



Dear Marine Corps Nonappropriated Fund (NAF) Employee:

This Benefits Separation Checklist (BSC) is provided for your information and retention as you prepare to separate from Marine Corps NAF employment. The checklist is provided to you to explain your benefit eligibility rights as a terminating NAF employee. The checklist will cover Medical, Dental, Life, Pension, 401(k), FSA, LTC, and Short Term Disability. Your HR representative will discuss your benefit rights as they pertain to your needs.

The purpose of these fact sheets is to provide terminating employees information on the disposition of their NAF Employee Benefits after termination. **If you have accepted a civil service position, you may be eligible for portability of retirement benefits. If so, please read page 6 of this fact sheet.**

Additional information may be obtained by visiting www.usmc-mccs.org or by referring to your Employee Benefits Handbook, Life Insurance Handbook and/or your 401(k) Summary Plan Description. All handbooks can be referenced at www.usmc-mccs.org for your convenience.

If you have any questions pertaining to your benefits, please don't hesitate to ask your Human Resources Office for assistance.

NAF Health Benefit Plan options

If you were a participant of the DoD NAF HBP or any Marine Corps NAF sponsored health maintenance organization (HMO) for the 90 day period before you separated employment, you may be eligible to continue your health insurance:

- **If you participated in one of the NAF medical plans for 90 days or more prior to your termination**, you may apply for Temporary Continuation of Coverage (TCC) for up to **18** months.

<ul style="list-style-type: none"> ✓ Does not apply to employees terminated for Gross Misconduct ✓ Must elect TCC within 60 days of termination ✓ 1st Premium payment due at time of application ✓ TCC Rates = 100% of group rate + 2% admin fee 	<ul style="list-style-type: none"> ✓ HMO TCC payments sent to HQMC(MR) ✓ Aetna TCC payments sent to Aetna ✓ Premiums due every 30 days(coverage will be cancelled irrevocably due to late or delinquent or partial payments) ✓ Rates are subject to change
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- **If you have been approved for disability**, you may be eligible for TCC for up to **36 months**.
 - If you are disabled and have been enrolled in the NAF HBP **for less than 5 years** you may be eligible for continuation for 36 months at the full TCC rate (102%)
 - If you are disabled and have been enrolled in the NAF HBP **for 5 years or more**, you may be eligible for continuation for 36 months – first 12 months at no cost; remaining 24 months at full TCC rate (102%).

NAF Health Benefit Plans when RETIRING

Retiree medical coverage is provided to employees who are retiring and who qualify and elect an immediate annuity.

Eligibility Requirements:

- ✓ 15 Cumulative years of participation
- ✓ Participation immediately prior to retirement

<ul style="list-style-type: none"> ➤ Employer pays 70% of qualified retiree premiums ➤ Coverage continues as long as premiums are paid 	<ul style="list-style-type: none"> ➤ Coverage cancelled due to non-payment ➤ Cancellations are irrevocable
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- Premiums deducted from annuity when possible, otherwise monthly premium statements are sent
- Premiums and the employer/employee premium split are subject to change.
- If you do not elect TCC or retiree medical coverage continuation (if applicable), your health benefits will end on your termination date.
- You may be eligible for coverage under the Affordable Care Act (ACA) (P.L. 111-148) Health Insurance MARKETPLACE. Visit www.healthcare.gov for more information on health insurance options via the ACA MARKETPLACE.

Group Life Insurance

If you were a participant in the Marine Corps NAF group life insurance plan(s), you may be eligible to continue your coverage or convert your coverage to an individual policy.

- Must apply within **30 days** of termination
- Employee pays full premium
- Application must reach carrier within **30 days** to be considered
- Conversion of coverage not guaranteed
- Premiums for approved converted life may change
- Contact your HR Office for information

Group Life Insurance Options when RETIRING

The opportunity to continue Retiree Group Life Insurance coverage is offered to employees who are retiring and who qualify and elect an immediate annuity.

Eligibility Requirements:

- ✓ 15 Cumulative years of participation
- ✓ Participation immediately prior to retirement

Reduced early annuity premium = 100% of Group Rate

Un-reduced regular or Un-reduced early annuity premium = 50% of Group Rate

You may be eligible to continue your Optional and Optional Dependent life also, provided the continuation criteria are met. **Continuation of Standard Life is required for continuation of any Optional or Optional Dependent coverage continuation.** Premiums for all Optional life plans are paid **solely** by the retiree.

The volume of your life insurance for each plan (Standard and Optional) will continue into retirement, provided you are eligible for and elect continuation. Your volume is subject to a 25% reduction of your initial coverage volume at ages 66, 67, and 68. Additional information on this will be provided in your retirement insurance letter that will be provided after your retirement.



