HUMAN RESOURCES

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BENEFITS DURING LEAVE WITHOUT PAY (LWOP) GUIDELINES

This document provides guidance to University Human Resources staff for administering employee benefits during an approved Leave Without Pay (LWOP). Benefit continuation is governed by applicable plan documents, university policy, and vendor requirements. When conflicts exist, the governing plan documents control.

Before reviewing benefits, confirm the employee's Banner status:

LWOP with Benefits: University pays the employer portion. Employee is responsible for the employee portion.

LWOP without Benefits: Employee is responsible for both employee and employer portions.

General Benefits Administration

During an approved Leave Without Pay, certain insurance benefits may continue unless the employee elects to cancel coverage or the applicable benefit plan provides otherwise. Because employees do not receive pay while in LWOP status, premiums that remain the employee's responsibility are generally billed through the OSU Bursar's Office.

Failure to pay required premiums billed through the Bursar may result in cancellation of coverage. Premiums cannot be prorated for partial months.

Certain benefits automatically terminate after specified periods. Refer to the applicable insurance policy or plan document for governing provisions.

Health, Dental, and Vision Coverage

Coverage

Your employee benefits coverage, including coverage for any enrolled dependents, will end on the last day of the month in which your layoff effective date occurs ***unless you actively elect to continue eligible coverage*** during your layoff period.

This includes, but is not limited to, medical, dental, vision, life insurance, short-term disability, long-term disability, flexible spending accounts, voluntary cancer coverage, MASA, and any other coverages offered.

Continuing Coverage During Layoff

To continue eligible benefits during your layoff period, you must contact OSU Benefits and return a completed benefits continuation election form within 30 days of your layoff effective date. Election forms received after the deadline cannot be accepted. Coverage may be continued during the layoff period, not to exceed 12 months.

The election form allows you to choose which eligible benefits you wish to continue and which enrolled dependents, if any, you wish to keep covered. To continue coverage for a dependent, you must also continue the applicable employee coverage.

If you elect to continue benefits, you are responsible for the full cost of coverage, including both the employee and employer portions of the premium. Premiums will be billed through your OSU Bursar account and are due by the 15th of each month. Failure to pay premiums when due may result in cancellation of coverage.

You may discontinue elected coverage at any time in accordance with university policies and procedures governing employee benefits. To cancel coverage, you must submit a written request to OSU Benefits. Cancellation will become effective at the end of the month in which OSU Benefits receives your written request.

Coverage Through an OSU/A&M System Spouse

If your spouse is employed by OSU or an A&M System campus in a benefits-eligible position, loss of your coverage may allow you to enroll as a dependent under your spouse's plan. This is considered a Qualifying Life Event.

Your spouse must request the coverage change through PlanSource within 30 days of your loss of coverage. If coverage is transferred to your spouse's plan, premiums are generally deducted from your spouse's pay on a pre-tax basis, subject to applicable plan rules.

If you do not return to work and later separate from OSU at the end of your layoff period, you may have an opportunity to continue eligible coverage through COBRA.

Life Insurance During Layoff Status

Basic life insurance and any elected supplemental life coverage may be continued during layoff status if available under the applicable plan rules and if you elect to continue coverage. If continued, you are responsible for the full cost of the coverage, including any portion normally paid by OSU.

If you cancel basic life coverage during layoff status and later return to work, you may be required to reapply for coverage and provide evidence of insurability within 30 days of your return. Coverage may be denied if underwriting requirements are not met.

If you wish to continue supplemental life coverage outside of the university plan, Lincoln Financial will mail continuation information to your home address on file. You may also contact Lincoln Financial at (800) 837-5254 for questions about portability or conversion options.

Retirement During Layoff Status

While you remain in layoff status, your retirement account(s) remain intact. However, because active pay stops during unpaid layoff status, employee and OSU-paid retirement contributions also stop.

Withdrawal of TIAA or OTRS retirement funds is not available while you remain in layoff status because you are still considered an active employee. To request a withdrawal, you must first officially separate from the university through resignation or retirement, subject to applicable plan rules.

If you return to active pay status in a benefits-eligible position at 0.75 FTE or greater, OSU-paid retirement contributions will resume.

If you elected the Alternate Retirement Plan, time spent in layoff status counts toward your two-year vesting period. If you have less than one year of service at the start of your layoff, you may forfeit OSU retirement contributions unless you accept another benefits-eligible position within the layoff period.

Voluntary 403(b) and 457(b) plans may have different withdrawal provisions. Contact your plan administrator for information about your account and available options.

RESIGNATION

Employment Status

Electing to resign will end the employee/employer relationship with OSU. Some employees choose to resign instead of being placed in layoff status, or they may choose to resign at some point during the layoff period. You must contact OSU HR Consulting Services for more information if you are considering resignation during the layoff period.

If you resign, you forfeit callback rights under OSU Policy 3-0711. Resignation may also change your options under each benefit and retirement program.

Benefit Coverage Upon Resignation

If you resign, your employee benefits coverage, including coverage for any enrolled dependents, will end on the last day of the month in which your separation occurs.

