



# **Exit Guide for Employees Leaving City of Seattle Employment**

---

2010



**City of Seattle**

Personnel Department



# Table of Contents

<b>Your Benefits</b> .....	4
Continuing Medical Coverage.....	4
Continuing Dental and Vision Coverage.....	5
COBRA .....	6
COBRA Rates.....	7
Accidental Death and Dismemberment .....	8
Long-Term Disability .....	8
Group Term Life .....	8
Long-Term Care .....	8
Flexible Spending Accounts.....	9
Deferred Compensation .....	9
Transit Pass .....	11
<b>Your Retirement Plan</b> .....	12
Vesting .....	12
Withdrawal .....	12
<b>Your Final Paycheck</b> .....	13
<b>Planning for Other Employment</b> .....	15
<b>Re-employment</b> .....	15
<b>Life after City Employment</b> .....	17

# Your Benefits

This Exit Guide explains your options for continuing your City of Seattle health care and optional insurance coverage after you leave City employment. It also provides information about the City's employment reference, rehire policies, and Code of Ethics as they apply to former City employees.

This Guide is for employees who are leaving City employment. This information does not apply to employees who are changing departments or taking a leave of absence.

---

---

## Health Care Benefits

Your medical, dental and vision coverages end the last day of the month you separate from City employment. The following information will help you decide which benefits, if any, you wish to keep after your employment ends. Some benefits can be continued by paying the premiums yourself; others can be converted from group policies to individual ones. Conversion forms are available from your Department's Human Resources representative or the Benefits Unit (206-615-1340).

### Medical Insurance

Your medical coverage ends the last day of the month in which you leave employment. You and your eligible dependents may continue coverage through COBRA for up to 18 months after termination. You may elect to continue medical coverage only under COBRA or with dental and vision coverage. You can also elect dental and vision coverage only. You will receive information about COBRA in the mail at your home a few weeks after your last day (see page 5 for more information).

### Continuing Medical Coverage under COBRA

### Converting to an Individual Plan After COBRA

Both Group Health and Aetna offer medical conversion plans once you've paid COBRA plan premiums for your entire COBRA eligibility period (18 or 36 months depending on your situation). For conversion rates, plan descriptions, and enrollment forms, call:

Group Health	800-358-8815
Aetna	866-901-2922

### Individual Coverage Through Other Plans

There are other health plans that offer individual and family plans which do not require exhaustion of your COBRA plan. Rates are based on age, family status, health and prior coverage. Be sure to confirm whether an individual plan has a pre-existing condition clause that may affect you. Check the "Insurance" section of the Yellow Pages for plan providers and with your personal insurance agent. For a premium estimate, go to [ehealthinsurance.com](http://ehealthinsurance.com) or [healthcare.gov](http://healthcare.gov).

## Your Benefits

### **Individual Coverage Through Other Plans (continued)**

Another resource is the Statewide Health Insurance Benefits Advisors (SHIBA), a free service of the Washington Office of the Insurance Commissioner. They provide a network of trained volunteers who help consumers on their rights and options regarding health insurance and health care access. They assist with private health insurance questions as well as many government programs (Medicare, Medicaid, Basic Health, and the Washington State Insurance Pool). Contact:1-800-562-6900.

### **Washington Basic Health Plan**

The Washington Basic Health Plan is available to applicants who meet income guidelines, live in Washington state, and are not eligible for Medicare. The Basic Health Plan can enroll only a limited number of people; there may be a waiting list. For information, call 1-800-826-2444.

### **Child Dependents Attending College**

College students meeting credit requirements may be able to purchase medical benefits through their school if they no longer have coverage after you separate from City service. Enrollment usually is offered in the fall.

### **Certificate of Coverage**

You may be asked to provide "proof of continuous coverage" when applying for other insurance. When your health care coverage terminates, you and/or your dependents will receive a certificate of coverage that verifies the coverage you were receiving as a City employee. This is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Your current insurance carrier will send this certificate within 4-8 weeks after coverage has terminated. This will be of value to you if you enroll in a health plan that excludes coverage for pre-existing conditions.

### **Continuing Dental and Vision Coverage under COBRA**

Your dental and vision coverage ends the last day of the month in which you leave employment. You and your eligible dependents may continue your dental coverage through COBRA for up to 18 months after termination. You may elect dental and vision coverage only. You may also elect to continue dental and vision coverage with medical coverage.

You will receive information about COBRA in the mail at your home a few weeks after your last day (see page 5 for more information).

Individual dental and vision plans are not available.

