Employee Benefits

and

Unemployment Insurance

During Separation/Termination
Employee Benefits and Unemployment Insurance
During Separation/Termination

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The information contained in this handout is for general guidance on matters of interest to employees of the University of Illinois. This handout summarizes information about employee benefits and unemployment insurance during separation and termination as a convenient reference tool and is intended for informational purposes only. Benefits described in this handout are subject to change, modification, or elimination without notice. Complete information on benefit plans may be obtained from the Human Resources Service Center (866-669-4772). If there are any differences between the information contained in this handout and the official plan documents, the plan documents will govern.
State, University, and Retirement Benefits

State Benefits

Employees terminating employment must be enrolled in the State health, dental, and vision benefits on the last day of employment to be eligible for benefits continuation through the Consolidated Omnibus Budget Reconciliation Act (COBRA).

The State basic or optional life insurance may be continued through a conversion to classic life or election of portability plan.

LIFE INSURANCE

Under the State plan, life insurance may be continued at the employee’s expense. Basic coverage may be converted to any form of individual life insurance policy (except term insurance) offered by the Life Insurance Plan Administrator. Optional life insurance coverage may also be converted to an individual policy or may be continued through a portable term group policy. Should you choose to continue coverage through one of these methods, the full premium must be paid directly to the Life Insurance Plan Administrator. To continue optional life insurance coverage, you must contact the Group Insurance Representative within 31 days of the date you terminate employment.

The Election of Portability for Optional Term Life form is available online at https://nessie.uihr.uillinois.edu/pdf/benefits/mnlife_elect_port_opttermlife.pdf.


FLEXIBLE SPENDING ACCOUNTS

Because you must be receiving a paycheck to participate in the Flexible Spending Account program, once you have left employment at the University of Illinois, you are no longer eligible to continue making pre-tax contributions. You may, however, continue post-tax contributions if enrolled in COBRA.

For MCAP participants, you must notify the Benefits Service Center (BSC) and (1) complete an MCAP Enrollment/Transaction Form and a Change of Status Certification Form to revoke participation, or (2) contact BSC directly if interested in continued participation through COBRA upon termination. If you do not continue your MCAP participation, expenses must be incurred by the last day of the pay period in which a deduction was taken in order to be eligible for reimbursement.

It is the employee’s responsibility to file reimbursement claims with the proper documentation to the Fringe Benefit Management Company. Reimbursement claims can be submitted up to three months following the close of the plan year. After September 30, any amounts remaining in the FSAs from the previous year (July 1 – June 30) will be forfeited according to IRS regulations.

CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)

COBRA, enacted in 1986, provides employees and their eligible dependents who lose coverage under an insurance program the option to continue coverage. Employees are responsible for the premiums if coverage is continued. For University employees, COBRA applies to the State health, dental, vision and flexible spending accounts. Continuation for COBRA qualified dependents shall be identical to the employee's health, dental, and vision coverage under which they were covered at the time coverage was lost.

Eligibility

The following individuals are eligible for COBRA and must be enrolled in the group health plan the day before separation/termination occurs.

- Employees.
- Annuitants.
- Survivors previously receiving an annuity.
- Spouse.
- Dependent children.
• Child born to or placed for adoption with the covered employee during a period of COBRA.

**Note:** The COBRA Administration Unit reserves the right to retroactively terminate COBRA coverage if an individual is deemed ineligible.

**Effective Date**
COBRA coverage becomes effective the first full day after separation/termination occurs.

**Continuation period**
Employees terminating employment for any reason, including termination of disability benefits and layoff, except for gross misconduct may continue benefits through COBRA for 18 months.

**How to Enroll**
Employees are responsible for notifying the Human Resources Service Center (HRSC) at 866-669-4772 when separating/terminating. HRSC then notifies Central Management Services (CMS) that a qualifying event has occurred. Within 14 days of notification, CMS sends the employee or qualified dependent a letter explaining COBRA rights, an enrollment form, and rate information.

Individuals have 60 days from the date of the COBRA notification letter to enroll. Failure to complete and return the enrollment form by the due date terminates COBRA rights.

