SAINT PAUL MINNESOTA

Ending Employment with the City of Saint Paul

Whether you are moving on to other adventures such as retirement or ending employment due to unforeseen circumstances, we want to ensure you have a clear understanding of what happens with your benefits. One of your most important tools is understanding your union contract. Contracts can be found here: https://www.stpaul.gov/departments/human-resources/labor-relations/contracts

Separation Process

Work with your department's HR Liaison to sign and submit your Separation of Employment. This last date of employment needs to be consistent on all forms.

Review your information on Employee Self Service (ESS), using a city computer.

- Make sure your address is correct
- Print out your current benefits statement to get a snapshot of your current benefits.

Your Final Paycheck

A copy of your final paycheck will be mailed to your home. If you move the current year that you ended employment, please contact the HR Liaison from your department or email payroll-tass@ci.stpaul.mn.us to ensure your W-2 will be mailed to the correct address.

- Vacation: Vacation payout will either be on your last paycheck or deposited into a Post Employment Health Plan (PEHP) account at Mission Square, depending on your contract language. Vacation PEHP deposits are usually paid to the account within one month of your end date.
- Severance: Employees with a high sick balance and several years of service may be eligible for severance according to their union contract. This is deposited into a Post Employment Health Plan at Mission Square by March 1st of the year after your employment ends. More details regarding PEHP are on page 2.

Benefits

Benefit coverage continues through the month of when you end employment. For example, whether your effective date is August 1st or August 31st, your benefits end with the City on August 31st.

Benefits Continuation: BRI manages both of the City's retiree and COBRA benefits and will send you a packet to continue benefits at your cost. You will have 60 days from the time active coverage ends to elect retiree/COBRA benefits with the benefit start date being the 1st of the month following employment. Using the above example, your benefits would start September 1st.

COBRA Health Insurance

If you are under the age of 65, you will be offered the same plan as you had as an active employee and the deductible continues to accrue. If you are over 65, you will need to have your Medicare Part A and B number to elect the City's Medicare program. Health insurance coverage for COBRA is 18 months. If you have a status change during the year (e.g., divorce, your spouse loses or gains group coverage through an employer, etc.) current City policy allows you to change your coverage within 30 days of the event upon providing proof of the change; contact BRI for specific requirements.

Disability and Life Insurance

Long- and Short-Term disability, as well as AD&D insurance ends when you terminate employment. Supplemental life insurance (self, spouse, child) may continue via COBRA for 18 months, after which you will then have 31 days to port coverage to the insurance carrier.

FSA

If you are enrolled in a Medical Flexible Spending Account (FSA), and you have contributed more than you have been reimbursed at the time you retire, you may continue the FSA via COBRA through the plan year until you have incurred enough expenses to submit for reimbursement. There is no financial tax advantage to continuing to participate in the FSA, but it does allow you to extend the time that expenses can be incurred.

HRA/VEBA

If you had a high-deductible health plans through the City, chances are that you have an HRA/VEBA account at BRI*. Those funds stay with you after employment and there are no carryover penalties.

- You will be responsible for the monthly administrative fees after retirement (automatically deducted from your VEBA/HRA)
- The City does not contribute to the VEBA/HRA after your retiree insurance effective date
- Eligible expenses can be reimbursed tax-free from the VEBA/HRA or the Post Employment Health Plan

Post Employment Health Plan (PEHP)

Mission Square or Meritain will send you a packet of information if you receive a deposit into this account and are only available to use after your employment has ended.

- Deposits are initially made into the Mission Square (formerly ICMA-RC) Money Market Fund, and you can change investments later; their web site is http://www.icmarc.org/
- Contributions and investment growth are tax-free
- Medical expense reimbursements are tax-free
- You can save medical expense receipts for you, your spouse, and dependents from the date of your retirement and get reimbursed when the funds are deposited
- Eligible expenses include health premiums, dental costs, office or prescription co-pays, Medicare Part B premium, and long-term care premiums for you, your spouse, or your dependents (even if your spouse or dependents are not on the City's health insurance plan). Information on eligible expenses can be found in *Publication 502 Medical and Dental Expenses* available on the IRS website or you can contact Mission Square Health at 1-800-669-7400.

*non-represented management excluded

Important: You will periodically receive mailings regarding your benefits that require a response from you; **you can permanently lose your health insurance coverage if you don't return required forms or information by deadlines**. It is critical that everyone have your current address information. If you move after you retire, be sure to provide your new address BRI at 320-316-0521, Mission Square at 1-800-669-7400, and PERA.

Retirement

If you are retiring, please contact your Benefits Specialist – preferably a few months before. They will send you a snapshot email and be available to meet should you have further questions.

Health Insurance Coverage Changes

- You can change your health insurance coverage from family to single or single to family at the time you retire.
- BRI offers open enrollment meetings for both early and regular retirees. Information will be sent to your mailing address in October of each year.
- You can choose a different health plan
- You must complete and return a benefit election form (even if you have no changes)
- Open enrollment changes take effect January 1 of the following year

Health Insurance Plan Carriers

Health insurance for early retirees (under age 65) is currently offered through Medica, and are same plans offered to employees. Health insurance for regular retirees (over age 65) is currently through United Healthcare, and the plans for regular retirees are different from the plans for early retirees. Once you are retired, BRI will send you a letter approx. 2 months before you attain age 65 advising you to apply for Medicare (you will be required to purchase Medicare Part B, and you must not purchase Part D) and complete an application to enroll with the health carrier for regular retiree insurance. If you are 65 or older at the time you retire, you'll need to plan ahead and contact Social Security 2-3 months prior to your separation of employment date to ensure you get enrolled in Medicare Part B by the retiree insurance effective date.

Subsidy: Some contracts have monthly subsidies to offset the cost of the City's health insurance at retirement. This is tied to length of service and based on early retirement or retiring at 65.

Opt-out: Some contracts also have opt-out language for early retirees who are on a spouse's insurance or are continuing other employment with health insurance that allows for the subsidy to be deposited into a Post Employment Health Plan account. The opt-out language is either in your contract or as a standalone MOA on the contract website. **IMPORTANT:** If you choose this option, you **must** fill out the opt-out form that is provided in the retirement packet from BRI and provide proof of alternative coverage. This must also be done each year during open enrollment. Failure to provide this will be mean that you are waiving coverage and will not be allowed back on to the plan. You must opt back in by age 65.

NOTE: This document is meant to highlight information useful to plan for retirement. Benefit administration policies and contract language supersedes information listed.