



ADMINISTRATIVE PROCEDURE

SUBJECT: OUT-PROCESSING TERMINATING EMPLOYEES NO. H.R. 3.0 AP 1

EFFECTIVE: 10/01/07

APPROVED:



George K. Noe, City Manager

DATE:

9-25-07

I. PURPOSE

The purpose of this policy is to define the process by which the City will ensure that all required paper work and additional requirements are completed for employees leaving employment, and to explain the employee's responsibility in this process. This policy will serve to inform all employees of the process, the City's responsibility, and the employee's responsibility.

II. SCOPE

This policy applies to all City employees, except where inconsistent with collective bargaining contracts, state legislation affecting Fire and Police personnel, or the terms of a plan or arrangement sponsored by the City.

III. RESPONSIBILITIES

Department of Terminating Employee:

Upon learning that an employee will be leaving employment, whether voluntary, involuntary, retirement, disability, or death, the department representative will send an e-mail notification to departments participating in the exit process. Those departments will be:

- Human Resources Department
 - HR
 - Benefits
 - Training

- Financial Services Department
 - Collections
 - Payroll

The e-mail notification needs to provide basic information such as, employee's name, employee ID number, and projected termination date.

The department's representative must complete the "Out-processing Check List." This form must be completed to ensure that the processing of the termination is handled in a uniform and consistent manner, that City property is reclaimed, and/or reimbursement to the City of education assistance benefits paid is obtained, and that the employee's final paycheck is paid in accordance with state and federal laws or regulations, etc.

The department's representative will provide the employee with a copy of this policy. Additionally, the department representative will contact their assigned Human Resources Technician or Analyst, for Fire or Police bargaining unit employees, to schedule the out-processing appointment.

Terminating Employee:

It is recommended that the employee will provide a minimum of two weeks notice for a voluntary resignation or a minimum of 30 days notice of planned retirement.

The employee will be given access to the online, confidential Exit Interview Survey by the Human Resources staff member, and will be asked to complete the survey during their appointment with HR.

The employee will meet with representatives of the Human Resources Department to review the affects on benefits resulting from leaving the City's employment. At this time, representatives of the Human Resources Department will address options regarding continuation and/or use of various benefits, (i.e. retirement, TMRS, health care coverage, life insurance continuation, etc.)

The terminating employee must return all City property at the time of separation, including but not limited to uniforms, cell phones, PCards, fuel keys, office and building keys, PCs, proximity or access cards, and identification cards, etc. Failure to return some items may result in deductions from final paycheck.

The employee will be required to reimburse the City for education assistance benefits received, as per the City's policy on education assistance.

Departing employees must confirm their current or forwarding address and the addresses of their dependents and spouse who are covered under the City's group health plans, to ensure that benefits and tax information are received in a timely manner.

Retiring employees have thirty-one (31) days from their retirement date to elect retiree coverage. Failure to provide notification of election of retiree coverage, within the thirty-one (31) days, will result in ineligibility for this coverage.

Upon receipt of the COBRA paperwork, for continuation of health plan coverage, the terminated employee and his/her covered dependents has sixty (60) days from the date of notification to make an election to continue coverage. (Retiring employees are not eligible for COBRA.) Failure by the employee or his/her covered dependents to provide notification of election under COBRA, within this sixty (60) day period, will result in ineligibility for this coverage. (Full details are explained in the City of Corpus Christi COBRA Notice which is provided to employees at hire and during termination processing.)

Terminating employees, who were participating in the City's health care plan, who do not elect continuation of coverage, will receive a Health Insurance Portability and Accountability (HIPAA) certificate of creditable coverage from the health plan third party administrator which documents the period of coverage. This certificate will be mailed to the employee's home address on record with the City. The employee should maintain this certificate in their permanent records, as it may be required by a future employer to determine future creditable coverage.

Subject to the terms of the respective benefit plan, health benefit coverage will continue for employees whose termination is on appeal before the Civil Service Board.

