

# Employee Separation Guide

## *Benefits, Payroll, & Leave Information*



This information is presented in summary form. Please refer to the references provided and official plan documents for specific terms, conditions, and exclusions. If any conflict ever arises between this guide and official documents, the official rules and documents will apply in all cases. This guide is not a contract for the purpose of payment of benefits. Contact Central Human Resources (CHR) for assistance.



**Snohomish County**

**Central Human Resources**

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**Retiring?** For information specific to retirement, please refer to the [Retirement webpage](#).

## Benefits Information

### Healthcare Benefits

Your healthcare benefits will end on the last day of the month in which you were in a paid status. Your healthcare premium contributions are collected one month in advance and are deducted on a semi-monthly basis on the 7th and 22nd of each month, which pays for the following month's coverage. Premium contributions will be canceled or credited back to you, depending on when you separate.

Example #1: If your last day of paid leave/work is March 15<sup>th</sup>, your benefits will end on March 31<sup>st</sup>. Your March 22<sup>nd</sup> deduction is cancelled. Your February 22<sup>nd</sup> and March 7<sup>th</sup> deductions pay for your March coverage.

Example #2: If your last day of paid leave/work is March 25<sup>th</sup>, your benefits will end on March 31<sup>st</sup>. Your March 22<sup>nd</sup> deduction is either canceled or credited back to you. Your February 22<sup>nd</sup> and March 7<sup>th</sup> deduction pay for your March coverage.

Healthcare Premium Contribution Deduction Example			
Hours/Days Worked	Deduction	Coverage Paid For	Separation Date
March 1 <sup>st</sup> - March 15 <sup>th</sup>	March 22 <sup>nd</sup>	Pays first half of April coverage	March 1 <sup>st</sup> thru 15 <sup>th</sup> : March 22 <sup>nd</sup> deduction is cancelled
March 16 <sup>th</sup> - March 31 <sup>st</sup>	April 7 <sup>th</sup>	Pays second half of April coverage	March 16 <sup>th</sup> thru 31 <sup>st</sup> : March 22 <sup>nd</sup> deduction is canceled or credited back to you

When your coverage ends, you may want to explore other healthcare options, such as:

- COBRA (Consolidated Omnibus Budget Reconciliation Act continuation of coverage)
- The [Health Insurance Marketplace](#) ([Special Enrollment Period](#) – you only have 60 days to enroll)
- Individual Insurance - private coverage purchased directly from an insurance company
- Through your Spouse's Employer
- [Medicare](#) (if age 65 or older)
- If retiring, you may be eligible to enroll in the [County's Regence Retiree Medical Plan](#) (Important - Refer to the [Employee Retirement Guide](#) for details).

### COBRA

If you are enrolled in healthcare plans through the County at the time you leave employment, coverage will end on the last day of the month in which you were in a paid status. When your coverage ends, you and your covered dependents can self-pay to continue coverage under COBRA (Consolidated Omnibus Budget Reconciliation Act). In general, you may continue healthcare plans under COBRA for up to 18 months. You can opt to continue your enrollment in any health plan (medical, dental and/or vision) and the Health Care Flexible Spending Account (FSA) you were enrolled in on your last day of employment.

If you choose to participate in COBRA, you are not required to continue all the health plans you had on your last day of employment. For example, you may have had medical, dental, and vision coverage, but you can elect to continue medical only, dental only, vision only, or any combination of these plans when you enroll in COBRA.

After you're enrolled in COBRA, you may discontinue your coverage at any time. You may only change plans during the Open Enrollment period or if you experience a qualifying Change in Status event. As long as you remain on COBRA, you will receive Open Enrollment materials and have the opportunity to change medical plans each year.

If you are leaving employment, Central Human Resources will notify our COBRA Third Party Administrator. You will receive a packet of COBRA materials and an Election Notice. You must enroll in COBRA continuation coverage during your election period, which is at least 60 days long measured from the date the COBRA notice is mailed to you or the date you lose coverage, whichever date is later. There will be no lapse in coverage, and COBRA coverage will be retroactive back to the 1<sup>st</sup> of the month following your date of separation.