- AD&D coverage does not continue into retirement.
- If you do not elect continuation (if eligible) or conversion, your life insurance coverage (to include applicable dependent life insurance) will end on the date of your termination.

Long Term Care (LTC) Insurance (Enrollments prior to Feb 2016)

If you were a participant in the Marine Corps NAF LTC plan through **CNA**, the following facts apply to continuation of your coverage:

- Your LTC coverage will continue after termination, as long as you continue to pay the premiums
- CNA will begin billing you directly on a quarterly basis
- Your premiums will not increase with age
- If you do not receive a premium bill from CNA within 3 months of your termination, you will need to call CNA's toll free number at 1-877-777-9072
- Coverage will terminate if you fail to pay or if premium payments are delinquent

Federal Long Term Care Plan (effective February 1 2016)

- Coverage continues indefinitely provided you continue to make premium payments
- You will billed monthly premiums directly from plan provider once you terminate employment
- Call 800-424-5988 for additional information

Flexible Spending Account (FSA) HCFSA/DCFSA

- When Employment ends – participation and contributions end
- Eligible expenses incurred up until last day worked are eligible for reimbursement provide account balance sufficient
- **February 15th** of following year is the last day to submit eligible claims (**claims submitted after that day will be denied**).

If you are Rehired:

- Automatically re-enrolled if rehired in benefits eligible position (HCFSA only)
- Annual election remains same
- Bi-weekly deduction amount re-amortized based on remaining pay periods
- Mandatory re-enrollment does not apply to DCFSA

If you transfer to an appropriated fund position (APF) or another NAF:

- Participation in NAF FSA plan will cease on date last day of NAF employment
- May still be reimbursed for eligible expenses incurred up until date of termination provided account balance sufficient

Health Savings and Health Reimbursement Accounts HSA/HRA

- When employment ends, eligible employees will keep their **HSA** contributions.
 - Eligible Employees always own their **HSA** contributions/deposits
- When employment ends any unused **HRA** funds will remain with the plan.
 - Claims can be submitted for reimbursement that were incurred prior to termination

Disability Income Protection (AFLAC)

- Coverage is portable, provided you continue to be employed. Take it with you (with certain stipulations).
- Call 800-433-3036

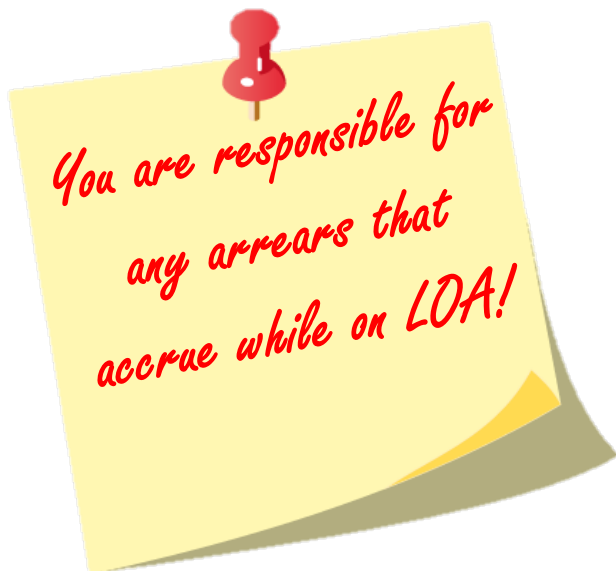
Leave of Absence (LOA) pending Deferred Termination

WARNING

If you have requested and been approved to be placed in LOA status, pending termination of employment, it is imperative that you review your obligations during the LOA period.

As a result of your reduced hours (reduced to zero), you are eligible to terminate your **medical/dental enrollment** & **life insurance** (if applicable) within 31 days from the date of change in hours.

- Failure to terminate coverage will result in premium arrears accrual
 - Decisions to continue/cancel coverage is required prior to leaving employment
 - Retro cancellations not authorized
- You are responsible to remit premiums bi-weekly (but no less than every 30 days)
- Failure to remit premiums after 30 days will result in termination of coverage retro to date of last premium payment
 - If Medical/Dental claims are incurred within that time period, they will be reversed and you will be responsible for all charges



Group Retirement & 401(k)

- No contributions while on LOA
- Will not accrue credited service while on LOA

FSA (HCFSA/DCFSA)

- No opportunity for reimbursement of charges incurred while on LOA
- Charges incurred prior to LOA status may be eligible for reimbursement provided you were an active participant

- **Loan participants on a leave of absence can be exempt from the requirement to make loan payments for up to 12 months while they are on a Leave of absence.**

Portability of RETIREMENT Benefits to Appropriated Fund Civil Service

If you are a participant in the Marine Corps NAF retirement plan on your date of termination, and you have accepted a civil service job **without a break in service greater than one year**, you are eligible to continue your participation in the Marine Corps NAF retirement plan and 401(k) plan for the rest of your career through the Portability of Benefits Act P.L. 101-508 (as amended by P.L. 104-106 and P.L. 107-107) to provide longevity in one retirement system.

