



Guide for Employees Leaving City Employment

This guide provides information on leaving City employment and explains the general process. This guide also provide information about your health benefits and insurance programs after you leave City employment, information about retirement, our rehire polices and other important information to help you plan your transition.

This guide is only a reference and summary and should not be considered a complete guide. Please contact the Department of Human Resources should you have questions regarding your separation. The information contained in the guide is subject to change at any time with or without notice.

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Basic Process to Leave City Service

- Inform your supervisor of your intention to leave.
- Prepare and provide a written resignation letter to your supervisor indicating what your last day of service will be. Ideally, as much notice as possible is appreciated, however, a minimum 2 week notice is required to leave in good standing, this provides you and the City ample time to prepare for your transition.
- Shortly after you provide written notice to your supervisor, you will receive information from Human Resources in preparing for your last day. This will include your "Goldenrod" and the date and time of your separation meeting with Human Resources.
- Prepare your final time records, review your final paycheck and deferred compensation options, return all City property, and complete your "Goldenrod".
- Attend your separation meeting with Human Resources. During the meeting we will collect your City ID and any remaining City property. Additionally, we will review and assist you in completing your separation paperwork and answer any questions about your separation, benefits, and retirement.

A helpful separation checklist is available on our [website](#) and in the last section of this document to help you prepare for your transition.

Health Care Benefits

Your medical, dental, vision and EAP coverage's end the last day of the month you separate from City employment, unless otherwise indicated. All other benefits end on your last day of employment. The following information will help you decide which benefits, if any, you wish to maintain after your employment ends. Some benefits can be continued by paying the premiums yourself; others can be converted from group policies to individual ones. Conversion forms are available on our website and will be provided in your separation packet.

Medical Insurance

Your medical coverage ends the last day of the month in which you leave employment (PERS medical plans end on the last day of the following month in which you leave service). You and your eligible dependents may continue coverage through COBRA for up to 18 months after separation. Refer to the COBRA section in this guide for more information.

Retiree Medical Insurance

If you are retiring you may be eligible to continue your coverage under a City retirement plan, contact Human Resources to discuss your options at retirement.

- **Medicare** - If you paid into Medicare anytime during your career either at the City or another employer, you may have enough credits to qualify for Medicare. If you do have enough credits, you will be required to enroll in Medicare when you reach Social Security retirement age. If you do not enroll in a timely manner you may be subject to penalties. Contact the Social Security Administration at www.ssa.gov or 1-800-772-1213 to review your options.

- **Medicare and City Retirement Medical** - PERS and other benefit carriers may require that you enroll in Medicare if eligible. Your benefits would then be coordinated through the Plan carrier and Medicare, this is generally transparent to the member.

Dental, Vision and Employee Assistance Plan

Your dental, vision and employee assistance plan (EAP) coverage ends the last day of the month in which you leave employment. You and your eligible dependents may continue your dental, vision and/or EAP coverage through COBRA for up to 18 months after separation. Refer to the COBRA section in this guide for more information.

State of California Basic Health Plan

The California Department of Health Services will pay health insurance premiums for certain persons who are losing employment and have a high cost medical condition. A copy of the Health Insurance Premium Payment program is available on our website and will be provided with your separation packet. You may also contact the State of California Health Services Department at www.dhcs.ca.gov or 1-866-298-8443 for more information.

Proof of Continuous Medical Coverage

You may be asked to provide “proof of continuous coverage” when applying for other insurance and Social Security benefits. When your health care coverage ends, you and/or your dependents will receive a certificate of coverage that verifies the coverage you were receiving as a City employee. This is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Your current insurance carrier will send this certificate within 4-8 weeks after coverage has ended.

Continuing Medical, Dental, Vision and EAP Coverage under COBRA

COBRA

Congress passed the Consolidated Omnibus Budget Reconciliation Act (COBRA) in 1986. Under this law, you are eligible to purchase continued medical, dental, vision and/or EAP coverage under certain circumstances when your group health plan coverage with the City ends. Upon termination of employment, you will receive a letter at your home address from our COBRA administrator which explains COBRA coverage. **PLEASE MAKE SURE THE CITY HAS YOUR CORRECT ADDRESS** to ensure you receive your COBRA information in a timely manner.

