KANSAS STATE UNIVERSITY | Human Resources

# EMPLOYEE BENEFIT INFORMATION FOR SEPARATING EMPLOYEES

This document provides post-employment information for employees separated from Kansas State University. Please refer to the website below for detailed information on any topic.
www.ksu.edu/hr | benefits@ksu.edu | 785-532-6277

## 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 the date of separation is mid-month, Health Insurance ends the last day of that month. Should the date of separation be the 1st of the month, coverage ends that day. You will receive information regarding options for continuing health insurance.

**Retiree/Direct Bill | 866-541-7100**
If you *retired* and elected to continue with the State of Kansas Health Insurance plan, you will receive an email sent to your K-State email address regarding the Retiree/Direct Bill Program and how to enroll. Depending on your situation, you may want to enroll in COBRA for the allowable 18 months.

**COBRAGuard | 866-952-6272**
If you leave employment, you may continue your health care coverage under the Consolidated Omnibus Budget Reconciliation Act, or COBRA. COBRA is administered for the State of Kansas by COBRAGuard.

## FLEXIBLE SPENDING ACCOUNT, OR FSA

**NueSynergy | MyKansasCDH.com | 855-750-9440**
If you had a flexible spending account for health care expenses or dependent care, contact NueSynergy for claim submission deadlines.

## HEALTH SAVINGS ACCOUNT, OR HSA

**MetLife | www.metlife.com/stateofks/ | 877-759-3399**
Funds in your HSA are yours to use until the funds are exhausted. Contact MetLife with questions.

## HEALTH REIMBURSEMENT ACCOUNT, OR HRA

**MetLife | www.metlife.com/stateofks/ | 877-759-3399**
Funds in the HRA are only available for use through the end of the month that you separated. Contact MetLife with questions.

## KPERS - KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

**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, with 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* can choose from option 2 or 3 above. Non-vested members have up to five years to decide which option to select.

KPERS retirees may not return to work for any KPERS employer until the waiting period is met.

Updated March 17, 2022

## KANSAS BOARD OF REGENTS RETIREMENT PLANS

**kansasregents.org/about/regents_retirement_plans**
**planwithease.com | 855-464-6928**
Plan With Ease is the third party administrator for the KBOR retirement plans and must approve any transaction you submit to your investment provider. Options include:

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, with 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. You are 100 percent vested in this plan

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.

## KPERS 457 DEFERRED COMPENSATION

**Empower Financial | kpers.org/kpers457.html**
**800-232-0024**
You have these options:

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, with potential tax consequences.

## LIFE INSURANCE CONTINUATION OPTIONS

Separating employees are eligible to continue life insurance as indicated below. Please follow the information below for life insurance conversion or portability provisions. Contact the vendor for deadlines.

**Basic Term Life Insurance and KPERS Optional Group Life Insurance**
**Standard Insurance Co. | 844-289-2306**
Basic term life insurance is a no-cost benefit for active employees equal to 150 percent 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. Contact The Standard for more information.

**Teachers and Employees Association (TEA)**
**The Hartford | 877-320-0484.**
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 The Hartford to exercise this option.

## 529 EDUCATIONAL SAVINGS PLAN

**Learning Quest | 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 800-579-2203.

# 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.