



To: Kyrene Retiring Employees

Re: COBRA / Spring Benefits Open Enrollment / ASRS Health Insurance Premium Reimbursement / Ending Payroll Verification/ Cash-out Requests (for eligible staff)

Dear Kyrene Retiring Employee:

Congratulations, what an exciting and busy time for you! The information in this letter comes from frequently asked retirement and benefits questions from employees who are getting ready to retire with the Arizona State Retirement System (ASRS). This information also pertains to those who are retiring with ASRS and returning to work the following year through the Kyrene Phased Retirement Program.

FAQ's

When do my active health insurance benefits with Kyrene end?

If you are retiring upon completion of your school year employment contract or notice of indefinite term appointment, your benefits will end June 30. If you are retiring mid-school year, your benefits will end at the end of the month in which your employment ends.

Can I continue my health plans after retiring?

Yes. You will be offered COBRA continuation which is an option to continue using Kyrene health insurance plans at your full cost. If you elect COBRA and pay the monthly premium, you can continue the medical insurance, dental and vision plans you have in place at the time retirement for up to 18 months after your employment ends. If KEBT makes a change in health plans offered or premium cost increases for the plans, these changes will also be applicable to those on COBRA continuation. You will be notified of what your plan options are at the time you retire.

Can I choose COBRA for my voluntary life insurance or the District paid life insurance?

No, life insurance is not a plan that you can elect through COBRA continuation. **You can request to convert or port your life insurance policies** by requesting a quote from our life insurance carrier no later than 30 days after your active benefits end with Kyrene. You may request a form to request conversion/or portability from the life insurance vendor by contacting the benefits office. It is the employee's responsibility to ensure the request is made by the deadline.

When will I get COBRA continuation information if I want to elect it for the health plans, dental or vision coverage that I currently carry?

You will be receiving a COBRA election form in the mail at your home address. For end of school year retirees, the COBRA election form typically arrives to you within the first two weeks in June. Please check all mail carefully, as it will come from our outside COBRA vendor. If you are planning to elect COBRA coverage, you will want to send back the election form and your first payment for the plans you elect to the COBRA vendor as soon as possible to ensure that you have no gap in coverage.

When is my first COBRA payment due?

The COBRA paperwork states that you have 60 days to elect coverage and then 45 days to pay after electing. This is correct, however until you have paid your COBRA premium any claims you might incur before they receive your first COBRA payment will show up as uncovered because your coverage is not technically reinstated until they receive your payment. If you do happen to have a gap, once you have elected and made payment, your coverage will be retroactively reinstated back to the first day of lost coverage. If you incur health claims prior to your coverage being reinstated, you will need to work with your healthcare providers to resubmit any claims that were denied in the interim. For this reason, if you know you are electing the coverage, you may wish to elect and pay as soon as you receive the COBRA letter.

Reminder for flexible spending account (FSA) and health savings account (HSA) Holders

FSA – this IRS account has a “use it or lose it” component per the IRS. Please check your balance online with the vendor prior to leaving employment to ensure you are utilizing your funds within the deadlines for each account. Claims must be submitted with receipts to the flexible spending vendor showing the dates the services were incurred while you were in active employment. There is a short grace period to submit the receipts. In limited circumstances, you may be able to continue your flexible spending account by paying associated contributions after tax with an administration fee added, if you left employment mid school year.

HSA – this IRS account has a “take it with you” feature. You can continue to use the funds in your HSA bank account post-employment until your funds are exhausted. Your HSA bank account card will remain active until the funds are depleted.

Do I need to do the spring benefits open enrollment if I am retiring in May or June? No. You will continue to receive information from Kyrene regarding open enrollment if you are still actively employed, however if you are retiring at the end of the school year, you do not need to complete the online enrollment process for the next school year. If changes are occurring for all plan participants, your COBRA election information and district communications for COBRA participants will detail your plan election options and costs.

Mid-Year Retirees

COBRA is offered to continue health, dental and vision plans that you have in place when you retire. If you have an FSA or HSA account please review the information above on these IRS account types.

Is there a Health Insurance Premium Reimbursement available from ASRS if I am retiring and drawing my pension? Yes. If you elect to participate in COBRA for your medical or dental plans, there is a Health Insurance Reimbursement from ASRS that you may be entitled to once you retire. The amount you may be eligible for is based on your years of service. To determine your reimbursement amount and to get your retirement pension estimates, please log in to your pension account at www.azasrs.gov .

