

## CONTINUATION OF STATE BENEFITS AT TIME OF LAYOFF

BENEFIT	OPTIONS
<b>Health, Dental, Vision</b>	<p>If you are laid off, you may elect coverage under your spouse if he or she is an active State of Michigan employee. Contact the MI HR Service Center at (877) 766-6447 to enroll.</p>
	<p>At the time of layoff, if your spouse is a State of Michigan retiree, insurance coverage may be transferred to your spouse's retiree coverage. The retiree must contact the Office of Retirement Services at (800) 381-5111.</p>
	<p>If you are laid off, you may be eligible to pre-pay the "Employee's Share" of your bi-weekly group health/HMO, dental, vision and life insurance premiums for the first two pay periods after layoff by having the premiums deducted from your last paycheck. The State will then contribute the "State's Share" of the premiums. The pre-pay period will count toward your COBRA eligibility period. Please check your bargaining union contract or the Civil Service Regulations regarding pre-pay of your health benefits.</p>
	<p>HR Offices are responsible for notifying the Employee Benefits Division through the EBD/CSC e-mail box with a list of employee ID numbers who have requested the pre-pay.</p>
	<p>You will be eligible to continue your State Sponsored Group Insurances by paying the full premium directly through COBRA. The total length of time your State Sponsored Group Insurance coverage can be continued through COBRA, depends on your bargaining unit designation or Civil Service Regulations. A new COBRA premium assistance benefit may be available to laid off employees who are (1) working, or on an FMLA leave when laid off (2) not eligible for other insurance. The change in the COBRA law may entitle you to a 65% reduction in premiums for nine months for health, dental and vision insurance only. Information regarding the premium subsidy will be included in your COBRA application packet.</p> <p>Your HR office will mail a COBRA application (Form CS 1820 - rev. 4-09) that contains information regarding the premium and non-premium costs of COBRA. Mail your completed application to the Employee Benefits Division within 60 days. If no action is taken by you, your group insurance coverage will end and cannot be restored until you return to active State employment. Contact the Employee Benefits Division at (800) 505-5011 should you have any questions.</p>

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<b>Flexible Spending Accounts (FSA)</b>	<p>Contact the Employee Benefits Division at (800) 505-5011 prior to your layoff date if you wish to continue to participate in your <b>Medical Spending Account</b>. FSA Debit Cards are turned off as of the layoff date unless EBD is contacted prior to that time. You may opt to have the remaining contributions for the entire plan year taken on a pre-tax basis from your last paycheck. If you are enrolled in a <b>Medical Spending Account</b>, you may self-pay on a post-tax basis to continue your eligibility through the end of the year. You may only submit expenses you incurred prior to your layoff date. Any <b>Dependent Care Spending Account</b> claims incurred after the layoff date will be rejected. It is important that you contact the Employee Benefits Division to stop your contribution prior to your last day worked. You may only submit <b>Dependent Care Spending Account</b> claims that were incurred prior to your layoff date.</p>
<b>Life Insurance</b>	<p>You have the option to pre-pay for life insurance continuation for two pay periods. You also have the option to extend your life insurance coverage for a period of time specified in your union contract or the Civil Service pay regulations.</p> <p>Another option available to you is to convert your group policy to an individual policy with Minnesota Life. For conversion information, call Minnesota Life at (866) 293-6047. To obtain a conversion form online, go to <a href="http://www.michigan.gov/documents/mdcs/ML_Life_Conversion_9-08_250821_7.pdf">http://www.michigan.gov/documents/mdcs/ML_Life_Conversion_9-08_250821_7.pdf</a></p>
<b>Voluntary Benefits</b>	<p>You are encouraged to contact the Benefits for Life toll-free call center at (888) 825-8395 if you wish to continue any of your voluntary benefit plans in which you are currently enrolled.</p> <p>You will receive a letter from the individual insurance company in which you are enrolled after two missed pay periods. The letter informs you how to pay directly if you want to keep your current voluntary benefits active. You are still eligible to utilize your current discount card until its expiration date.</p>
<b>Long-Term Care Insurance</b>	<p>If you are laid off, you may port your long term care insurance by continuing to pay the premiums. MetLife will begin to bill you directly on a quarterly basis. MetLife can be reached at (800) GETMET8 or online at <a href="http://stateofmichigan.metlife.com">http://stateofmichigan.metlife.com</a>.</p>

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<b>Qualified Parking Reimbursement</b>	<p>If you are laid off, you <u>must</u> seek reimbursement of qualified parking funds within one pay period of the departure or the monies in your Parking Reimbursement Account will be forfeited. Claim forms can be found at <a href="http://www.michigan.gov/employeebenefits">www.michigan.gov/employeebenefits</a>. Click on 'Forms' in the left menu. Contact the Employee Benefits Division at (800) 505-5011 should you have any questions.</p>
<b>Deferred Compensation Distributions</b>	<p>A layoff is not considered a separation from service until the layoff expires and the employee becomes separated. While laid off, an employee may not take distributions or loans from the 401(k) and 457 accounts, but may apply for a hardship distribution for a qualifying event. Please call ING at 1-800-748-6128 for more details on hardships. An employee who chooses to terminate service before the expiration of their layoff may take a regular distribution no earlier than 30 days after their termination date. The <i>Payout Guide</i> will be mailed to each laid off employee and Payout Request forms may be found in the publications section of the plan website at <a href="http://stateofmi.ingplans.com">http://stateofmi.ingplans.com</a>.</p>
<b>Defined Contribution Post-Employment Benefits</b>	<p>Defined contribution employees who are laid off will receive the Guide to Benefits for Defined Contribution Retirement Plan Participants. The Guide to Benefits provides information on the post-employment health and life insurance, disability and death benefits for vested DC employees.</p>
<b>401(k) Loans</b>	<p>Employees with 401(k) loans will need to continue making payments while on layoff to prevent the loans from defaulting. ING will reamortize your loans to be paid on a monthly basis and send you a statement with your new loan payment amount. If loan repayments cease for 90 days, the loan will be considered in default and the remaining balance will become a taxable distribution in the year in which the default takes place and may be subject to additional tax penalties. For employees who choose to terminate service, all outstanding loans will be due in full within 30 days of the termination date. Loans not paid in full within 30 days of the termination date will become taxable distributions in the year in which the default takes place and may be subject to additional tax penalties. Please check with your tax consultant for more details. For questions, please contact ING at 1-800-748-6128.</p>