

Application and Approval

If I am eligible and submit a signed and notarized General Release Agreement prior to September 2, 2011, am I guaranteed to receive the incentives provided through this program? No. Your signed and notarized General Release Agreement is essentially an application to participate in the VRIP which must be approved by your agency's appointing authority before being considered final.

I am planning to retire by September 19, 2011 but I informed my agency that I was going to retire before the VRIP was announced. Am I eligible for the VRIP? If you announced your retirement and submitted KPERS paperwork prior to the announcement of the VRIP on August 2, 2011 for a retirement that would occur during the time period specified in the VRIP (i.e., on or before September 19, 2011) you may participate in the VRIP if otherwise eligible in accordance with the provisions of the VRIP.

My KPERS retirement date was August 1, 2011. Am I eligible for the VRIP? Unfortunately, no. Since you had actually retired prior to the announcement of the VRIP, you are not eligible to participate.

I know I have seven days after submitting my signed and notarized General Release Agreement to revoke it, but I want to retire effective tomorrow. Can I waive my 7-day revocation period? No. The 7-day revocation period is established in Federal law and cannot be waived. Your agency appointing authority cannot sign and approve your General Release Agreement until after the 7-day revocation period.

In trying to calculate when my General Release Agreement may be approved, do I count the day that I submitted it to the HR Office in the agency where I work or does the 7-day revocation period start the day after that? The 7-day revocation period begins the first day after you submit your signed and notarized General Release Agreement to the HR Office in the agency where you work.

For example, you submit your signed and notarized General Release Agreement on Monday, August 22, 2011. The first day that your agency appointing authority could sign and approve your General Release Agreement would be eight days later, on Tuesday, August 30, 2011.

I submitted my signed and notarized General Release Agreement on August 3, 2011, but I have yet to be notified whether it has been approved or not. When can I expect to know for sure if I will be approved to participate in the VRIP? In order to be able to completely understand the potential impact of the VRIP, most State agencies are choosing to wait until after the September 2, 2011 deadline to sign and approve General Release Agreements. This will allow State agencies to know exactly which and how many employees have applied for participation in the VRIP, and consider the impact of the departure of those employees who have applied on the continued viability of the department's essential functions and the integrity of its financial resources.

I was planning to wait to submit my KPERS paperwork until after I knew if I was approved for the VRIP or not. How can I do that if I may not know if I am approved until early September? Employees who have submitted their signed and notarized General Release Agreements should not wait to be approved before starting the retirement paperwork with KPERS. The fact that you send in your paperwork to KPERS does not “lock you in” to retiring should your VRIP application be declined.

After I have submitted the General Release Agreement, is it necessary to meet with KPERS to complete my retirement application? Many agency HR Offices will be able to meet with you in regards to completing your KPERS retirement application and then submit the application to KPERS for you. However, if they are unable to meet with you or if you choose to submit your retirement application directly to KPERS, you will still need to confirm your retirement date with your agency HR office. In most cases, the health insurance change form will need to be completed as well as some additional paperwork.

Option 1

If I choose continued State Employee Health Plan (SEHP) coverage under Option 1, will the State pay me or will the State pay the SEHP directly? The State will pay the SEHP directly. You will be responsible for any premium balance after the employer contribution. You will receive an invoice from the SEHP on a monthly basis.

I can't find “member-plus-dependent” coverage on the retiree health plan rate charts? Does that mean member and spouse, member and children, or member, spouse and children? The term “member-plus-dependent” encompasses all three of these different types of dependent coverage. The State of Kansas pays the same contribution rate for active employees who receive any of these three different types of dependent coverage, so for the purposes of determining the State's contribution toward health plan coverage under Option 1, exactly which one of these that you receive does not matter. Those rates can be found at the following link: <http://www.sehbp.org/state-employee-health-plan-home--2/retireedirect-bill/health-plan-rates--3>

Exactly how much of my retiree SEHP coverage can I count on the State paying? The FAQs that are a part of the General Release Agreement say \$542.24 for single coverage and \$793.20 for member-plus-dependent. If you are approved for participation in the VRIP and select Option 1, the State of Kansas will pay up to the amounts referenced in the original FAQs toward your respective retiree health plan coverage, including any additional elective plans such as dental or vision coverage. For example, if you were approved for the VRIP and were enrolled in single coverage at the time of your retirement, the State of Kansas would pay up to \$542.24 per month for your medical, drug and dental coverage as a retiree.

If you chose Blue Cross & Blue Shield Plan A, the monthly cost of that retiree SEHP coverage for plan year 2011 is \$520.02. In addition, the cost of monthly dental coverage is \$19.66 and the cost of monthly enhanced vision coverage is \$7.26. The total cost of all of these coverage types for plan year 2011 is \$546.94. This means that the State of Kansas would pay \$542.24 of this coverage every month, and you would only be responsible for paying \$4.70 per month.

In another example, if you were approved for the VRIP and were enrolled in member-plus-dependent coverage – whether that was member and spouse, member and children, or member, spouse and children – the State of Kansas would pay up to \$793.20 per month for your coverage as a retiree. For the purposes of this example, let us say that you are looking at member plus spouse coverage.

If you chose Coventry Plan B, the monthly cost of that retiree SEHP coverage for member plus spouse for plan year 2011 is \$1014.90. In addition, the cost of monthly dental coverage for member plus spouse is \$44.22 and the cost of enhanced vision coverage for member plus spouse is \$14.52. The total cost of all of these coverage types for plan year 2011 is \$1073.64. This means that the State of Kansas would pay \$793.20 of this coverage every month, and you would be responsible for paying \$280.44 per month.