## Your Benefits

### Continuing Medical, Dental and Vision Coverage under COBRA

#### COBRA

Congress passed COBRA, the Consolidated Omnibus Budget Reconciliation Act, in 1986. Under this law, you are eligible to purchase continued medical, dental and vision coverage (or dental/vision only) under certain circumstances when your group health plan coverage with the City ends. Upon termination of employment, you will receive a letter at your home address which explains COBRA coverage. **PLEASE MAKE SURE YOUR ADDRESS IS SHOWN CORRECTLY ON YOUR LAST PAYCHECK** to ensure you receive COBRA information in a timely manner.

If you elect coverage under COBRA, follow the instructions included with the COBRA information letter that will be mailed to you. You will pay your premiums by personal check or money order to the City of Seattle. You have 60 days to respond to the COBRA letter.

You and your covered dependents have the right to elect COBRA continuation coverage for up to 18 months if your coverage is lost because of one of these qualifying events:

- Your employment ends
- Your work hours are reduced to the point where you no longer are eligible for benefits

The 18-month COBRA continuation period may be extended to 29 months if you or a family member (who is a qualified beneficiary) is certified disabled according to Social Security at the time of one of the previously mentioned qualifying events. This 11-month extension is available to all covered family members of the disabled for 150% of the regular premium amount.

If you participate in a Health Care Flexible Spending Account, You have the right to continue participation in this program if you elect to continue health care coverage thru COBRA (see page 9).

Covered family members have the right to choose COBRA continuation coverage for up to 36 months if coverage is lost for any of the following qualifying events:

- Death of the employee
- Divorce or legal separation of the employee and spouse or dissolution of the domestic partnership
- A dependent child loses dependent child status under the City's plan

If you do not receive your COBRA notification from City Personnel's Benefits Unit within 30 days of your last day of employment, call (206) 615-1340.

# City of Seattle

## 2010 Monthly COBRA Premium Rates\*

<b>MEDICAL</b>				
<b>Employee Group</b>	<b>City of Seattle Preventive</b>	<b>City of Seattle Traditional</b>	<b>Group Health Standard</b>	<b>Group Health Deductible</b>
Most Employees, Library, SHA & LEOFF II (Non-Represented)	\$ 917.69	\$ 829.37	\$ 884.68	\$814.60
LEOFF I (Non-Represented)	\$ 917.69	\$ 671.46	\$ 884.68	\$814.60
SPMA (LEOFF I)	\$ 917.69	\$ 671.46	\$ 884.68	\$814.60
SPMA (LEOFF II)	\$ 917.69	\$ 829.37	\$ 884.68	\$814.60
Local 77	\$ 1,186.94	\$1,202.65	\$ 1,023.40	N/A
Fire Chiefs (LEOFF I)	\$ 917.69	\$ 671.46	\$ 884.68	\$814.60
Fire Chiefs (LEOFF II)	\$ 917.69	\$ 829.37	\$ 884.68	\$814.60
SPOG (LEOFF I)	\$ 1,161.99	\$ 857.26	\$1,084.83	\$800.46
SPOG (LEOFF II)	\$ 1,161.99	\$1,034.04	\$1,084.83	\$800.46

<b>DENTAL</b>		
<b>Employee Group</b>	<b>Washington Dental Service</b>	<b>Dental Health Services</b>
Most Employees, Library & SHA	\$131.00	\$136.67
LEOFF I & II (Non-Represented)	\$131.00	\$136.67
SPMA (LEOFF I & II)	\$131.00	\$136.67
Local 77	\$141.24	\$157.97
Fire Chiefs (LEOFF I & II)	\$131.00	\$136.67
SPOG (LEOFF I & II)	\$142.42	\$160.43

<b>VISION</b>	
<b>Employee Group</b>	<b>Vision Service Plan</b>
Most Employees, Library, SHA, & LEOFF I & II (Non-Represented)	\$ 7.74
SPMA (LEOFF I & II)	\$ 7.74
Local 77	\$10.03
SPOG (LEOFF I & II)	\$24.39