This includes, but is not limited to, medical, dental, vision, life insurance, short-term disability, long-term disability, flexible spending accounts, voluntary cancer coverage, MASA, and any other coverages offered.

There is no option to continue employee coverage directly through the university after resignation. However, you may have COBRA, portability, or conversion options as described below.

Life Insurance Upon Resignation

Basic life insurance and supplemental life insurance generally continue through the end of the month in which your separation occurs.

You may have the option to port or convert life insurance coverage to an individual policy within the timeframe established by Lincoln Financial. Lincoln Financial will mail continuation information to your home address on file. You may also contact Lincoln Financial at (800) 837-5254 for questions about portability or conversion options.

Retirement Programs

Resignation ends your active employment status and may make additional retirement options available. Contact OTRS regarding your account options, which depend on your vested status.

Contact the appropriate retirement plan administrator for information about account options, tax implications, and deadlines:

OTRS: (877) 738-6365
TIAA: (800) 842-2776

OTHER INFORMATION

COBRA, Portability, and Conversion Options

If your coverage ends for any reason, you will receive COBRA paperwork outlining continuation coverage options for you and any enrolled dependents.

Some coverages, such as supplemental life insurance, certain disability products, or voluntary ancillary benefits, may offer portability or conversion to an individual policy separate from the university. If applicable, the vendor will mail information directly to your address on file. Please review all vendor materials promptly, as portability and conversion deadlines are set by the individual carriers.

Flexible Spending Accounts

If your flexible spending account participation ends due to layoff status or resignation, you have 90 days from your FSA coverage end date to submit claims for eligible expenses incurred before your coverage ended.

Expenses incurred after your FSA coverage end date are not eligible for reimbursement unless continuation coverage is elected and available under the applicable plan rules.

Any unused FSA funds that cannot be applied to eligible expenses incurred before your coverage end date will be forfeited.

Healthcare FSAs may be subject to COBRA continuation. Please review COBRA materials from OSU Benefits for your specific situation. Dependent care FSAs are not generally eligible for COBRA continuation. Please review any COBRA or vendor materials you receive and contact OSU Benefits with questions about your available options.

Unemployment Compensation

Whether you are placed in layoff status or choose to resign, you may apply for unemployment compensation through the Oklahoma Employment Security Commission (OESC). The Stillwater office is located at 3006 E. 6th Street, Stillwater, OK 74074. Applications may also be submitted through your nearest state employment office.

Eligibility for unemployment compensation is determined by the applicable state agency based on its rules. You must be physically able and available to work to qualify for benefits.

Leave Balances

Unused annual leave will be paid in accordance with OSU Policy 3-0713. Sick leave may be restored if you return to a leave-eligible position within 12 months.

FREQUENTLY ASKED QUESTIONS

If I accept a temporary appointment at OSU or an A&M campus while in layoff status, what will happen to my benefits?

It depends on whether you elected to continue benefits during your layoff period.

If you elected to continue benefits during layoff, your elected coverage may remain active, provided premiums continue to be paid. If you accept a temporary appointment, OSU may deduct benefit premiums from your pay, including any flexible spending account contributions. If your pay is not enough to cover the full premium amount, the remaining balance will be billed through your Bursar account.

If you did not elect to continue benefits during layoff, your prior benefit coverage will not automatically restart because you accept a temporary appointment. However, depending on the temporary appointment and ACA eligibility rules, you may become eligible for ACA coverage. If this applies, OSU Benefits will send information to your OSU email address about any coverage options available to you and the steps required to enroll.

If I do not elect to continue my benefits during layoff and later accept another full-time, benefits-eligible position at OSU or an A&M campus, what happens?

If you accept a full-time, benefits-eligible position at OSU or an A&M System campus, you will have a new enrollment opportunity as a benefits-eligible employee. You must complete your benefits elections within 30 days of your new position's effective date. Coverage will not automatically reinstate from your prior enrollment. Contact OSU Benefits to initiate enrollment.

What happens if I miss the 30-day deadline to continue benefits during layoff?

If you do not submit the required election form within 30 days of your layoff effective date, continuation through the university will no longer be available. You may still be eligible for COBRA continuation coverage, depending on the coverage type and applicable COBRA deadlines.

Can I cancel coverage after electing to continue benefits during layoff?

Yes. You may discontinue elected coverage at any time in accordance with university policies and procedures governing employee benefits. To cancel coverage, you must contact OSU Benefits. Cancellation will become effective at the end of the month in which your written request is received by OSU Benefits.

Does resignation give me the same benefit continuation rights as layoff?

No. If you resign, you are no longer in active employee status and cannot continue coverage through the university as a laid-off employee. You may still have COBRA, portability, conversion, or retirement distribution options depending on the benefit program.

IMPORTANT NOTICE

University Human Resources developed this information for the convenience of OSU employees. It is a brief interpretation of more detailed and complex materials. If further clarification is needed, the actual law, policy, plan document, contract, or carrier guideline should be consulted as the authoritative source.

OSU continually monitors benefits, policies, and procedures and reserves the right to change, modify, amend, or terminate benefit programs at any time.