

**City of Chicago Department of Finance
Chicago Benefits Office**

**Notice to Employees Leaving City Employment
Whose Work is Governed by Union Agreements with
AFSCME or the Coalition of Laborers and Trades**

Leaving City service will affect your benefits. This is an overview describing some of these effects. It is general information, and in individual cases you may wish to discuss these benefits with your Department's HR representative.

Revised February 2019

I. VACATION. You will be paid for all vacation time due, including pro-rated time for this year, in accordance with the provisions of the applicable collective bargaining agreement.

II. COMPENSATORY TIME. If you are eligible and have compensatory time accrued, you will be paid for it, in accordance with the provisions of the applicable collective bargaining agreement.

III. HEALTH COVERAGE. Your City paid health coverage will terminate on your last day of work in case of a layoff, resignation, termination or retirement. However, you have three options for continuing health insurance: PHSA/COBRA Continuation, Conversion, and the Healthcare Marketplace.

A. PHSA/COBRA Continuation Coverage. Formerly known as COBRA, the City's healthcare continuation of coverage program is governed by the Public Health Service Act.

- 1. PHSA/COBRA Continuation Eligibility.** When coverage under the Medical Plan ends based on a qualifying event such as layoff, resignation, termination or retirement, you and/or your covered dependents may be eligible to continue your medical benefits at your own expense for 18 months. The benefits provided are the same as those offered to eligible employees who are covered under the Medical Plan. The Benefits Service Center will forward continuation of coverage information to your address on City record.
- 2. PHSA/COBRA Continuation: Special Rule for Layoffs.** If you are laid off, and you are an employee represented by AFSCME or a Labor and Trades bargaining unit and you make the required employee contributions, the City will pay its share of the cost for coverage during the month you are laid off plus four additional months following your layoff in accordance with your collective bargaining agreement.

- a. Employees who wish to maintain coverage in this manner must complete and return the PHSA/COBRA Continuation of coverage information to the City of Chicago Benefits Service Center within 60 days of the date on the PHSA/COBRA Continuation Letter of Notification. This letter of notification and application will be sent to you under separate cover. If you fail to enroll and submit your contribution payment, your coverage will remain terminated effective your last day of work.
- b. At the end of the four-month period, you will have the option to continue your coverage for the balance of the 18 months, provided you pay the full cost of your continued coverage. You will receive updated billing invoices that will reflect the premium change from the City of Chicago Benefits Service Center.
- c. If your contribution payment is not received by the required timeframe indicated on the billing invoice, your coverage will be terminated. If the plan or cost for active employees changes, these benefits or costs will also change.

3. PHSA/COBRA Continuation Enrollment. In cases of layoff, resignation, termination or retirement the Benefits Service Center will forward continuation of coverage information to your address on City record. If you do not receive it within 30 days of your termination date, you must call the Benefits Service Center at 1-877-299-5111. If the Social Security Administration determines that you were disabled at the time of your separation of service or reduction in hours, and you inform the PHSA/COBRA Administrator before the end of the 18 month PHSA/COBRA Continuation period, your coverage may be extended up to an additional 11 months (not to exceed a total of 29 months). Please note that during the 11 months extension your premium may increase 150%.

4. PHSA/COBRA Continuation Election Period. You will have 60 days to decide whether or not to elect continuation of coverage through the PHSA/COBRA Continuation program. The election period will end on the latter of:

- 60 days following the date your coverage would otherwise terminate due to a qualifying event.
- 60 days following the date the City notifies you of your continuation rights because of a qualifying event.
- If you do not elect to enroll into the PHSA/COBRA Continuation coverage program, your coverage will end according to the terms of the Plan, which is the effective date of your separation from City service. There will be no coverage in the 60 day election period.

5. PHSA/COBRA Continuation Cost. You pay the full cost of your PHSA/COBRA Continuation coverage, plus 2% to cover administration costs. Premium payments will be required within 45 days once you enroll, and will be retroactive to the day after your termination or other qualifying event. See the PHSA/COBRA Rate Sheet on the website for cost

information. Note: Your coverage will remain terminated until you elect enrollment and submit your retroactive premium payments.

You will be charged a \$34 NSF fee for any payment returned marked as insufficient funds. Non-payment constitutes a termination of your coverage.

B. Conversion. If you are enrolled in the Medical Plan when you leave employment with the City, you have an opportunity to convert your current medical coverage to a direct policy with your current medical insurance provider. These policies are not affiliated with the City of Chicago. This is not PHSA/COBRA Continuation coverage. The current medical PPO and HMO provider is Blue Cross Blue Shield of Illinois. Call the BCBSIL conversion telephone number at 800-313-4153 within 30 days of the effective date of your lay-off, resignation, termination, or retirement.