I am a part-time employee and the FAQs that are a part of the General Release Agreement say that part-time employees are eligible for the VRIP if they are members of the KPERS retirement plan and otherwise eligible for the VRIP. If I choose Option 1, will I receive the same incentive as a full-time employee? You will receive the same incentive in that the State of Kansas will pay the employer's share of the active State employee rates for the coverage and plan in which you are enrolled, but the contribution toward coverage is different for part-time employees. For plan year 2011, the contribution by the State is \$431.92 for single coverage, and \$630.36 for member-plus-dependent coverage.

If my total retiree coverage is less than what the State was paying for my coverage as an active employee, will I receive the difference as a monthly payment from the State? No. The State will pay up to the maximum amounts indicated above directly to the SEHP.

For the purposes of determining the amount and duration of my continued SEHP coverage if I choose Option 1, am I “locked-in” to the type of coverage that I am receiving as of August 1, 2011? No. As the FAQs that are a part of the General Release Agreement state, you can change the type of coverage that you receive if you have a “qualifying event” and follow the proper procedures to make that change prior to your retirement.

Isn't retirement a qualifying event? If that is the case, doesn't that mean that anyone who is approved to participate in the VRIP would be able to change their SEHP coverage upon retirement? Correct. Provided you follow the proper procedures referenced above and make the change prior to your last day of work, you can change your SEHP coverage at retirement, and the type of coverage to which you change will determine the amount and duration of the incentive that you receive.

I currently have member-plus-spouse coverage but I want to drop my spouse from my coverage and switch to single coverage when I retire. Will I be eligible for the 60 months of continued SEHP coverage at the single rate or will I be stuck with the 42 months of continued SEHP coverage at the member-plus-dependent rate? Provided you make the change to your coverage prior to your last day of work, you will be able to change your coverage to single upon retirement and would therefore be eligible to receive up to 60 months of continued SEHP coverage under the VRIP.

If I change my SEHP coverage from member-plus-dependent to single coverage after I retire, will my continued SEHP coverage through the VRIP be extended for up to 60 months instead of the 42 months for member-plus-dependent? No. The incentive offered through the VRIP will be based on the coverage that you have at the time you retire, so subsequent changes will not affect the maximum amount or duration of the incentive that you receive.

I am 63 years old and plan to take Option 1. I currently have member-plus-spouse coverage and plan to continue with that coverage for the purposes of the VRIP. What happens when I turn 65? Will my spouse continue to be covered for the remaining one and a half years since they will not be 65? No. The provisions of the VRIP provide that the continued SEHP coverage lasts for a certain number of months depending on the type of coverage you elect, or until you turn 65.

I currently have member-plus-spouse coverage and plan to continue with that coverage for the purposes of the VRIP. I am 62 and my spouse is 66 years old. Will I be able to continue with member-plus-spouse coverage if I retire under the VRIP? No. If you have a dependent who is eligible for Medicare at the time you retire, you and your spouse will each automatically be switched to single coverage upon your retirement. Since you will be automatically moved to two single plans, you would therefore be eligible to receive up to 60 months of continued SEHP coverage under the VRIP. Your spouse would have the option of remaining on the SEHP Plan A or B under a single plan or switching to one of the SEHP health plan offerings designed to supplement Medicare or a Medicare Advantage plan. More information on the SEHP Medicare supplement and Advantage plans can be found at: <http://www.sehbp.org/state-employee-health-plan-home--2/retiredirect-bill/health-plan-comparison-chart-2-medicare-plans> The SEHP would bill your spouse separately for the cost of their coverage.

I currently have member-plus-spouse coverage and plan to continue with that coverage for the purposes of the VRIP. I am 61 and my spouse is 63 years old. What happens when my spouse turns 65? This would be a qualifying event that would cause the retiree to move to single coverage. As stated above, the incentive offered through the VRIP will be based on the coverage that you have at the time you retire, so subsequent changes will not affect the maximum amount or duration of the incentive that you receive. So, the State would continue to be responsible for your continued SEHP coverage but only for up to 42 months.

NEW – Will the State of Kansas be issuing a 1099 form to VRIP participants who select Option 1 for the employer portion of the continued SEHP coverage? No.

Option 2

My spouse and I are both State of Kansas employees currently enrolled in single GHI coverage. I am eligible for the VRIP and considering choosing Option 2. If I receive the \$6,500 lump sum payout, can my spouse add me as a dependent on their State of Kansas

group health insurance? Yes. There is nothing in the VRIP that would prevent that from taking place.

My spouse and I are both State of Kansas employees currently enrolled in single GHI coverage and are both eligible for the VRIP. If I select Option 2 and my spouse selects Option 1, can my spouse add me as a dependent when they retire and still be eligible for the incentive? Again, there is nothing in the VRIP that would prevent this from occurring so the answer is yes.

I chose the lump-sum incentive and will receive a payout for my vacation and sick leave. I would like to defer part of those payments to the State's Deferred Compensation Plan. What is the deadline for submitting my participation agreement to ING? Federal regulations require you to make this election in the month before you receive your final paycheck. For example, if your final paycheck is in September, you'll need to sign up for the deferral in August. The following chart shows the deadlines by pay period.

<u>Pay date</u>	<u>Form due date*</u>
Sept. 2	Aug. 24
Sept. 16	Aug. 30
Sept. 30	Aug. 30
Oct. 14	Sept. 30

*Due date for participation agreement to ING

Miscellaneous

My last paycheck will be in September. I want to defer part of my leave payout to my deferred compensation account. I need to submit my participation agreement to ING in August. Once I turn in the participation agreement, what will happen if my agency tells me after September 2 that my application for the retirement incentive program was not approved? If your VRIP application is not approved, contact ING as soon as possible. You must submit another participation agreement to change the deferral amount. If not, the higher deferral amount for your leave payout will be deducted from what would have been your final paycheck.