**Premium Payment**
Employees pay the entire premium plus a 2 percent administrative fee for COBRA coverage. **Central Management Services (CMS) mails monthly billing statements to the employee's home address** on or about the tenth of each month. Bills for the current month are due by the twenty-fifth of that month and are paid to CMS.

Individuals electing COBRA coverage have 45 days from the date coverage is elected to pay currently due premiums.

Failure to submit payment by the due date terminates COBRA rights.

**Termination**
COBRA coverage ends when the earliest of the following occurs.
- Maximum continuation period ends.
- Covered employee or dependent fails to make timely payment of premium.
- Covered employee or dependent becomes a participant in another group health plan that does not impose a preexisting conditions exclusion or limitation.
- Covered employee or dependent becomes entitled to Medicare.

When COBRA coverage terminates, conversion to an individual health plan without providing evidence of insurability may be available. Contact the appropriate health plan for conversion information. Health plan contact information may be found at [https://nessie.uir.uic.illinois.edu/cf/events/index.cfm?Item_ID=68](https://nessie.uihr.uillinois.edu/cf/events/index.cfm?Item_ID=68).

**Questions**
For questions about COBRA continuation or premium payments, contact the COBRA Administration Unit at Central Management Services (CMS) at (217) 782-2548 extension 6.

For questions about COBRA conversion once COBRA eligibility has been exhausted, contact the appropriate health plan.

**University Benefits**
The optional accidental death and dismemberment and long-term disability insurances **may not be continued** after termination. The University life insurance is portable and may be continued.
LIFE INSURANCE
Under the University plan, you may take your policy with you should you terminate your employment with the University. Your premiums stay the same with a nominal direct-billing fee added. You also have the option to convert your policy to a permanent whole-life insurance plan offered by Reliastar Life Insurance Company. However, premiums for a permanent insurance policy are generally higher than those available for term coverage.

Contact the Benefits Service Center at 866-669-4772 for conversion information.

Retirement Plans

STATE UNIVERSITIES RETIREMENT SYSTEM (SURS)
Payroll deductions for SURS retirement continues until the final paycheck, including paychecks with vacation and sick leave payouts. Contact SURS directly at www.surs.com or 800-ASK-SURS for additional information.

403(B) TAX DEFERRED RETIREMENT PLAN
For information regarding the University's 403(b) tax deferred retirement plan, contact the specific 403(b) vendor for payout or rollover information.

ING
http://www.ingretirementplans.com/index.shtml
800-873-9150 Ext. 4062

American Century
http://www.americancentury.com/services/types/service_summary.jsp?service=403b
800-345-3533 extension 4999

Fidelity Investments
http://www.mysavingsatwork.com/mysavingsatwork.htm
800-343-0860

Metropolitan Life
http://www.metlife.com/Applications/Corporate/WPS/CDA/PageGenerator
800-867-7167

TIAA-CREF
http://www.tiaa-cref.org/advisors/fa_basics/index.html
800-842-2005

STATE 457 RETIREMENT PLAN
Employees should contact the CMS 457 Administration Office for payout and rollover options/information at 1-800-442-1300 or 1-800-526-0844 (TDD/TTY).

SAVINGS BONDS
Any automatic payroll deductions to purchase savings bonds that result in the purchase of a partial bond will be refunded to the employee.

Leave Payout

Sick Leave Payout

CIVIL SERVICE STAFF
At the time of termination, employees with unused accumulated sick leave that was earned between January 1, 1984 and December 31, 1997, may elect to be compensated for up to one-half of the amount.
Employees with unused accumulated sick leave earned prior to January 1, 1984 and on or after January 1, 1998, and/or accumulated while ineligible for compensation under the State Finance Act, are not eligible for any payment or payout.

**ACADEMIC STAFF**

One-half of all unused accumulated compensable sick leave earned between January 1, 1984, and December 31, 1997 is paid out at the time of termination. The remainder is utilized for establishing service credit in SURS. If employees prefer, they may elect to have all of the post-January 1, 1984 unused sick leave days applied toward service credit in the retirement system.

**Vacation Leave Payout**

**CIVIL SERVICE STAFF**

Employees are paid for any vacation leave accumulated and not used as of the employee’s last scheduled workday. If an employee accepts employment at another state agency or institution, under certain conditions, accrued vacation leave may be transferred, subject to the State Universities Civil Service System.