1. Evidence of Insurability (proof of good health) will be required if you fail to apply within 30 days of the effective date of your separation of service.

2. If you elect to continue coverage through PHSA/COBRA Continuation, you can convert your medical coverage to an individual policy at the end of the 18 month period. In order to convert your coverage you should contact your medical provider directly within 30 days prior to the end of your PHSA/COBRA Continuation period.

C. The Healthcare Marketplace. Plans are now available through the healthcare marketplace. More information is available at www.healthcare.gov. This is a resource where individuals, families, and small businesses can learn about health insurance options; compare health insurance plans based on costs, benefits, and other important features; choose a plan; and enroll in insurance. The Marketplace also provides information on programs that help people with low to moderate income and resources pay for insurance. This includes ways to save on the monthly premiums and out-of-pocket costs of insurance available through the Marketplace, and information about other programs, including Medicaid and the Children's Health Insurance Program (CHIP). The Marketplace encourages competition among private health plans, and is accessible through websites, call centers, and in-person assistance.

IV. LIFE INSURANCE.

A. Basic and Optional Life Insurance (Offered through MetLife).

Basic and optional life insurance both terminate on the last day worked. You may convert all or part of your coverage, basic and optional, to an individual life policy by submitting a written application to the insurance company within 31 days following your last day worked. If you are enrolled in optional term life, you are eligible to take advantage of the Portability feature. Portability is an option that enables you to obtain similar MetLife term coverage. You have 31 days from your last day worked to submit the application. For more information, contact MetLife customer service team at 1-866-492-6983, Monday through Friday, 7:00 a.m. to 10:00 p.m. CT.

B. Universal Life (Offered by MassMutual/Texas Life).

Once issued, continued employment is not a condition to continue coverage. Coverage is guaranteed as long as required premiums are paid, even after you leave City employment. When employment ends, you can pay equivalent monthly premiums directly. For more information call MassMutual/Texas Life at 1-800-638-6855.

1. Transferring Ownership.

As the employee, you are the owner of all Universal Life policies. However, you may transfer ownership at any time. The individual to whom you transfer ownership will be responsible for premium payments. For transfers, call Texas Life at 1-800-283-9233 extension 6814.

2. Child Term Riders (Conversion Privilege).

You can convert your children's term rider to an individual universal life policy up to three times the amount of the term rider without having to provide evidence of insurability (proof of good health), if you do so before expiration of the policy. Child rider coverage continues to age 25. Child riders terminate at the primary insured's age 65. Coverage on a step-child ceases upon the primary insured's divorce from the step-child's natural or adoptive parent. For more information call Texas Life at 1-800-283-9233 extension 6814.

C. Universal Life Plus (offered through the Deferred Compensation Plan – before 2004).

For more information about continuing pre-2004 Universal Life Plus insurance, contact Nationwide Retirement Solutions at 1-855-457-2489.

V. LONG TERM DISABILITY (LTD) INSURANCE. If you are enrolled in LTD insurance on the date you terminate employment, your LTD insurance ends on the effective date of your termination or if earlier, the earliest of:

- A. The last day of the last period for which you paid premiums.
- B. The date you cease to meet any other eligibility requirements.
- C. The date the group policy terminates.

For general information on the LTD program contact the Prudential at 1-800-778-3827.

VI. PENSION CONTRIBUTIONS. Contact your pension fund regarding your pension contributions:

- Municipal Employees' Annuity and Benefit Fund 1-312-236-4700, or
- Laborers' and Retirement Board Employees' Annuity and Benefit Fund 1-312-236-2065.

VII. DEFERRED COMPENSATION. If you are enrolled in the City of Chicago Deferred Compensation Plan and you have experienced a lay-off, resignation, termination or retirement, contact Nationwide Retirement Solutions at 1-877-677-3678 to discuss the available options.

VIII. UNEMPLOYMENT COMPENSATION. Contact your department timekeeper if you did not receive the State of Illinois Department of Labor Unemployment Compensation booklet.

To find out how and where to apply for unemployment benefits go to: <http://www.ides.illinois.gov> or call the Illinois Department of Employment Security at 1-800-244-5631. When applying for unemployment compensation, you will need to bring the following:

- Your social security card
- Your official Notice of Separation
- The unemployment compensation booklet mentioned above.