



# Leaving employment before retirement eligibility

Please note, not all items apply to all employers.

## Employer to-do's: insurance benefits

**All changes in employment or special eligibility situations resulting in a termination of coverage must be processed within 31 days.**

- ☐ Advise the employee that leaving covered employment before becoming eligible for retirement could affect their eligibility for retiree insurance.
- ☐ Terminate the employee's coverage in EBS. Enter the termination reason and required dates.
- ☐ Determine if the employee and dependents are eligible for COBRA. If so, provide the 18-month COBRA notice to the employee and each covered dependent, if needed. Keep a copy of the notice in the employee's file.
- ☐ Advise the employee of options to convert life insurance and Supplemental Long Term Disability coverage, if applicable.

## Employer to-do's: retirement benefits

- ☐ Advise the employee they will lose the ability to make certain retirement transactions, such as applying for disability retirement\* or purchasing additional service credit upon leaving covered employment.
- ☐ Advise the employee of their options of leaving funds in their retirement account or requesting a refund of contributions. Refer the employee to the appropriate retirement member handbook and provide the [\*Leaving Your Retirement System Early\*](#) flyer.
- ☐ If the employee requests a refund, complete the Active/Inactive Member Refund in EES. Report the last day the employee earned compensation, the employee's termination date, the date the employee's final check was issued, and any contributions and wages/leave payments for any quarters of the employee's employment after the most recent quarterly report. Contributions are not due on unused annual leave payments to Class Three employees.

\*Employee has up to one year from termination to apply for disability retirement.

## Employee to-do's

- ☐ Complete the [COBRA Notice of Election](#), if applicable.
- ☐ Complete forms received from MetLife to convert life insurance, if applicable
- ☐ Contact The Standard to convert Supplemental Long Term Disability coverage, if applicable.
- ☐ Submit claims by March 31 of the following year to ASIFlex for eligible flexible spending account expenses incurred by the first of the month following your date of termination.
- ☐ Keep Health Savings Account, if applicable.
- ☐ Review retiree insurance eligibility and funding flyers. Only PEBA can determine eligibility for retiree insurance. Upon reaching eligibility for retirement, complete a [Retiree Notice of Election](#).
- ☐ Review [SCRS Member Handbook](#) or [PORS Member Handbook](#) and [Leaving Your Retirement System Early](#) flyer.
- ☐ Complete a [Refund Request](#) (Form 4101) to apply for a refund, if desired. By law, a refund cannot be issued sooner than 90 days after employment is terminated. Refund may be subject to income tax and other penalties.
- ☐ If State ORP participant, terminate all covered employment to receive a distribution from your State ORP account balance unless older than age 59½. [Contact service provider](#) for forms needed to request a distribution.