\*equal to 102% of regular premiums

## Your Benefits

<b>Accidental Death and Dismemberment</b>	<p><b>Conversion of Optional Insurances and Other Benefits</b> It is your responsibility to arrange for conversion of optional insurance plans within the limits noted below. The City has no obligation to provide additional reminders or conversion opportunities. Conversion cards are available from your Department's HR representative or the Benefits Unit at (206) 615-1340.</p> <p>If you have Accidental Death and Dismemberment (AD&amp;D) coverage, it will terminate the last day of the month for which you paid a premium through payroll deduction. Premiums are deducted from the first paycheck of the month for that month's coverage.</p> <p>You can convert your coverage to an individual policy from Hartford. No evidence of insurability is required if you request conversion in writing and pay the initial premium within 31 days of the date your City coverage ends. Dependent coverage can be converted if your dependents were covered on the date your City coverage ended.</p>
<b>Long-Term Disability</b>	<p>Your Long-Term Disability (LTD) coverage ends the last day of the month in which you separate from City employment. You may buy LTD conversion insurance if you were insured under the City's LTD plan for at least one year. You must apply in writing to Standard Insurance Company and pay the first premium within 31 days of the date you lose City coverage.</p>
<b>Group Term Life</b>	<p>Your Basic Group Term Life (GTL) coverage and any supplemental coverage terminate on the last day of the calendar month in which you made a premium payment through payroll deduction. You may convert your group term life insurance to an individual policy without evidence of insurability if you apply in writing to Standard Insurance and pay the first premium within 31 days of the date you lose City coverage.</p>
<b>Long-Term Care</b>	<p>Your long-term care coverage ends the last day of the calendar month in which you made a premium payment through payroll deduction. You may continue your same coverage by contacting John Hancock and paying your premium directly to the insurer within 31 days of the date you lose City coverage.</p>

## Your Benefits

### Health Care Flexible Spending Account

You can continue making contributions to and receiving reimbursements from your Health Care FSA through the end of the calendar year if you elect to continue your medical coverage under COBRA. Contributions after employment are made on a post-tax basis because they are not deducted from a paycheck. You will have until March 31 of the following year to submit reimbursement requests for expenses incurred during the calendar year while under COBRA.

If you do not continue your FSA under COBRA, your participation ends **the day you leave employment**. You will have until March 31 of the following year to submit reimbursements requests for expenses incurred through the date you left employment.

### Dependent Care Flexible Spending Account

Although you can no longer make contributions to the Dependent Care FSA, you can continue submitting reimbursement requests for eligible expenses incurred through the end of the calendar year in which you terminated. You have until March 31 of the following year to submit expenses incurred in the year in which you left employment.

### Deferred Compensation

If you participate in the City of Seattle Voluntary Deferred Compensation Plan, a "457" (governmental, deferred compensation) Plan, you have a number of options available following retirement or departure from City employment. Current federal law allows you to start, stop or change your distribution amount and timing at any time, subject to certain restrictions of the Plan. Until your account is entirely distributed, transferred or rolled over, it will remain active and will be subject to market-related earnings or losses. You may continue to transfer your balance among the investment options (funds) within the Plan and you will have on-line access to your account.

Options to consider following retirement or departure from City employment include:

**Leave Your Money in the Plan** – Leave all your funds in the Plan until you decide to withdraw them at a later date using one of the other options listed below. To avoid substantial federal tax penalties, you must begin distribution no later than April of the year after the year in which you turn age 70½. While the money remains in the Plan, your account will continue to be adjusted for investment earnings or losses on remaining funds, and you will receive the benefit of low administrative costs and City oversight.

**Take Some of the Money Out** – You can elect to receive taxable payments in a number of ways. Remember that your account will continue to be adjusted for investment earnings or losses on remaining funds. Although any distribution will be based on your account's value as of the transaction date, let's assume your

**Deferred Compensation (continued)**

account balance is \$36,000 on the day you initiate action.

- Take periodic, taxable payments (e.g., of \$500 each) on a monthly, quarterly, semi-annual or annual basis until you exhaust your balance.
- Take a partial, taxable lump sum payment (e.g., \$15,000) followed by periodic taxable payments (e.g., of \$300 each) until you exhaust your balance.
- Take a single taxable payment of part of the account balance (e.g., \$5,000), with future distribution(s) delayed until a later time. To avoid substantial federal tax penalties, you must begin your second distribution no later than April of the year after the year in which you turn age 70½.
- Take a taxable lump sum distribution of the entire account balance (i.e., all \$36,000), thereby closing your account.

**Move Your Money to another Eligible Plan** – You also have a number of options. A rollover will not be taxed if funds are transferred according to legal requirements. The transfer or rollover will be based on your City account’s value as of the transaction date.

- Roll over your account balance to an Individual Retirement Account (IRA) held by a bank or other financial institution.
- Roll over your account balance to another employer’s plan if your future employer’s plan is able to accept your funds. (It’s important to check first.) Funds rolled over to other employer plans become subject to the distribution tax provisions of the receiving plan. Depending on the type of employer you move to, the receiving plan may be a 401(a), 401(k), 403(b) or 457 Plan.

