

## **Retrenchment – Benefits FAQ for full time faculty**

Note: this FAQ was developed prior to the passage of the American Relief Plan Act of 2021 (ARPA). Eligibility for the COBRA subsidy varies based on several factors. APSCUF encourages you to pay special attention to the COBRA notices from Connect Your Care and the PA Faculty Health & Welfare Fund regarding your eligibility for the ARPA COBRA subsidy.

### **What happens to my benefits?**

Unless you are eligible for retirement or elect COBRA (where applicable), you will no longer have health, dental, vision, or group life insurances. Additionally, your tuition waiver benefits will cease upon separation from the university. If you are enrolled in the Flexible Spending Account (FSA), you will be responsible for any shortfalls in a deficit situation. If your account has a surplus, you may be eligible for COBRA.

### **If I elect COBRA, will PASSHE pay my COBRA premium?**

Per Article 29.J. of the Collective Bargaining Agreement, “Upon separation from the university, the State System shall provide reimbursement of COBRA premiums paid by a retrenched faculty member for the Faculty Health & Welfare Plan and the State System Group Health Plan, *less the applicable active employee premium contribution (emphasis added)*, for a period of six (6) months or until permanent employment begins, whichever comes first.”

### **When do these changes go into effect?**

If you do not elect COBRA, your health benefits will end at 11:59 pm on Friday, June 4, 2021. Dental and vision coverage will end at 11:59 pm on July 31, 2021. If you elect COBRA coverage for health, dental, or vision, coverage will continue as though still actively employed.

### **How do I get reimbursed for COBRA premiums?**

Faculty will need to request reimbursement on a monthly basis. The reimbursement form is available from your university Human Resources office.

### **Can I use my health insurance on my last day of coverage?**

If you do not elect COBRA, it is illegal to use your identification cards on the day your coverage ends. If you or a dependent(s) use your cards, you will be charged for the service.

### **When will I receive my COBRA notice?**

You will receive two COBRA notices. PASSHE’S vendor for COBRA, Connect Your Care, will send you a COBRA notice once they’ve been notified of your separation from the university. By law, PASSHE has 30 days from June 4<sup>th</sup> to notify Connect Your Care (CYC). CYC then has 14 days to mail the notice to your home address. Because dental and vision ends the last day of the month following your month of separation, you can expect to receive a COBRA notice from the PA Faculty Health & Welfare Fund prior to July 31. If you do not elect COBRA during the election window stipulated in your notice, you forfeit your rights to COBRA coverage.

Remember, these notices will not come from your university, PASSHE, or APSCUF. They will come from Connect Your Care (health) and the PA Faculty Health & Welfare Fund (dental/vision). Note that Connect Your Care also handles COBRA for the Flexible Spending Account (FSA) though eligibility varies based on your account balance and claims activity.

### **What happens with dental and vision insurance?**

Dental and vision continue until the last day of the month following your month of separation. With a June 4 retrenchment date, dental and vision benefits will end on July 31, 2021, unless you elect to continue via COBRA.

**Should I still complete the Healthy U requirement?**

Yes. The wellness year runs January 1 – May 31, 2021. While on the preferential hiring list, you are not considered a new employee. You and your enrolled spouse/domestic partner must complete the RealAge Test prior to May 31, 2021, to avoid paying a penalty on your health insurance premiums.

**Can I stay on COBRA during my entire furlough period?**

It depends on the length of your furlough period. Federal law limits COBRA coverage to 18 months for a qualifying event based on a reduction of hours (such as retrenchment or retirement). If you are furloughed longer than 18 months, you will have to find other health insurance once COBRA coverage ends.

If you or a dependent has a qualifying disability, you may be eligible for up to 29 months of COBRA coverage. Please work with your COBRA vendor if this applies to you.

**How long is my furlough period?**

Per Article 29.G of the Collective Bargaining Agreement, the furlough period is a period of time equal to the length of service at the university from where you are retrenched or three (3) years from the date of retrenchment, whichever is less.

**What happens to my tuition waiver benefit?**

Unless you are eligible for retirement and meet the requirements under Article 21.H.4a and 4c, tuition waiver will end upon separation. Generally speaking, eligible faculty members must be in an active pay status on the first day of the semester in order to be eligible for tuition waiver.