Portability does not apply to group medical, group life, group FSA plans, group EAP plan, LTC or any other benefit that is not a retirement plan benefit

- ✓ Not a requirement to be vested
- ✓ Must be participating in MCNAF Retirement plan
 - ✓ Less than 1 year break in federal service
 - ✓ Hired in retirement eligible position
- ✓ Not eligible for refund once retirement portability is exercised
- ✓ Must completed RI38-134 election form within 30 days of hire with Civil Service
 - ✓ Elections are lifetime elections and irrevocable

***NOTE:** All Military Service Purchase and Retirement Buyback balances must be paid in full prior to termination



NAF medical and/or dental insurance coverage is extended 31 days beyond termination date.

If you make a retirement portability election to remain in the Marine Corp NAF retirement system during a move to a civil service position and later move back to a NAF position with another NAF component (such as Navy MWR, NEXCOM, Army MWR, AAFES or Air Force MWR), P.L. 101-508 requires that you continue the Marine Corps NAF retirement system, even if you have a break in service. You will never be eligible for enrollment in another NAF retirement system, nor Federal Employees Retirement System (FERS) or the Thrift Savings Plan (TSP).

If you return to a civil service or NAF benefits-eligible position after retirement, you must notify Marine Corps NAF Headquarters (MRG) immediately to ensure your monthly annuity benefit is stopped before any overpayment occurs.

Retirement Portability Benefits When Transferring to Another NAF Agency

If you are a participant in the Marine Corps NAF retirement plan on your date of termination, and you have accepted a position with another DoD NAF Agency (i.e. Army MWR, Navy MWR, AAFES, Air Force MWR, NEXCOM) you will need to be familiar with the DoD regulations pertaining to your NAF Retirement.

- ❖ New NAF employing agency will have a different retirement plan than losing agency
- ❖ **Imperative to enroll in gaining agency's retirement plan as soon as eligible**
- ❖ Gaining NAF agency responsible to request information pertaining to prior NAF retirement plan participation from losing agency
 - Break in service less than 90 days
 - This information (to include estimated retirement benefit from former NAF agency) will be needed at the time of eventual retirement
 - Retirement calculation at the time of retirement will be based on **TOTAL NAF** participatory service (to include years in prior NAF plan) ***This will give you the benefits of achieving a greater number of years towards retirement credited service.**
 - Your retirement calculation will be offset by the amount of your annuity from your former NAF Agency
 - Military Service Purchase balances must be paid in full prior to termination.

Retirement Plan

If you were a participant in the Marine Corps NAF Retirement Plan, you may have more than one option regarding your contributions:

NOT Vested:

- Eligible for refund of Contributions
 - *Plus interest if over 36 of contributory service
 - No entitlement to employer contributions
- May buyback refund within 31 days of rehire, provided you re-enroll in the plan

*Unprocessed refund applications will be cancelled if you are rehired in a benefits eligible position before the refund process is completed.

Vested:

- And reached age 52 – may request immediate early reduced annuity
- Under 52 may defer annuity (until age 52 (early reduced) or 62 (unreduced regular))
- Age 62 – may request immediate unreduced annuity
- Age 55 with 30 years of contributory service – may request early unreduced annuity
- Age 60 with 20 years of contributory service – may request early unreduced annuity
- Refund (applicable interest)

****Vested employees at least age 52 are not eligible to defer their annuity***

- If you are age 62+ and enrolled in the retirement plan prior to 1/1/2001, you will be required to provide a copy of your actual Social Security (SS) Entitlement letter – your annual SS earnings statement and estimated SS benefit may not be accepted as evidence of your SS entitlement.
- If you are vested and elect a cash refund, your refund application will be pended until you sign a refund addendum form that acknowledges you were given your estimated retirement entitlement and waive your future retirement benefit. **It is never recommended that a vested participant elect a cash refund.**
- If you are vested and married, you may also request a refund of your contributions and applicable interest, however your spouse must sign a spousal waiver of benefit entitlement before the refund will be processed. If the spouse waives their entitlement, the Internal Revenue Service requires your spouse's signature. Your spouse is entitled to receive a survivor benefit from the retirement plan unless they specifically waive their right. A spousal signature on a refund indicates they understand they are waiving that surviving spouse entitlement and agree to have the refund processed. **It is never recommended that a vested participant take a refund of contributions and applicable interest.**
- Military Service Purchase balances must be paid in full prior to termination.

