

Faculty Voluntary Severance Incentive Plan (VSIP) **Frequently Asked Questions (FAQs)**

These FAQs are designed to provide general information in response to frequently asked questions about the VSIP. Nothing herein shall override the terms of the VSIP Plan Document. To the extent that there are any inconsistencies between these FAQs and the Plan Document, the Plan Document shall prevail. These FAQs may be updated or amended as additional information becomes available.

When will I know of any extensions to my separation date?

Extension requests from employees who are eligible to participate in the VSIP are not being accepted. After the consideration period ends, Academic Affairs will review programs where multiple faculty may be departing to determine if any extensions may be required in order to maintain program continuity. This is expected to be completed by Friday, August 20, 2021. Those impacted will be contacted at or about that time to confirm their exit date or alternate date.

What happens to my Canvas Courses? Can I Export them?

We can export most recent course content into a standard zip file that instructors can have loaded up to another Canvas server (or reloaded to ours as necessary). Please note that zip file only includes course content and not student work. We can also delete all an instructor's Canvas courses off our server, although this will also delete all the student work. Please contact Bill Jones at wjones20@emich.edu

Can we buy our computers?

No, Computers must be returned to the CRP program to fulfill the cascade portion of the program.

Who can I contact at TIAA?

If an individual is looking to contact TIAA they should do so via our main representative.

Shar Banks ChFC®, CFP®
Sr. Financial Consultant | TIAA Financial Solutions
TIAA
2090 Commonwealth Blvd
Ann Arbor, MI 48105
Phone: 734.332.3574
FAX: 614.932.9566
Shar.Banks@Tiaa.org
www.tiaa.org

Will my banked sick leave be paid out?

Sick leave will be paid out to the extent required by the governing Collective Bargaining Agreement. A Faculty Member hired prior to July 1, 1979, who satisfies the minimum age and service requirements hereinafter provided and separates from employment with EMU for retirement purposes, shall be paid fifty percent (50%) of his/her Unused Accumulated Paid Sick Leave, as provided for in Article XI.A.1., effective the date of his/her termination. Such payments shall be made at the Faculty Member's regular base rate of pay as of the date of termination.

Do I complete paperwork saying that I am leaving EMU?

No, you do not have to complete any notification besides the VSIP agreement and paperwork with EPC. EMU will be notified of your election and will take proper steps to complete your exit. If you would personally like to contact any colleagues or make a personal notification you may do so. EMU will not be making any public announcements on members taking the VSIP and their exit dates.

I'm an Administrator who also holds faculty tenure and I will return to Faculty (FA) by August 1, 2021. Will I be paid out my annual leave time?

Yes, payout of annual leave will occur as is the normal process when a member transitions from being an Administrator back to FA classification.

Will I be eligible for Emeritus status?

While the VSIP is not a retirement program per se, EMU has made an exception such that eligible participants who meet all other requirements for applying for Emeritus status may apply for the same. Please see the EMU Website devoted to this topic.

<https://www.emich.edu/emeritus/>

<https://www.emich.edu/hr/forms/benefits/emer-application-facultyform.pdf>

Clarification Retiree Benefits

1. This section is to clarify that the medical benefits described in MP 1051 through 1057, which are commonly referred to as medicare supplement reimbursement, remain available for VSIP participants who qualify for such benefits pursuant to those Marginal Paragraphs.

We are making this clarification as we have received many questions surrounding this specific benefit and given the fact that EMU will support otherwise eligible VSIP participants for emeritus status. We would like to further re-emphasize that all other "retirement"-related benefits described in the As You Retire pamphlet, whether described in the AAUP contract or not, are not available to VSIP participants.

The "As You Retire" flyer, consolidates what is generally understood as what benefits are included by "retiring" under the AAUP contract.

As You Retiree document - Retirement Benefits at a Glance:

- a. Not Eligible - Employee paid Medical - Offered to age 65 (non-MPSERS)
- b. Not Eligible - Employee paid Dental - Offered for life (non-MPSERS)
- c. Not Eligible - \$7,000 Life insurance
- d. Eligible - Application for Emeritus status
- e. Eligible - Medicare Supp Reimbursement after age 65 (TIAA Retirees)

VSIP Questions Regarding COBRA and Healthcare Benefits

1. How will I enroll in COBRA coverage if I elect to take the VSIP?

EMU will notify BASIC, our COBRA administrator, of your eligibility. After your employment with EMU ends, you will receive COBRA notification and related paperwork in the mail as is required by law. As a VSIP participant, you will receive confirmation that EMU is paying your COBRA and that no payment is required by you.

2. Will there be a gap in my insurance?

No, there will be no gap in your coverage. EMU's coverage will end on August 31, 2021. Your COBRA benefits will be effective September 1, 2021. There will be an administrative processing period where your coverage will be inactive during this switch. Any claims will be repossessed, and coverage will be continuous.

3. I have a Flexible Spending Account. What happens to those funds in my account?

If you have terminated employment under VSIP, and still have money left in your FSA account, you have 90 days from the date of termination to submit receipts. These receipts must have a date of service not after your date of termination. Therefore, you would have up to August 31, 2021 to incur expenses.

4. I have a Health Spending Account (HSA) through the HDHP plan. What happens to those funds in my account?

Funds in an HSA are always yours and are not subject to any termination rules. You are free to use it for qualifying expenses that you may incur in the future. If you accept employment with another employer in the future that offers a HDHP plan with a HSA, the funds in your HSA account are portable which means that you may roll them over into your new account with your subsequent employer.