#### COBRA Resources

- [COBRA premiums](#)
- [An Employee's Guide to Health Benefits Under COBRA](#)
- [Snohomish County COBRA FAQ](#)

#### COBRA and Medicare

How Medicare and COBRA work together depends on which type of coverage you have first:

- If you are enrolled in Medicare first and then become eligible for COBRA, you can have both Medicare and COBRA. Medicare would pay first and COBRA would pay second.
- If you have COBRA first and then become eligible for Medicare, your COBRA coverage will end.

## **AFLAC**

If you are enrolled in any of the Aflac policies, you may be able to continue your coverage at the same group rates/premium you have had through payroll deduction.

- You can transfer your Aflac policies to direct pay with Aflac or through your DRS retirement account.
- Your premium and coverage remains the same and you can choose to have it deducted through bank draft, pay with a credit or debit card or be billed on a quarterly basis by Aflac and pay by check.
- If you do not want these deductions taken from your final check, you will need to contact the AFLAC representative in advance to cancel your final deduction.
- Contact Randy Wallace at 425-406-8946 or [randy\\_wallace@us.aflac.com](mailto:randy_wallace@us.aflac.com) for more information.

## **Employee Assistance Program (EAP)**

Visit the [Wellspring EAP Portal](#) to access career transition tools including how to manage change, information on relocation, and much more. Call Wellspring at 800-553-7798 for assistance.

## **Deferred Compensation**

If you are enrolled in Deferred Compensation, contact the applicable plan to inquire about your options upon separation from the County, such as penalty-free withdrawals once you stop working for the County, to begin distributions, or to roll over your account. If you were previously contributing to Empower Retirement (Great West), please call 800-701-8255. If you were previously contributing to ICMA, please call 800-669-7400.

Nationwide Deferred Compensation - Refer to the [Fund Withdrawal and Payout Options Guide](#) to learn about your options regarding withdrawals and distributions. To defer some or all of your final paycheck to your Nationwide account to lower the federal income taxes withheld, contact our Nationwide account manager Mike Ferguson at 509-385-7825 or [FERGUSM9@nationwide.com](mailto:FERGUSM9@nationwide.com). Mike will assist you with calculating an

increased amount that is allowable based on your age and [contribution limits](#), and will advise you on potential [catch-up provisions](#) – such as the Age 50+ Catch-Up or the Special 457 Catch-up.

Review current [IRS contribution limits](#) on the Nationwide website.

Type of Deferral	Forms Required
Standard Deferral	<a href="#">Enrollment</a> or <a href="#">Change Form</a> (Submit to CHR at mailstop 503)
Age 50+ catch-up	<a href="#">Enrollment</a> or <a href="#">Change Form</a> (Submit to CHR at mailstop 503)
Special 457(b) catch-up	<a href="#">Change Form</a> and Special Catch-Up Form (Coordinate with Nationwide)

## Flexible Spending Accounts (FSA)

The Healthcare and Day Care FSA have different rules that are applied when you separate:

- **Health Care FSA** - You have the option of stopping participation (no action is required), accelerating payments, or electing to continue payments after tax through COBRA. The advantage of continuing participation under COBRA with after-tax dollars is to avoid forfeiting unused pre-tax contributions. The disadvantage is that you don't benefit from the tax-savings advantage of the plan. You may submit claims for expenses incurred prior to or on your recorded termination date, if you do not extend your coverage through COBRA. All claims must be submitted prior to the end of the current Claims Filing Run Out Period - June 30<sup>th</sup>. If you wish to accelerate payments or elect to continue payments through COBRA, submit the [FSA Termination Form](#) at the time of your separation to Central Human Resources at mailstop 503. Call Navia Benefits at 1-800-669-3539 for more information.
- **Day Care FSA** - Your participation shall cease and no further salary redirection or contributions shall be made. You must submit claims for expenses incurred before your termination date. All claims must be submitted before the end of the Claim Filing Run Out Period – June 30<sup>th</sup>.

## Liberty Mutual Insurance Policies

If you are enrolled in Liberty Mutual insurance policies, you may be eligible to continue your plan(s). Call Liberty Mutual at 1-360-704-0600 Ext. 56372 for more information.

## Life & Disability Insurance

If you are enrolled in Basic Life, Supplemental Life, Supplemental Accidental Death and Dismemberment (AD&D), and/or Long Term Disability Insurance, coverage will end on the last day of the month in which you were in a paid status.