Human Resources Department:

The assigned Human Resources Technician or Analyst will coordinate the out-processing appointment, and when setting such appointment, will also notify the benefits staff of the appointment time.

In cases of voluntary resignation and retirement, Human Resources will coordinate completion of the Exit Interview Survey by the terminating employee, as a means to obtain information that may be useful to the City in improving employee relations, job satisfaction, productivity and retention.

An Insurance/Benefit Analyst will meet with the terminating employee to review the affects on benefits resulting from leaving the City's employment.

The benefits staff will:

- Provide notification to the COBRA administrator when an employee who was participating in the health insurance plan leaves the employment of the City.
- The COBRA administrator will, by U.S. mail, send to terminating participants (addressed to the employee and his/her covered dependents at each of their last known addresses) a COBRA notice within fourteen (14) business days of when the Check-Off form is completed by Benefits.
- Notify insurance carriers and companies and health plan third party administrators of terminating insurance participants as part of the completion of the Check Off form.
- In the event the terminating employees does not elect continuation of coverage, the health plan third party administrator will, via U.S. mail (addressed to the employee and his/her covered dependents at each of their last known addresses), provide the Health Insurance Portability and Accountability Act (HIPAA) certificate of creditable coverage to the terminating participant.

- Forward participant forms and/or applications to the appropriate insurance carriers.
- Maintain files of insurance and benefit participants.
- Notify participants who retire of any retiree continuation coverage that the participant may be eligible for and the notification requirements to the City to elect such coverage.
- Terminate insurance/benefit coverage and notify the Financial Services Department collections division to terminate the account(s).
- Assure resolution of pending insurance/benefit issues upon the employee's termination.
- Subject to the terms of the respective benefit plan, advise employees whose termination is on appeal before the Civil Service Board that their health benefit coverage will continue so long as they pay the employee portion of benefit premiums. The payment will be made directly to the Financial Services Department Collection Division.
- Provide participant with notifications regarding a continuation or conversion opportunities, such as conversion of coverage under the life insurance plans.

Financial Services Department – Payroll and Collections:

The collections staff will set-up and maintain account receivable accounts for insurance and benefits for retirees, and will notify participants with insurance accounts of account status and balances on a monthly basis.

All terminated employees will be paid in accordance with state and federal laws. Accrued but unused vacation, sick leave if applicable, etc., will be paid in accordance with the City's policies and City ordinance.

The payroll staff will deduct from the final paycheck the appropriate amount of education assistance benefits, if any, based upon the City's education assistance policy.

Failure, by a terminating employee, to return company property may result in deductions from the final paycheck. (The Wage Deduction Authorization Agreement, which authorizes the City to deduct the cost of City property and education assistance benefits received from the final paycheck, is reviewed and signed as part of the new employee orientation process.) If the final paycheck or paycheck for drag-up pay are insufficient to recover the amount the employee owes the City, Financial Services collections staff will set up billing for the employee for the amount.

The check for drag-up pay will be paid on the pay period following the final paycheck date.

VI. QUESTIONS REGARDING THIS POLICY

Questions regarding this Policy shall be directed to the Director of Human Resources, or designee, who may be contacted at 361/826-3315.

OUTPROCESSING CHECKLIST

(For Processing Employees Terminating Employment)

Employee's Name (printed): _____ ID No. _____

Department Name: _____ Dept ID No. _____

Employee Mailing Address: _____
(address, city, state, zip)

This check list is to be initiated by the terminating employee's department, and then routed accordingly. For items that do not apply to the employee named above, insert "N/A". The department representative handling each item must sign off acknowledging clearance of the stage.

