans
https://www.planwithease.com/ Requests for withdrawals/transfers/rollovers go directly to Plan With Ease.
You have these options on your mandatory retirement account:

1. Leave money in the account. You retain full investment control.
2. Withdraw money and pay federal income tax and possible penalties/tax consequences.
3. Rollover money to another retirement account or IRA – potential tax consequences.
4. Refer to the Kansas Board of Regents memo on the final page of this document for more information about access to retirement funds.

A retiree who participated in the KBOR mandatory retirement plan may be rehired no earlier than 60 calendar days after the retirement date. If rehired, access to retirement funds will be dependent upon prevailing KBOR and retirement provider policy. Questions? Call Human Resources at 785-532-6277.

Voluntary Savings – Voluntary Tax-Sheltered Annuity
See choices above under Mandatory Plan**.**

Deferred Compensation 800-232-0024
ING http://www6.ingretirementplans.com/SponsorExtranet/KS/
You have these options:

1. Leave money in account
2. Withdraw money and pay federal and state income tax (contact ING)
3. Rollover money to another retirement account or IRA (contact ING)

LIFE INSURANCE CONTINUATION OPTIONS (30-day Deadline)
Separating employees are eligible to continue life insurance as indicated below if action is taken within 30 days from last day on payroll. Please contact the Benefits office immediately if you are interested in either the conversion or portability provision.

Basic Term Life Insurance and KPERS Optional Group Life Insurance
Minnesota Life 877-215-1476
Basic term life insurance is a no-cost benefit for active employees equal to 150% of current salary and can be converted or ported as can any optional insurance you have with KPERS. Either option may be continued without proof of insurability. Premiums will be based on your age and coverage selected. There is a strict 30-day deadline for application to KPERS.

Teachers and Employees Association (TEA)
Met Life Contact: benefits@ksu.edu
If you are currently enrolled in TEA Life Insurance, you may elect to continue this insurance after termination. For continuation of TEA insurance only, contact Benefits directly. You have 30 days from your last day on payroll to exercise this option.

LEARNING QUEST – Educational Savings Plan
800-579-2203
If you had a Learning Quest payroll deduction, contributions will stop automatically with the final paycheck. Discuss account options with Learning Quest at the number provided.

KANSAS BOARD OF REGENTS

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TELEPHONE – 785-296-3421
FAX – 785-296-0983
www.kansasregents.org

TO:	Kansas Board of Regents 403(b) Retirement Plan Participant – Mandatory or Voluntary Plan
FROM:	Kansas Board of Regents Retirement Plan Committee
SUBJECT:	Bona fide separation from service required to access KBOR 403(b) Funds (termination of employment or retirement)

Please read the following information to ensure that you do not take distribution from the KBOR 403(b) Retirement Plan if there is no bona fide separation from service, as you will be subject to tax penalties and your retirement contributions will be subject to taxation. The following information is from KBOR Retirement Plan consultants.

The KBOR 403(b) Mandatory and Voluntary 403(b) Retirement Plans are governed by the Internal Revenue Code and regulations. The 403(b) regulations prescribe when access to those funds is permitted.

> **Mandatory Retirement Plan** - While actively employed, you cannot access your Mandatory Plan funds. The only exception is that those covered by a KBOR Phased Retirement Contract can access their Mandatory Plan funds.
> **Voluntary Retirement Plan** - While actively employed, access to your Voluntary Plan funds is permitted, regardless of bona-fide separation from service, if you take a loan or hardship withdrawal or meet one of the following triggering events: age 59 ½, death or disability.

However, if you terminate employment or retire and you know you will be rehired (into any employee or student position) because of a verbal or written agreement with any of the KBOR state universities or KBOR Board Office, then the separation from service is not bona fide and there is not a distributable event to authorize access to 403(b) funds.

If you take distribution from your 403(b) Plan and you are later rehired, if the facts **support** that the intent was to separate from service or retire, the subsequent rehire **would not** create a problem for the 403(b) Plan distributions.

If you take distribution from your 403(b) Plan and you are later rehired, if the facts **do not support** the intent to separate from service or retire, the subsequent rehire **would create** a problem for the 403(b) Plan distribution.

a. If you took a distribution from your 403(b) Plan, you will be subject to a 10% premature distribution penalty. This qualification defect will be for your specific contract.
b. If you rolled funds out of the KBOR 403(b) Plan to another plan, the amount will be taxable regardless of the rollover, and the rollover would need to be reversed to preserve the tax qualification of the receiving plan. If you rolled funds to an IRA that are not timely withdrawn before your tax return is filed, the amount rolled is taxable and there is a 6% excise tax due on the amount in the IRA each year thereafter.

If this were to occur, the employer (the KBOR state university or Board Office) would be responsible for notifying you (and any affected receiving plan for whom there is notice) of the error and correcting the tax reporting and withholding with respect to the distribution. If not corrected, all of your 403(b) contracts will be subject to taxation, and the employer will be responsible for the incorrect reporting and withholding.

As the state university and Board Office cannot provide tax advice, if you have additional questions you are encouraged to seek appropriate counsel from a tax or legal professional.