**ACADEMIC STAFF**

Accumulated, unused vacation time, up to a maximum of 48 days, is paid out at the time of termination. If the employee leaves before the termination of their contract, the vacation payout will be prorated for the portion of the year worked.

**Floating Holidays**

Unused floating holidays at the time of termination are forfeited and are not paid out to the employee.

**Compensation**

**Final Paycheck**

The final paycheck for an employee terminating employment or retiring will be produced in the same manner as their previous checks, unless the employee makes changes at the time of resignation. For example, if an employee has direct deposit, the last paycheck will be direct deposited.

If the campus HR office is aware of the employee’s separation/retirement on or before the last day of work, vacation and sick leave payouts will be included with the last paycheck.

**Unemployment Insurance**

**Illinois Department of Employment Security (IDES)**

Unemployment benefits are available as a matter of right to unemployed workers who meet state qualifying and eligibility requirements. State laws vary regarding eligibility for benefits, amount of benefits and amount of weeks during of which may be paid.

**HOW BENEFITS ARE DETERMINED**

The date of your first valid claim starts your benefit year. Your benefit year is the full year that begins on that date. For example, if the date of your valid claim is March 4th, your benefit year will continue through March 3rd of the following year.

Your weekly benefits and the total amount of benefits that can be paid to you during your benefit year depend on the amount of wages for insured work paid to you during your base period.

The Base Period
Your base period consists of the first four of the last five completed calendar quarters. There are four calendar quarters, January-March, April-June, July-September and October-December.

Determining Your Benefit Year and Base Period

<table>
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<th>If your benefit year begins in:</th>
<th>Your base period consists of four calendar quarters:</th>
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<td>January, February, March</td>
<td>October 1 thru September 30 of previous two years</td>
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<tr>
<td>April, May, June</td>
<td>January 1 thru December 31 of previous year</td>
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<tr>
<td>July, August, September</td>
<td>April 1 thru March 31 of the previous and this year</td>
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<tr>
<td>October, November, December</td>
<td>July 1 thru June 30 of the previous and this year</td>
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Example:
If your benefit year begins in March of any year, your base period is the four calendar quarters from Oct. 1 through Sept. 30 of the previous two years. You can file a valid claim and start your benefit year in March only if during your base period of Oct. 1 through Sept. 30 you were paid wages of at least $1600 for insured work and if, in the part of the base period outside the calendar quarter in which your wages were the highest, your wages for insured work were at least $440.

If you meet these base period wage requirements and start your benefit year in March, your weekly benefits and the total amount of benefits which you can be paid to you during your benefit year depend on the amount of wages for insured work paid to you during your base period (Oct. 1 through Sept. 30 of the previous two years).

If you have been awarded temporary total disability benefits under a workers' compensation act or other acts, your base period may be determined differently. Contact your local Illinois Department of Employment Security office for more information.

Your base period consists of four calendar quarters
- Oct. 1 thru Sept. 30 of pervious two years
- Jan. 1 thru Dec. 31 of previous year
- Apr. 1 thru Mar. 31 of the previous and this year
- July 1 thru June 30 of the previous and this year

Total Weekly Benefits
This is the amount of benefits you will be paid for any week in your benefit year if you are out of work and meet all the eligibility requirements (unless you have already exhausted all your benefits).

The size of your weekly benefit amount depends on the amount of wages for insured work paid to you during the two calendar quarters of your base period in which your wages were highest.

In addition to your weekly benefit amount, if you have a non-working spouse or child or children you will receive an additional allowance for dependent(s). A dependent's allowance, if any, plus your weekly benefit amount equal the total amount payable for the week.

Regardless of how much you were paid in your two highest quarters, the total weekly amount payable to you cannot exceed a legislatively set maximum amount.

For any week of unemployment in 2003, the maximum "weekly benefit amount" (WBA) an individual may receive cannot exceed:
- $331 – individual
- $391 - with non-working spouse
- $438 - includes dependent child or children

By law, the minimum weekly benefit is $51.
Your local IETC or IDES office can provide you with a table to confirm the calculation of your benefits. Office locations are available online at http://www.ides.state.il.us/ietc/network/index.asp or you may call 1-888-FOR-IETC (367-4382).