Please contact City’s deferred compensation plan administrator, Prudential Retirement, at 1-800-833-5761, to discuss and/or select one of these options. You will not be shown as separated from active City employment until after you receive your final paycheck. If you want to withdraw all or some of your money from your account before the City sends an electronic update of your employment status to Prudential (about 4 to 6 weeks after your last paid day), please call the City’s Benefits Unit at 206-684-7928 and request that your employment status be manually updated with Prudential Retirement.

## Your Benefits

### Transit Pass

If you are paying for an ORCA card through payroll deduction, you must turn in the pass no later than the payday before your last day to stop the deduction. If you do not turn in the ORCA cards, you will be required to pay for the months that remain on the pass.

### Benefits Checklist



#### Leaving the City –Your Benefits Checklist

- Make sure your department has your forwarding address for the COBRA notification
- Complete and submit conversion forms for AD&D, GTL and LTD, if desired
- Call (800) 833-5761 to settle your Deferred Compensation Account
- Call (206) 615-1340 if you wish to continue your FSA account
- Turn in your ORCA card to your department HR representative

# Your Retirement Plan

## Retirement Account

If you are a member of the Seattle City Employees' Retirement System and leave the City for reasons other than disability or service retirement, you must contact the Retirement Office at 206-386-1293 to settle your account.

## Vesting

Members with five or more years of creditable service may vest their retirement account. You will be able to draw a monthly annuity when your age and length of service meet the criteria for service retirement.

For example, if you leave City employment when you are 40 years old with 20 years of service, and you vest your account, you can apply later for a monthly annuity at the age of 52. You can later change your mind and choose to withdraw your contributions with interest instead of waiting to qualify for a service retirement.

## Withdrawal

If you are not eligible or choose not to vest your account, you can apply to withdraw your contributions in a lump sum. Only your contributions, plus interest, will be paid out. You are not eligible to withdraw the City's contributions to your account. There are significant penalties and tax liabilities associated with withdrawal unless you rollover your contributions into another qualified retirement account. Retirement Office staff can provide you with information about your options. It may take up to six weeks for the Retirement Office to process your withdrawal. Contact the Retirement Office as soon as you know your last date of employment.

If your separation from City employment is a service or disability retirement, you will need to discuss your eligibility and options with Retirement Office staff well in advance of your last day of employment.

## Retirement Checklist



---

### Leaving the City - Your Retirement Checklist

- Contact the Retirement Office at (206) 386-1293 to arrange to settle your retirement account.
-

## Your Final Paycheck

<p><b>Vacation Cashout</b></p>	<p>You will receive a final paycheck on the next regular payday after your last day of employment. This paycheck will include cash-out of any unused compensatory time off you have earned.</p> <p>Your unused accumulated vacation balance will be paid out on the next payday following your final paycheck <b>or</b> you may choose to move your vacation cashout into your deferred compensation account, total contributions not to exceed the annual maximum. Contact your Human Resources representative or Benefits if you have questions.</p> <p>If you are separating from a position that is represented under an authorized collective bargaining agreement and you have worked fewer than six months, you may not be eligible for a vacation cash-out. Check your collective bargaining agreement for information.</p>
<p><b>Sick Leave Conversion for Retiring Employees - VEBA</b></p>	<p>Employees who separate for reasons other than retirement do not receive a sick leave cash-out.</p> <p>Eligible retiring employees represented by unions that voted in favor of the Voluntary Employee Benefits Association (VEBA) must convert 35% of their sick leave balance into a tax-free VEBA account. VEBA participation is mandatory. Withdrawals are used for qualified healthcare expenses during retirement, such as medical premiums, copays, and prescription drugs. Eligible employees must complete a VEBA enrollment form prior to leaving City service. The enrollment form is located at <a href="http://personnelweb.ci.seattle.wa.us/benefits/retirement/veba.aspx">http://personnelweb.ci.seattle.wa.us/benefits/retirement/veba.aspx</a> in the documents section.</p>
<p><b>Sick Leave Cashout for Non-VEBA Retiring Employees</b></p>	<p>Eligible retiring employees whose group did <b>not</b> elect to vote or voted against VEBA may convert up to 35% of their sick leave balance into deferred compensation, total contributions not to exceed the annual maximum limit. Or you may instead choose to cash out 25% of your sick leave balance, subject to federal income tax. Contact your Human Resources representative or the Benefits Unit for more information. The conversion calculation and authorization forms are located at <a href="http://personnelweb.ci.seattle.wa.us/benefits/retirement/deferredcomp.aspx">http://personnelweb.ci.seattle.wa.us/benefits/retirement/deferredcomp.aspx</a> under Vacation and Sick Leave Cash-outs.</p>
<p><b>Donating Your Sick Leave</b></p>	<p>With your appointing authority's approval, you can donate unused sick leave to another City employee who has requested sick leave donations. There are two limitations when donating your unused sick leave balance:</p> <ul style="list-style-type: none"> <li>• You must maintain the 240-hour balance required by ordinance</li> <li>• You cannot donate more sick leave than you could use before your last day of employment.</li> </ul>

# Your Final Paycheck

## Other Leaves

There is no cash-out for unused personal holidays, executive leave or merit leave. If you have unused balances for any of these leaves, arrange to take the time off before your last day of employment.

