

# Post-Employment

A post-employment or severance agreement is an agreement between a formerly sponsored member and her or his former sponsoring organization. Portico Benefit Services is not a party to these agreements, nor do we administer them for sponsoring organizations. It is important to remember to contact Portico Benefit Services for information on benefits and payment options prior to creating post-employment agreements.

## Notify Portico Benefit Services

The sponsoring organization should notify Portico Benefit Services of the individual's termination of employment date up to 60 days in advance via EmployerLink.

If the sponsoring organization has agreed to pay severance to the formerly sponsored member, the termination of employment date provided to Portico Benefit Services should be the last date worked (plus any accrued vacation); **not** the last date for which severance is paid.

**IMPORTANT:** Please encourage sponsoring organizations to contact the Portico Customer Care Center at 800.352.2876 **before** making any post-employment or severance agreements.

## How Benefits Are Affected

Upon termination of employment, the member's benefits are affected as described below.

### Health Plan

After being notified of a termination of employment, Portico Benefit Services will send the formerly sponsored member information about continuing health benefits at his or her own expense, generally for a period of up to 18 months. The formerly sponsored member will be billed directly by Portico Benefit Services for the cost of such coverage. The cost to continue health coverage may be different than the amount the sponsoring employer was paying.

### Retirement Plan

Once the member has terminated employment, the formerly sponsored member cannot make additional member pretax retirement contributions.

A sponsoring organization may make post-employment retirement contributions for up to five years. These contributions are not treated as taxable income to the formerly sponsored member at the time of contribution. The contributions must be made at the discretion of the sponsoring organization and cannot be negotiated with the formerly sponsored member as a part of a severance or post-employment agreement. These contributions can be made monthly or in one lump-sum, up to certain limits set by the IRS.

## Contact Portico

**Customer Care Center**  
*mail@PorticoBenefits.org*  
800.352.2876  
M – Th 8 a.m. – 6 p.m.  
F 8 a.m. – 4 p.m. (Central)

### Disability Benefits Plan

Disability coverage through the sponsoring employer will end on the sponsored member's last day of employment. However, if the sponsored member was employed by the sponsoring employer at the time a disabling condition occurred and the sponsored member's first day absent due to the disability occurred while the sponsored member was still employed, a disability claim must be filed within six months of becoming totally disabled. If a member is approved for disability after the member's employment ends, billing adjustments will be made, and the employer will be responsible for salary and benefits for the two months following the date of disability.

### Survivor Benefits

Basic Group Life Insurance through the employer will end on the last day of employment. A member has the option to continue his or her Basic Group, Supplemental, and Dependent Life Insurance without any of the evidence of insurability requirements if the member is losing insurance coverage due to the following:

- Termination of employment (voluntarily or involuntarily)
- Retirement
- Laid off
- Leave of Absence
- On Leave from Call
- Reduced work hours that results in a loss of eligibility

Members need to contact Securian Life Insurance Company at 866.293.6047 to continue life insurance coverage after employment ends. Continuing coverage of at least the basic group life insurance is often recommended in order to continue eligibility for health insurance while non-sponsored.

### Flexible Benefits Plan – Tax-Advantaged Accounts

The employer must withhold contributions through the member's last scheduled paycheck for members enrolled in FSAs and HSAs.

- Health Flexible Spending Account (Health FSA) and Limited Purpose FSA
  - If a member has a positive balance at the time employment ends, the member may continue Health FSA contributions by setting up after-tax contributions with Portico.
  - If the member does not continue the Health FSA, services incurred after termination of employment are not eligible for reimbursement.
  - A member must submit all claims for expenses incurred prior to termination within four months of the termination date or April 30 of the following year (whichever is earlier), or the balance in the account will be forfeited.
- Health Savings Account (HSA)
  - If a member continues health coverage at his or her own expense after employment ends and selects the Silver+ or Bronze+ benefit option, the member can continue or start making contributions to an HSA.
  - The member can continue to use the HSA on eligible expenses until the balance is \$0.
  - For more information about account administration fees and continuing HSA contributions if ELCA health coverage is not continued, the member needs to contact Further at 800.859.2144.
- Dependent Care Flexible Spending Account (Dependent Care FSA)
  - Members cannot continue Dependent Care FSA contributions after their employment ends.
  - A member must submit all claims for expenses incurred through the end of the calendar year by April 30 of the following year, or the balance in the account will be forfeited.