**Total Benefits**
The total amount of benefits that can be paid to you is 26 times your weekly benefit amount plus an allowance for dependents or the total wages for insured work paid to you during your base period, whichever amount is smaller.

You may draw some benefits for a week if you work less than full time because of lack of work. Your earnings for the week must be less than the weekly benefit amount you would draw if you were completely out of work in the week.

If, because of lack of work, you work less than full time in a calendar week for your regular employer (for whom you have worked full time or expect to work full time), that employer is required to give you a Low Earnings Report if your earnings are less than your weekly benefit amount. You may file a claim for reduced benefits for the week any time up to five weeks from the end of the week in which you receive the Low Earnings Report. If your employer does not give you a Low Earnings Report, file your claim regardless and report, accordingly, to your local Department of Employment Security office. The agency will request the Low Earnings Report from your employer.

If you work part time for someone who is not your regular employer --for example, on an odd job-- and your earnings for a week are less than your weekly benefit amount, you must file your claim immediately as though you were entirely out of work. The five-week rule set forth above does not apply to you. **You must report all your earnings from part-time work.**

**Figuring Partial Benefits**
Partial benefits equal the difference between that part of your earnings that exceed 50 percent of your weekly benefit amount and your weekly benefit amount for total unemployment. If the partial benefit amount does not come to an even dollar, it is raised to the next higher dollar, provided it does not exceed your weekly benefit amount. For example:

<table>
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<th>If your weekly benefit amount (not including dependency allowance) is:</th>
<th>$110.00</th>
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<td>50% of that amount is:</td>
<td>55.00</td>
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<tr>
<td>If your earnings are:</td>
<td>76.50</td>
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<tr>
<td>The amount which exceeds 50% of your weekly benefit amount is:</td>
<td>21.50</td>
</tr>
<tr>
<td>The difference between your weekly benefit amount of $110.00, and the amount of your earnings which exceeds 50% of your weekly benefit amount of $21.50, gives you a partial benefit amount of ($110 - 21.50):</td>
<td>$88.50</td>
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<tr>
<td>Raised to the next highest dollar amount:</td>
<td>$89.00</td>
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*Note:* The full amount of holiday or vacation pay will be deducted from your weekly benefit amount.

**INTERSTATE BENEFITS**
Any state you move to will help you file a benefits claim against Illinois and will provide service and assistance comparable to what you would receive in Illinois. This is also true in the District of Columbia, Puerto Rico, the Virgin Islands and Canada. The state in which you file your claim acts as an agent state. File your claim at the unemployment insurance office that serves the area in which you live.

**COMBINED WAGE CLAIMS**
A nationwide arrangement exists that allows you, under certain circumstances, to combine the wages you have earned in more than one state either to qualify you for benefits or to increase your benefits.

If you have worked in other states during the past two years, be sure to tell the claims technician when you file your new claim. You will be given complete information about your rights to file a Combined Wage Claim.
EX-SERVICEMEN'S BENEFITS

As an ex-serviceman, you have potential reemployment rights with your pre-service employer. Applications for reemployment however, must be filed within a certain time limit—generally 90 days after completion of military service or 31 days after completion of initial active duty for training of not less than three months. If you need further information or assistance concerning protection of these rights, contact a veteran’s employment representative at the nearest Department of Employment Security office and its Illinois Employment Service component.

If you had active federal service in the Armed Forces, you may be able to receive unemployment insurance benefits based upon the pay and allowances applicable to your pay grade at the time of separation from active military service. To qualify for unemployment insurance benefits, you must have been discharged or released from the Armed Forces under honorable conditions and, if an officer, you must not have resigned for the good of the service.

File your unemployment insurance claim and register for work at the nearest local office of the Department of Employment Security, bring with your "copy 4" of your DD Form 214, your Social Security card and your record of employment, if any, both before and after military service during the last two years.

Appeals or requests for review should be made at the local unemployment insurance office where you filed your claim.

BENEFITS MAY BE TAXABLE

Your unemployment insurance benefits may be fully taxable on your state and federal income tax returns. The Tax Reform Act of 1986 amended the law to make unemployment insurance benefits taxable if you are required to file a state or federal tax return. You may elect to have federal income taxes deducted and withheld from your unemployment insurance benefit payments.