## Final W-2 Form

Your W-2 report of taxable earnings for the calendar year in which you separate from City employment will be mailed to you in January of the following year.

## Payroll Checklist



### Leaving the City – Last Paycheck Checklist

- If you use direct deposit for your paychecks, notify your department's payroll staff whether or not you want your final paycheck and vacation and/or sick leave payouts deposited.
- If you want your vacation cashout to go into your deferred compensation account, contact your Human Resources representative.
- If you are retiring and eligible to move up to 35% of your unused sick leave into your deferred compensation account, contact your department's Human Resources representative.
- If you are retiring and VEBA eligible, you will receive an enrollment form to move your sick leave cashout into a VEBA account for medical expenses post retirement. Complete the form before leaving City service.
- Make sure your department has your correct address for mailing your W-2 forms in January.

# Planning for Other Employment

## Employment Verification

Prospective employers may contact The Work Number to verify your employment and income. Give the person seeking your proof of employment the following information:

1. The Work Number Access Options:
  - [www.theworknumber.com](http://www.theworknumber.com)
  - 1-800-367-5690
2. The City of Seattle Employer Code: 11874
3. Your Social Security Number

## Release Form

If you anticipate using your supervisor, co-workers, or other City staff as employment references, you should let them know your intentions in advance. Also, give them a signed copy of the following release form.

---

### City of Seattle Current Employee and Former Employee General Consent and Information Release Form

NOTE: Under current Washington State law, the City may be required to provide specific information regarding your employment without your direct knowledge or permission. In legal proceedings, information may be provided in response to requests for discovery without your knowledge or consent.

I, \_\_\_\_\_,  
request and authorize the City of Seattle to release information from my records in response to any requests for the same from prospective employers.

I understand that the information I am authorizing the City of Seattle to release includes employment information and may also involve records or assessments of my abilities, performance, attendance, productivity, attitude, conduct, and other work-related characteristics or issues.

In exchange for the City of Seattle's cooperation with this request, I hereby agree not to file or pursue any complaints, claims or legal actions of any kind against the City of Seattle or any of its employees, representatives, or agents arising out of their activities or actions performed in connection with this disclosure of information.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Re-employment

### Re-applying for Employment with the City

You may reapply for City employment at any time. Current job openings are listed on the City's website <http://seattle.gov/jobs/>

Unless you were laid off from City employment and rehired within 12 months of your layoff, you will be considered a new hire for most purposes. Your service credit for layoff and salary step placement will not be reinstated. However, your vacation accrual rate *will* reflect your prior service. For example, if you were accruing 18 days of vacation per year when you separated, you will start at that same accrual rate. If your separation was for a reason other than resignation, quit or discharge and you are rehired into a non-temporary position, any unused sick leave balance from your prior period of employment will be restored.

If you withdrew your retirement contributions upon separation, you will have an opportunity to repay them, with interest, in order to buy back your retirement service credit.

As long as you separate from the City in good standing, you may be eligible to apply for employment through Contingent Workforce Programs.

If you were discharged, you must obtain the Personnel Director's approval before you can be considered for re-employment. Send a letter explaining the circumstances of your termination and the reason(s) you believe you should be eligible for rehire to:

Personnel Director  
City of Seattle - Personnel Department  
P.O. Box 34028  
Seattle, WA 98124-4028

# Life After City Employment

## Prohibited Conduct after Leaving City Employment

It is a violation of the Code of Ethics for an individual who has separated from City employment to disclose or use any confidential information gained by reason of his or her City work.

It is a violation of the Code of Ethics for a former City employee, for a period of 1 year following separation from City employment, to:

1. Communicate, on behalf of any person on a matter involving the City, with an employee of the agency of the City with which he or she was previously employed.
2. Participate in a competitive selection process for a City contract in which the former employee assisted the City to define the scope of the project, work to be done, or process to be used.

It is a violation of the Code of Ethics for a former City employee, for a period of 2 years following separation from City employment, to assist any person on a matter in which he or she participated.

## Post-Employment Checklist



- Ask staff about providing employment references.
- Complete and distribute Information Release Form.
- Read: Standards of Conduct After Leaving City Employment.