How do I apply for the Health Insurance Premium Reimbursement (HIPR)?

Your election into the COBRA plan and first payment to our COBRA carrier must be confirmed by Kyrene before we can send the applicable HIPR form to ASRS. Once COBRA participation and payment has been verified with our vendor, your HIPR form will be completed and forwarded to ASRS on your behalf. You are welcome to complete and return the ASRS form to us, but we also will watch for your COBRA participation and submit a form for you, if we have not received it.

When and how will I receive the Health Insurance Premium Reimbursement?

Generally, it takes 3 months for the ASRS to process and pay the first installment of your premium reimbursement. The ASRS sends the payment to Kyrene in a single check for all retirees each month after they have processed your request. This check is deposited into the Kyrene Employee Benefit Trust monthly. Our Kyrene accounts payable department will cut a check to you individually for your share of the reimbursement. You will receive your first check around mid- October to your home address if you are retiring at the end of the school year. Your first payment includes retroactive payments back to the first month of your retirement. **You must always pay your monthly COBRA premium in full.** Please do not reduce the amount that you pay to the COBRA vendor. The COBRA vendor does not track ASRS premium reimbursements and will deny partial payments and will cancel your COBRA coverage.

When does my premium reimbursement end?

When you discontinue your COBRA plan during the 18 months or you have reached the end of your 18 months of coverage, your ASRS premium reimbursement ends. Please notify the Kyrene Benefits department when you have stopped your COBRA coverage, so that we can update ASRS on your behalf. If overpayments are made of the premium reimbursement for months you did not have COBRA coverage, you will be required to

reimburse ASRS. There are certain circumstances such as disability that could extend your COBRA for additional months, please refer to the COBRA information you receive from the COBRA carrier.

What if I return to work following my retirement?

You will need to review the 20/20 rules on the ASRS website or contact ASRS directly. Please also contact the Kyrene Talent Management department to ask about any Kyrene rules regarding return to work. If after returning to work you become eligible for employee health benefits, you will be notified.

Will I receive a cash out of my accrued sick/ personal/ vacation time?

You may be eligible for a cash out. Please check the Meet & Confer or Terms & Conditions document for your employee group. These documents are posted online at www.kyrene.org under Talent Management. If you are eligible for a cash out, you may choose to deposit some or all of your money into an existing optional 403b account to save money through Kyrene's current vendor. Eligible retiring employees hired or rehired on or after July 1, 2019 will be paid out only through a direct deposit into a 403b account upon retirement. Choosing to disburse your some or all of your cash out to the 403b saves you from paying taxes on the deferred income, up to allowable IRS annual limits.

If you do not have an existing 403b account with the Kyrene vendor when you are planning your retirement and need to set one up, please begin the account set up process at least 6-8 weeks prior to your last day of work to ensure the account is established to receive your cash out. In addition to the account set-up, you must also complete the applicable **Retirement 403b Cash out Request form** and return it to the Payroll department at least one month prior to your retirement date. The form should be returned to payrollstaff@kyrene.org. The form is posted on the Kyrene website, under Talent Management and Payroll for your access.

I've deposited my cash out into the 403b. How soon can I request a transaction to gain access to these funds? If the funds are posted, you can request a transaction. Generally, this is 6-8 weeks post retirement. The 403b vendor system must be updated with your employment end date prior to allowing a rollover or cash out of funds from the 403b vendor. Your employment end date is processed only after all pay from Kyrene has been transferred to the Arizona State Retirement System for you. Once this occurs, your end date is updated with the 403b vendor.

Who processes the required Ending Payroll Verification for ASRS for my pension?

The Kyrene Finance Department / Payroll processes this verification for you. The ASRS requires that Kyrene verifies your ending payroll amount to accurately calculate your pension. Once you have notified the ASRS of your retirement date, the ASRS will generate the verification for you and will submit it electronically to our payroll department on your retirement date. Your payroll representative will complete this form after the last paycheck that is issued to you. Please contact your Kyrene payroll representative if you have any questions.

I hope you have found this information helpful. Our best wishes to you as you begin your new journey! Please let us know if we can assist you.

The Kyrene Benefits Team:

- **Deb Spurgin**, GBA – Chief Benefits Officer, (480) 541-1315
- **Dina Lanzo** – Benefits Specialist, (480) 541-1302
- **Michelle Hughes** – Benefit Specialist (480) 541-1317
- **Renee Monroe** – Leave Management Specialist (480) 541-1307