If you do not elect to have federal income taxes deducted and withheld from your unemployment insurance benefit payments, you may be required to make estimated tax payments using Internal Revenue Service Form 1040ES. State income taxes will not be withheld so you may also need to make estimated tax payments using the Illinois Department of Revenue Form IL 1040ES.

IDES will provide you with Tax Form 1099-G, a statement of benefits paid to you at the end of each calendar year. If you elected to have federal income taxes deducted and withheld from your unemployment insurance benefit payments, the Form 1099-G will reflect the total amount deducted and withheld for that calendar year. The IRS and Illinois Department of Revenue (IDR) will be given the same information.

YOUR SOCIAL SECURITY NUMBER IS REQUIRED

You will be asked to furnish your Social Security account number on the claim forms given to you. Your Social Security number is solicited under the authority of the Internal Revenue Code of 1986 (26 U.S.C. 85, 6011(a), 6050B, and 6109(a). Disclosure of your Social Security number for this purpose is mandatory and must be entered on the forms you submit to claim unemployment insurance benefits.

Your Social Security number will be used to report your unemployment insurance benefits to the Internal Revenue Service as income that is potentially taxable. It will also be used as a record index for processing your claim, for statistical purposes and to verify your eligibility for unemployment insurance and other public assistance benefits. Should you decline to disclose your Social Security number, your claim for unemployment insurance will not be processed.

APPLYING FOR BENEFITS

You may apply for benefits online at https://www.ides.state.il.us/uiapp/index.asp or by visiting one of the IDES office locations. 1-888-FOR-IETC (367-4382)

ADDITIONAL RESOURCES (DOWNLOADABLE PDF FORMAT)
IDES Rules http://www.ides.state.il.us/info/pubs/idesrules.pdf
What Every Worker Should Know http://www.ides.state.il.us/forms/pdf/whatuno.pdf
# Contact Information

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<tr>
<th>Resources</th>
<th>Phone Number</th>
<th>Web Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Office of Human Resources</td>
<td>(217) 333-2590</td>
<td><a href="https://nessie.uihr.uillinois.edu">https://nessie.uihr.uillinois.edu</a></td>
</tr>
<tr>
<td>Chicago Human Resources (UIC)</td>
<td>(312) 996-9305</td>
<td><a href="http://www.uic.edu/depts/hr/">http://www.uic.edu/depts/hr/</a></td>
</tr>
<tr>
<td>Springfield Human Resources (UIS)</td>
<td>(217) 206-6652</td>
<td><a href="http://www.uis.edu/humanresources/">http://www.uis.edu/humanresources/</a></td>
</tr>
<tr>
<td>Personnel Services Office (UIUC)</td>
<td>(217) 333-3101</td>
<td><a href="http://www.pso.uiuc.edu/">http://www.pso.uiuc.edu/</a></td>
</tr>
<tr>
<td>Academic Human Resources (UIUC)</td>
<td>(217) 333-6747</td>
<td><a href="http://www.ahr.uiuc.edu/">http://www.ahr.uiuc.edu/</a></td>
</tr>
<tr>
<td>Central Management Services (CMS)</td>
<td>(217) 782-2548 Extension 6</td>
<td><a href="http://www.state.il.us/cms/">http://www.state.il.us/cms/</a></td>
</tr>
<tr>
<td>FSA Unit</td>
<td>1-800-442-1300</td>
<td></td>
</tr>
<tr>
<td>Fringe Benefit Management Company</td>
<td>1-800-342-8017</td>
<td><a href="http://www.fbmcsbenefits.com/">http://www.fbmcsbenefits.com/</a></td>
</tr>
<tr>
<td>State Universities Retirement System (SURS)</td>
<td>1-800-ASK-SURS (275-7877)</td>
<td><a href="http://www.surs.com/">http://www.surs.com/</a></td>
</tr>
<tr>
<td>Illinois Department of Employment Security</td>
<td>1-888-FOR-IETC (367-4382)</td>
<td><a href="http://www.ides.state.il.us/program/worker.htm">http://www.ides.state.il.us/program/worker.htm</a></td>
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