If you elect coverage under COBRA, follow the instructions included with the COBRA information letter that will be mailed to you. You will pay your premiums by personal check or money order to the COBRA administrator. **You have 60 days to respond to the COBRA letter.** You and your covered dependents have the right to elect COBRA continuation coverage for up to 18 months if your coverage is lost because of one of these qualifying events:

- Your employment ends
- Your work hours are reduced to the point where you no longer are eligible for benefits

CAL-COBRA

The initial 18-month COBRA continuation may be extended an additional 18 months under CAL-COBRA. This extension will be offered to you by the health plan carrier, not the City or the COBRA administrator, at the end of the initial 18 month extension. This 18 month extension is available for 150% of the regular premium amount. You may contact the health plan carrier directly if you have questions regarding this extension.

Other COBRA Extensions

The 18-month COBRA continuation period may be extended to 29 months if you or a family member (who is a qualified beneficiary) is certified disabled according to Social Security at the time of one of the previously mentioned qualifying events. This 11-month extension is available to all covered family members of the disabled for 150% of the regular premium amount. Covered family members have the right to choose COBRA continuation coverage for up to 36 months if coverage is lost for any of the following qualifying events:

- Death of the employee
- Divorce or legal separation of the employee and spouse or dissolution of the domestic partnership
- A dependent child loses dependent child status under the City's plan

If you do not receive your COBRA notification from the COBRA administrator within 30 days of your last day of employment, please contact IGOE at 800-633-8818 option 2.

COBRA Premium Rates

Current COBRA premium rates for the original 18 month period are available on our [website](#).

Other Group Benefits and Supplemental Insurance Plans

Conversion of Optional Insurances and Other Benefits

It is your responsibility to arrange for conversion of optional insurance plans within the limits noted below. The City has no obligation to provide additional reminders or opportunities for conversion. Conversion information is available on our website and will also be included in your separation packet.

City Life and Disability Insurance

Your City paid Life and Long Term Disability coverage ends the last day of the month in which you leave employment. You may convert your Life insurance coverage to an individual policy from the carrier. No evidence of insurability is required if you request conversion in writing and pay the initial premium within 31 days of the date your City coverage ends. A Life Insurance Conversion form is available on our [website](#) and will also be included in your separation packet.

You may continue any supplemental coverage's you purchased during your employment. To continue any of the plans you must contact the carrier directly to make payment

arrangements, as your payroll deductions for the plan will end with your final paycheck. Failure to make timely arrangements with the carrier may result in termination of the coverage.

Flexible Spending Account (FSA)

You may continue making contributions to and receiving reimbursements from your FSA through the end of the plan year if you elect to continue your medical coverage under COBRA, which is December 31. Contributions after employment are made on a post-tax basis because they are not deducted from a paycheck. You will have until March 31 of the following year to submit reimbursements requests for expenses incurred during the calendar year while under COBRA.

If you do not continue your FSA under COBRA, your participation ends **the day you leave employment**. You will have 30 days to submit reimbursements requests for expenses incurred through the date you left employment.

Deferred Compensation Plans

If you participate in one of the City's Voluntary Deferred Compensation Plan, a 457 or 401a (governmental, deferred compensation) Plan, you have a number of options available following retirement or departure from City employment. Current federal law allows you to start, stop or change your distribution amount and timing at any time, subject to certain restrictions of the Plan. Until your account is entirely distributed, transferred or rolled over, it will remain active and will be subject to market related earnings or losses, you may continue to transfer your balance among the investment options (funds) within the Plan and you will have on-line access to your account. Options for your consideration following retirement or departure from City employment include:

- **Leaving Your Money in the Plan** – Leave all your funds in the Plan until you decide to withdraw them at a later date using one of the other options listed below. To avoid substantial federal tax penalties, you must begin distribution no later than April of the year after the year in which you turn age 70½. While the money remains in the Plan, your account will continue to be adjusted for investment earnings or losses on remaining funds, and you will receive the benefit of low administrative costs.
- **Taking Some of the Money Out Soon** – You may elect to receive taxable payments in a number of ways depending on your individual situation. Remember that your account will continue to be adjusted for investment earnings or losses on remaining funds.
- **Moving Your Money to another Eligible Plan** – You also have a number of options. A rollover will not be taxed if funds are transferred according to legal requirements. The transfer or rollover will be based on your account value as of the transaction date.
 - Roll over your account balance to an Individual Retirement Account (IRA) held by a bank or other financial institution.
 - Roll over your account balance to another employer's plan if your future employer's plan is able to accept your funds. (It's important to check first.) Funds rolled over to other employer plans become subject to the distribution tax provisions of the receiving plan. Depending on the type of employer you move to, the receiving plan may be a 401(a), 401(k), 403(b) or 457 Plan.

Please contact the administrator of the plan you participate in to discuss and/or select one of these options. You will not be shown as separated from active City employment until after you receive your final paycheck.

Retirement Account

Not Ready to Retire

If you are a member of the [Public Employees' Retirement System](#) (PERS) and leave the City for reasons other than disability or service retirement, you have several options:

- Members with five or more years of creditable service may vest their retirement account. You will be able to draw a monthly annuity when your age and length of service meet the criteria for service retirement.
- If you are not eligible or choose not to vest your account, you may apply to withdraw your contributions in a lump sum. Only your contributions or contributions made by the City as Employee Contributions, plus interest, will be paid out. You are not eligible to withdraw the City's contributions to your retirement account. There may be significant tax liabilities associated with withdrawal unless you rollover your contributions into another qualified retirement account. PERS can provide you with information about your options. It may take up to six weeks or longer for PERS to process your withdrawal. You should contact them as soon as you know your last date of employment.

Ready to Retire

If you are a member of the [Public Employees' Retirement System](#) (PERS) and are ready to leave the City for a service or disability retirement, you will need to discuss your eligibility and options with PERS well in advance of your last day of employment. It is advised that you start the retirement process with PERS no later than 90 days prior to your last day of employment. A retirement checklist is available on our [website](#) and in the last section of this document to help you prepare for retirement.

Final Paycheck, Cash-outs and W-2 Form

You will receive a final paycheck on the next regular payday and will include:

- Any hours you may have worked that has not previously been paid.
- All regularly scheduled deductions on file, such as federal and state taxes, Medicare, PERS contributions, STD premium, deferred compensation contributions, union dues, and other deductions.
- Any cash-out of any unused compensatory time off you have earned.
- Any cash-out of any eligible unused accrued leave time.
 - You may choose to move your eligible leave cash-out into a deferred compensation account (total contributions may not to exceed the annual maximums). To move your leave cash-out to a deferred compensation account, please contact Payroll at least 2 weeks in advance of your final paycheck.

- If you are retiring you may also choose to use roll over your eligible cash-out to your deferred compensation account for the purchase of service credit through PERS. To purchase service credit contact PERS and Payroll 90 days or sooner prior to your planned retirement date.

Your final paycheck will be processed and distributed with current information on file. This means if you have your paycheck directly deposited into a bank account, your final paycheck will be processed in this manner.

If you would like to change any of your voluntary deductions, W-2 or distributions such as direct deposit, you must contact Payroll at least 2 weeks prior to the date of your final paycheck being issued. Forms to change your [W-2 deductions](#) and [direct deposit](#) are available on our [website](#).

Your W-2 report of taxable earnings for the calendar year in which you separate from City employment will be mailed to you in January of the following year. PLEASE BE SURE WE HAVE YOUR CURRENT ADDRESS ON FILE, and [address change form](#) is available on our [website](#).

Employment Verifications and References

The City will be happy to provide prospective employers with information about your employment. This information is limited to your dates of employment, last position held, and final pay rate, however, pay information is only released with your written consent and release. The City does not provide written letters of recommendation.

Re-applying for Employment with the City

You may reapply for City employment at any time. Current job openings are listed on the City's website. If you re-enter City employment, in most cases you will be considered a new hire. However, you may be eligible to receive prior service credit for leave accruals, contact Human Resources to see if you would be eligible. If you withdrew your retirement contributions upon separation, you will have an opportunity through PERS to repay them, in order to buy back your retirement service credit.

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