A. Section to be completed by employee's department before forwarding to the Human Resources Department.

E-mail Notification to

Participating Departments Yes___ No___ Cleared by: _____ Date _____

Form 12 completed Yes___ No___ Cleared by: _____ Date _____

City ID Card Returned Yes___ No___ Cleared by: _____ Date _____

Proximity/Access

Card Returned Yes___ No___ Cleared by: _____ Date _____

Keys Returned

Building, Office, Desk, etc Yes___ No___ Cleared by: _____ Date _____

Fuel Key, Locker Yes___ No___ Cleared by: _____ Date _____

Credit Card (PCard) Yes___ No___ Cleared by: _____ Date _____

Pager Returned Yes___ No___ Cleared by: _____ Date _____

Cellular Phone Returned Yes___ No___ Cleared by: _____ Date _____

Computer/Laptop, etc. Yes___ No___ Cleared by: _____ Date _____

Other Equipment Returned Yes___ No___ Cleared by: _____ Date _____

Uniforms Yes___ No___ Cleared by: _____ Date _____

VoiceMail Password Yes___ No___ Cleared by: _____ Date _____

Password _____

Set Exit Appointment

With HR Technician Yes___ No___ Cleared by: _____ Date _____

Expense Reports & Other

Reimbursements Out Yes___ No___ Cleared by: _____ Date _____

B. Section is to be completed by the Human Resources Department.

HR:

Form 12 Processed Yes___ No___ Cleared by: _____ Date _____

PeopleSoft Updated Yes___ No___ Cleared by: _____ Date _____

Education Assistance

Benefits Reviewed Yes___ No___ Cleared by: _____ Date _____

Exit Interview

(Voluntary Resignations Yes___ No___ Cleared by: _____ Date _____

& Retirements)

Benefits:

TMRS Form Processed Yes___ No___ Cleared by:_____ Date_____

Deferred Compensation Program

Notification to Provider Yes___ No___ Cleared by:_____ Date_____

Medical Forms Yes___ No___ Cleared by:_____ Date_____

Dental Forms Yes___ No___ Cleared by:_____ Date_____

COBRA Forms/Notice Yes___ No___ Cleared by:_____ Date_____

Notice of Retiree Health

Coverage Yes___ No___ Cleared by:_____ Date_____

Life Insurance Conversion Yes___ No___ Cleared by:_____ Date_____

Accounts Receivable Notified Yes___ No___ Cleared by:_____ Date_____

Notify Carriers and Third Party Administrators

Medical Plan Yes___ No___ Cleared by:_____ Date_____

Life Insurance Yes___ No___ Cleared by:_____ Date_____

Dental Plan Yes___ No___ Cleared by:_____ Date_____

COBRA Administrator Yes___ No___ Cleared by:_____ Date_____

Transfer to Retiree, COBRA, Terminated Yes___ No___ Cleared by:_____ Date_____

C. Section to be completed by Payroll before returning to Human Resources Department for the Employee's File.

Any Arrears Deduction Yes___ No___ Cleared by:_____ Date_____

Education Assistance Deduction Necessary Yes___ No___ Cleared by:_____ Date_____

Form 12 Processed Yes___ No___ Cleared by:_____ Date_____

Vacation Pay Paid Yes___ No___ Cleared by:_____ Date_____

Sick Leave Paid Yes___ No___ Cleared by:_____ Date_____

Travel Expenses Yes___ No___ Cleared by:_____ Date_____

Safety Boots /Glasses Yes___ No___ Cleared by:_____ Date_____

Final Check Processed Yes___ No___ Cleared by:_____ Date_____

D. Section to be completed by Collections before forwarding to Payroll:

Old Account Cleared Yes___ No___ Cleared by:_____ Date_____

Is New Account Required? Yes___ No___ Cleared by:_____ Date_____

Payment Info to Payroll Yes___ No___ Cleared by:_____ Date_____

Notify Association/Billing Yes___ No___ Cleared by:_____ Date_____

New Account Set-Up Yes___ No___ Cleared by:_____ Date_____

E. Section to be completed by HR Department to close processing.

Confirm Processing Completion Yes___ No___ Cleared by:_____ Date_____

Copy of Checklist to Department Yes___ No___ Cleared by:_____ Date_____

Review & Close Out Personnel File Yes___ No___ Cleared by:_____ Date_____