You may be eligible to continue all or a portion of your Basic Life and Supplemental Life Insurance coverage without submitting evidence of good health through [Life Conversion or Portability](#) options:

- **Life Conversion.** The Life Conversion option provides the opportunity for you to obtain an individual life insurance policy that accumulates cash value and is offered at individual insurance rates. Premiums for a Life Conversion policy are substantially higher than your Employer Group plan rates.
- **Portability.** Under the Portability option you may obtain a group life insurance policy to continue 100%, 75%, or 50% of the amount of life insurance coverage (Basic, Supplemental, or both) you had under your Group plan up to a maximum amount.

If you would like more information, review [Notice of Continuation of Coverage](#) and fax it to 1-440-646-9339 to request a quote and necessary enrollment forms. You must make your request within 31 days from your group coverage termination. Please refer to the [Certificate of Insurance](#) for complete details. Call The Hartford at 1-877-320-0484 for more information.

## Retirement

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If you are leaving employment but aren't retiring, you may have the following options:

- Leave your contributions in the plan
- Withdraw your money
- Roll over all of your money to an IRA or eligible retirement plan
- Roll over a portion of your money to an IRA or eligible retirement plan

Review information regarding [withdrawals of retirement contributions](#) on the DRS website. Call the [Department of Retirement Systems](#) at 800-547-6657 for assistance.

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## Payroll Information

### Direct Deposit

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As soon as a Separation Personnel Action is received by Payroll, your direct deposit will be stopped and you will receive a check for your final pay.

### Final Paycheck

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Your final paycheck will be delivered to your department's Payroll Liaison. Coordinate with your Payroll Liaison to receive your final paycheck. Your final paycheck will not be direct deposit.

- If you separate between the 1<sup>st</sup> and the 15<sup>th</sup> of the month, your final paycheck will be available on the 22<sup>nd</sup> of the current month.
- If you separate between the 16<sup>th</sup> and the 31<sup>st</sup> of the month, your final paycheck will be available on the 7<sup>th</sup> of the next month.

### Charitable Campaign Contributions

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To stop your Charitable Campaign Contributions, submit the [Cancellation of Voluntary Deduction](#) form to Finance/Payroll at mailstop 610.

### Parking Garage

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If you park in the Main Campus parking garage and pay your monthly fees via automatic payroll deduction, notify the Parking Garage of your last day at [parking.garage@snoco.org](mailto:parking.garage@snoco.org) or call 1-425-388-3348. Obtain and submit a cancellation form from/to the parking garage.

### Union Dues

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Union dues are deducted on the first pay of the month and are paying for the previous month. No action is required to stop this deduction.

## Leave Information (Classified Employees)

### Sick Leave

The Snohomish County Code, [Section 3A.06.040 - Sick Leave and Disability Leave](#), dictates how sick leave is to be processed at termination for non-represented classified employees. If you are a represented employee, there may be different rules that are applied – please refer to your applicable [Collective Bargaining Agreement](#) for details. The following is a quick summary of Section 3.A.06.040:

- a. Base Cash Payment upon Termination or Death. Upon termination from county employment, an employee will be paid a lump-sum payment from accrued sick leave reserves in the sick leave account up to the maximum amount specified in the following schedule:

Length of Classified Service	Maximum Number of Days Paid	Maximum Number of Hours Paid
Date of employment to end of 5th year	0	0
Beginning of 6th year to end of 10th year	5	40
Beginning of 11th year to end of 15th year	10	80
Beginning of 16th year to end of 20th year	15	120
Beginning of 21st year and thereafter	24	192