5. Drug coverage is not explicitly included in any exhibits, is drug coverage included?

Yes, drug coverage is included. Your COBRA health benefits include the same prescription drug plan that you are provided as an employee of the University. If there are plan changes as a result of the collective bargaining process, the changes to the plan design will apply to you as well.

6. Vision coverage is not explicitly included in any exhibits, is Vision coverage included?

If you have elected medical insurance through EMU it includes Vision. Your COBRA health benefits, including vision, will continue during the COBRA period. If there are plan changes as a result of the collective bargaining process, the changes to the plan design will apply to you as well.

7. I do not want COBRA coverage for the full 18 months. Who do I contact?

Please contact EMU via email at HR_Benefits@emich.edu ASAP if you are electing alternative coverage. We will need to work with you to understand the situation and work to edit the VSIP benefit offer being made to you by EMU.

8. Do I need to participate in EMU Open Enrollment in the fall of 2021 for my benefits for 2022?

No, you do not have the ability to make changes during Open enrollment. Your benefit elections will continue in the plan and at the coverage level that you were in as of the time of your separation from the University. You may be able to make changes, to the extent required by law, if you have a qualifying event during the time that you are participating in the plan while on COBRA.

9. Are COBRA benefits a taxable to me?

No, the COBRA benefits will be paid directly to the insurance carrier on your behalf per the terms and conditions of VSIP. As such, COBRA is not a taxable event for you, the VSIP participant.

Questions related to Medicare

The below are general FAQs related to Medicare and the VSIP. Nothing below shall be construed as advice relative to a participant's decisions related to Medicare. Participants are encouraged to see advice from a qualified personal representative on matters related to Medicare. Additional information is also available via Medicare's website. EMU has no authority as it relates to Medicare related determinations and processes as effectuated by the Department of Health and Human Services (DHHS) or the Centers for Medicare and Medicaid Services (CMS).

1. I'm over 65, Medicare eligible and have only enrolled in Medicare Part A. What do I need to do?

Participants should refer to [Medicare's site](#) for the most up to date information about how COBRA interacts with Medicare. Per the Medicare enrollment rules, you would be required to enroll in Medicare Part B to avoid gaps in coverage and avoid a potential lifetime Part B late enrollment penalty. The EMU COBRA plan would pay *secondary* to Medicare. EMU COBRA could be considered what most would call a "Gap plan" for the 18 months of COBRA coverage.

2. How long do I have to enroll in Medicare part B?

Per the Medicare enrollment rules, you have 8 months to sign up for Part B without a penalty, whether or not you choose COBRA. If you miss this period, you'll have to wait until January 1 - March 31 to sign up, and your coverage will start July 1. This may cause a gap in your coverage, and you may have to pay a lifetime penalty. This means that if you leave August 31, 2021, you must make application before April 30, 2022.

3. Medicare employees are telling me I have 3 months to process and apply for Medicare now. I'm nervous about my coverage.

Your EMU COBRA coverage will be in place and show as primary until the Medicare Part B process is complete. You will have coverage.

4. How do I apply for Medicare?

You must apply with Medicare to avoid gaps in coverage and avoid a potential lifetime Part B late enrollment penalty, however you will need information from EMU to complete this process.

1. Start your application with Social Security.
<https://www.ssa.gov/benefits/medicare/>
2. You would then contact the EMU Benefits Office at
HR_Benefits@emich.edu.
3. You will request a Medicare form from EMU. We have the form, so you do not need to send it to us.
 - a. Please tell us if the application is just for you or if it will also include your spouse. Please provide names.
 - b. If you use email. Please send us a partially completed form without your Social Security number.
4. EMU will confirm you have signed and elected VSIP with an exit date.
 - a. EMU must know that your VSIP is accepted and an alternative exit date is not assigned by the Provost's Office. This should be known by August 20, 2021.
5. By August 20th, EMU Benefits will complete the form and send it back to you. We will not put your Social Security Number on the form. Please know you must do this yourself.

5. If I get approved for VSIP by August 20th, how can I apply for Medicare in time for September 1, 2021? I'm nervous I won't have coverage.

Per the Medicare enrollment rules, you have 8 months to sign up for Part B without a penalty. Your EMU COBRA coverage will be in place and primary until your Medicare enrollment is complete.

6. What if I have medical claims during the period of Medicare enrollment. These claims should go to Medicare as primary, but they went to EMU COBRA.

These claims will be reprocessed after the fact between BCBS as the COBRA insurance administrator and Medicare.

7. If I have Medicare as Primary and EMU COBRA as secondary, does that mean all my insurance claims and bills will cost me exactly the same as it does now?

We cannot guarantee that claims paid will be exactly the same as it is now. In principle, if all things are stable and unchanging, the coverage provided between Medicare & EMU COBRA is intended to provide the same level of coverage.

8. I understand that hearing is not covered by Medicare part B, but it is under EMU COBRA. How does this work?

Your claim would 1st go to Medicare and be denied. It would then be sent to EMU COBRA for processing under the claims payment and coverage guideline.

9. Is EMU prescription drug coverage considered "creditable coverage" for the purpose of Medicare Part D?

EMU coverage is considered creditable coverage. The document for creditable drug coverage is provided by BCBS. It can also be found on the EMU website at the following link. Please see starting at page 9.

<https://www.emich.edu/hr/documents/benefits/2021-compliance-guide.pdf>

If I am a MPSERS member, will I be entitled to benefits at the time of my separation?

Please contact MPSERS. They have their own rules regarding enrollment and participation in their plan. 800-381-5111.

Please tell them your situation. You are leaving EMU and EMU is providing 18 months of COBRA coverage at no cost to you. Is there something with MPSERS coverage and enrollment period I should be aware of.