**What happens with my group life insurance?**

Per Article 29.J of the Collective Bargaining Agreement, the State System shall continue group life insurance coverage for a retrenched faculty member for a period of six (6) months or until permanent employment begins, whichever comes first, if the group life insurance vendor agrees to make this coverage available for retrenched faculty members at group rates. If the group life insurance vendor does not agree to this extension of coverage, the State System shall not be required to provide this additional benefit to retrenched faculty members.

**Can I continue my group life insurance?**

Conversion of group life insurance is available. Check with your university Human Resources office.

Continuation of Voluntary Group Life Insurance and Accidental Death and Dismemberment Insurance is also available. Check with your university Human Resources office.

**If I am retrenched and eligible for retirement, can I choose to retire before my retrenchment date?**

Yes, you may elect to retire. To qualify for retirement from PASSHE, you must meet the age and service requirements for either the sick leave payout or the annuitant health care program (AHCP). Additionally, if you are with TIAA or Fidelity, you will need to establish a minimum \$10,000 lifetime annuity with your retirement vendor within 90 days after retirement.

**If I am retrenched and eligible for retirement, can I retire at any time during the furlough period?**

Yes, you may elect to retire at any time during your furlough period and up to 90 days from the end of the furlough period and still retain eligibility for PASSHE retirement benefits as long as the lifetime annuity is finalized within the 90 day post-furlough period.

If you submit and finalize the application for annuity within 90 days of retrenchment, the effective date of retirement will be the day after retrenchment. If you submit and finalize the application for annuity after 90 days of retrenchment, the effective date will be the date of your application for retirement if enrolled in SERS or PSERS, or the date you finalize your annuity if enrolled in TIAA or Fidelity.

### How do I know if I qualify for retirement?

PASSHE defines retirement as “A separation from service in which you have attained the required age and/or years of service on your date of separation to be eligible for at least one of the following retiree benefits:

- AHCP – retiree health insurance
- Sick leave payout”

### What are the criteria for qualifying for retirement?

For the AHCP, faculty must meet the age and service requirements outlined below:

#### APSCUF Faculty

Current Hire Date	Retirement Age	Years of Service	Type of Service*
Prior to Fall Semester 1997	60	10	Credited Service
	Any	25	
	Any with Approved Disability Retirement	5	
Fall Semester 1997 to June 30, 2004	60	15	Commonwealth/State System Service
	Any	25	
	Any with Approved Disability Retirement	5	
On/After July 1, 2004	60	20	Commonwealth/State System Service
	Any	25	
	Any with Approved Disability Retirement	5	

For Sick Leave Payout, faculty must meet the age and service requirements outlined below:

#### APSCUF Faculty

Retirement Age	Years of Service	Type of Service
60 or above	5	Commonwealth/State System service as a faculty member
Prior to 60	25	Commonwealth/State System
Any with Approved Disability Retirement	5	

### I am close to qualifying for retirement. Does my service time continue to accrue during my furlough period?

No. Service time is accrued only while in an active pay status.

### I’m confused about retirement eligibility since my SERS statement says I’m eligible for retirement at age 60, or my ARP vendor says I can retire at age 59 ½.

Keep in mind that being eligible for retirement through your retirement vendor and being eligible for retirement from PASSHE are two separate issues. Your retirement vendor refers to your pension or finances; PASSHE’s requirements pertain to the Sick Leave Payout and the Annuitant Health Care Program (AHCP).

### If I am retrenched, do I still qualify for a sick leave payout?

If you meet the age and service requirements, you still qualify for a sick leave payout if your lifetime annuity is finalized within 90 days after retirement.

### I currently have an APSCUF sponsored discount benefit. Will I lose that when I’m retrenched?

Per Article IV, Section C of the APSCUF BYLAWS, active members who have been retrenched continue membership in APSCUF while on the preferential hiring list. This means that you are still eligible for all programs and services offered to active members.

### If I’m eligible for retirement, should I go on unemployment or retire?

This is a decision that only you can make based on your personal circumstance. APSCUF is unable to advise you on which option is best for you.