- b. Additional Cash Payment upon Termination. Upon termination, employees with 20 or more years of service or who are 65 of age or older will be paid a lump-sum payment of one day of pay for each ten days of accrued sick leave remaining in the sick leave account after the base cash payment made pursuant to paragraph (7)(a) of section 3A.06.040. This payment will be made at the employee's then current pay rate.
- c. Upon termination from the classified service for the purpose of receiving LEOFF2 or PERS retirement benefits, a classified employee may exchange unused accrued sick leave to pay for the retiree medical plan monthly premiums, subject to the following provisions:
  - i. Leave to be exchanged shall be only that leave which remains after the classified employee has been compensated in accordance with (a) and (b) above, if applicable. Leave may be exchanged on the basis of **100 hours** of exchanged leave shall equal **one month of paid medical coverage** for a retiree or retiree and spouse in the county's retiree medical program.
  - ii. You must be eligible to retire under PERS or LEOFF within 3 months of separation to be eligible.
  - iii. Leave may be exchanged in **100 hour** increments, to a maximum of **1,200 hours** (12 months).
  - iv. Leave which is not used, exchanged or compensated for prior to or upon termination is forfeited.
  - v. Upon the death of a retiree, a surviving spouse who has been enrolled in the retiree medical plan may remain on the plan until paid medical coverage has been exhausted.
  - vi. To use your accrued sick leave for retiree medical coverage, contact your Payroll Liaison to complete the [Retiree's Prepaid Medical Premiums Worksheet](#) as you approach your retirement date to ensure current leave balances are being utilized.



## Vacation Leave

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The Snohomish County Code, [Section 3A.06.050 - Vacation Leave](#), dictates how vacation leave is to be processed at termination for non-represented classified employees. If you are a represented employee, there may be different rules that are applied – please refer to your applicable [Collective Bargaining Agreement](#) for details. The following is a quick summary of Section 3.A.06.050:

- a. Cash Payment upon Termination. Upon termination from county employment, an employee shall be paid a lump sum payment for all accrued vacation leave up to a maximum of **240** hours; provided that such payment continues to be allowed under state law. Accrued vacation leave in excess of 240 hours shall be forfeited.
- b. Vacation leave payouts increase your taxable income, which may raise your tax bracket. Federal Tax, FICA and Medicare taxes are all based on your taxable income. If you are enrolled in Nationwide Deferred Compensation, you may consider changing your final deferral which may lower the Federal Tax, but won't affect the FICA and Medicare.

## Floating Holidays

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The Snohomish County Code, [Section 3A.06.020 - Holidays](#), dictates how floating holidays are to be processed at termination for non-represented classified employees. Floating holidays shall be used in the calendar year earned and are noncumulative and non-compensable upon termination, meaning that if you do not use them before you separate they will not be cashed out.

## Leave with Pay Information (Management/Exempt Only)

The Snohomish County Code, [Section 3.68.070 - Leave with Pay](#), dictates how leave is to be processed at termination for Management/Exempt Employees. The following is a summary of Section 3.68.070:

1. Upon termination from the exempt service, including voluntary resignation, up to 60 days (**480 hours**) accrued leave pay shall be made from the current leave account. Calculation of accrued leave pay upon termination shall be based upon a maximum rate of 30 days (180 hours) for each full year completed in the exempt service with a proration of any partial year. Before accrued leave pay is calculated for superior court commissioners, a prorated portion of the leave granted in the year of termination shall be forfeited from the reserve and/or current leave accounts based on the number of months remaining in that year.
2. Upon termination from the exempt service for the purpose of receiving LEOFF2 or PERS retirement benefits, and immediately following termination of employment, an exempt employee may exchange unused accrued leave to pay for the retiree medical plan monthly premiums, subject to the following provisions:
  - a. Leave to be exchanged shall only be that leave which is in excess of leave which may be compensated as shown above. Leave may be exchanged on the basis of 60 hours of exchanged leave shall equal one month of paid medical coverage for a retiree or retiree and spouse in the county's retiree medical program.
  - b. You must be eligible to retire under PERS/LEOFF within 3 months of separation to be eligible.
  - c. Leave may only be exchanged in **60 hour** increments to a maximum of **720 hours** (12 months).
  - d. Leave which is not used, exchanged or compensated for prior to or upon termination is forfeited.
  - e. Upon the death of a retiree, a surviving spouse who has been enrolled in the retiree medical plan may remain on the plan until paid medical coverage in (a) above has been exhausted.
  - f. Note: If an employee has both management exempt and classified service, they may exchange up to 720 hours (60 hours equals one month premium) of their management exempt leave and/or up to 1,200 hours (100 hours equals one month premium) of their classified leave. The total combined hours exchanged for medical coverage may not exceed 12 months of coverage. Example: A management exempt employee that exchanges 600 hours of management exempt leave for 10 months of coverage may also use 200 hours of excess accrued classified sick leave for the 2 months remaining to be at the maximum months of coverage (12 months of coverage).