Survivor Options:

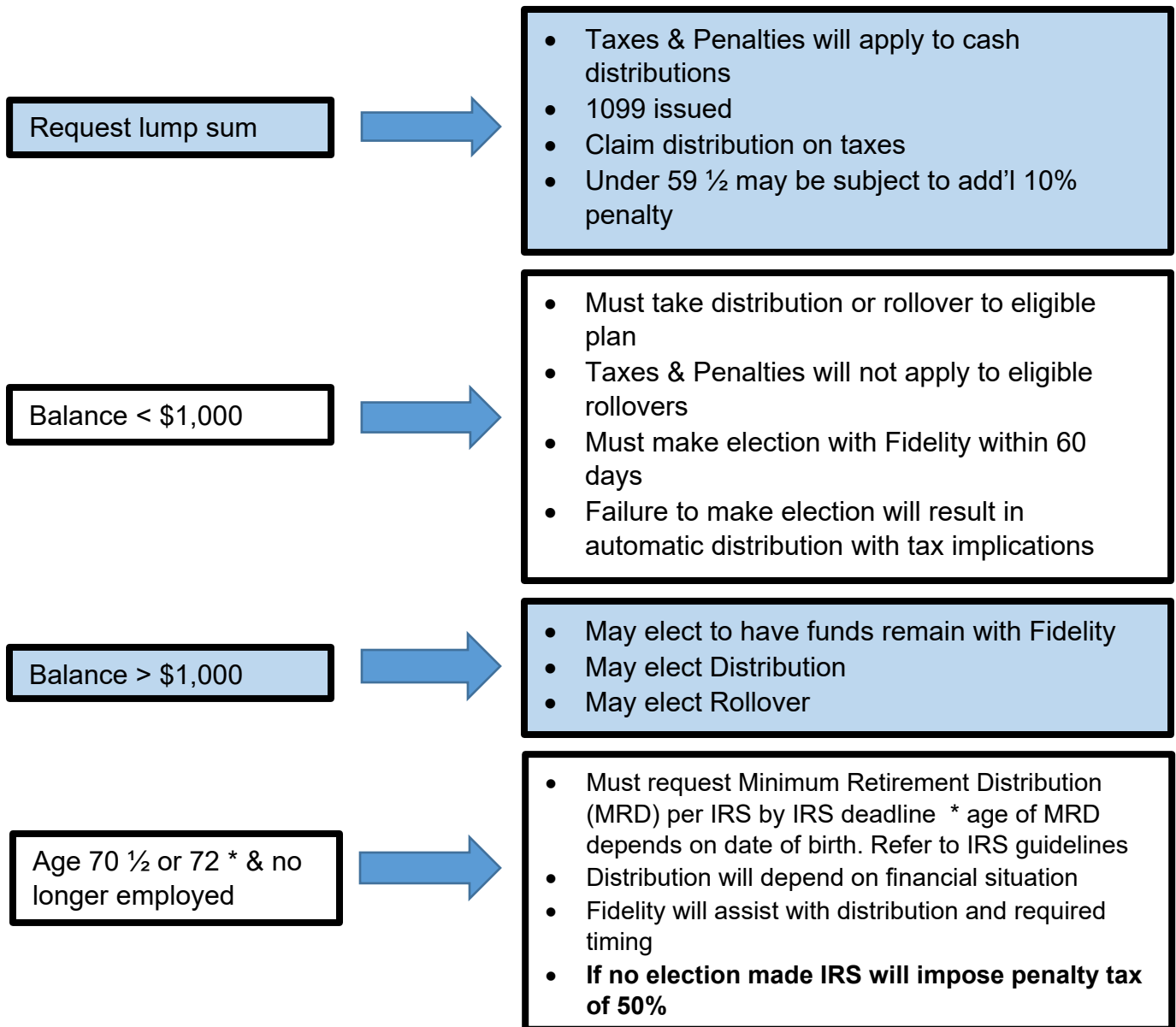
- Early Reduced, Early Unreduced or Unreduced Regular Retirements eligible
- Annuity will be actuarially reduced to fund
- Unmarried participants may name anyone as survivor
- Married participants may only name spouse unless written consent signed by your spouse
- Actuarial reductions determined by age of survivor

- Longer you Participate = Greater Benefit
- Larger High 3 Earning = Greater Benefit
- Age is a Factor – Not 62 & do not meet service requirements above = Annuity reduced 4% per yr for every year under age 62

- Retire before age 62 = Receive early retirement supplement
 - *Ends at age 62
 - Rehired with Marine Corps NAF in benefits eligible position* = Annuity will cease
- *Must advise HR office immediately!**

401(k) Savings Plan

If you were a participant in the Marine Corps NAF 401(k) Plan, you may have more than one option regarding your account; however, you must call Fidelity at 1-800-890-4015 after waiting **30 days** after termination before exercising your available options.



- Please contact Fidelity and/or consult a financial advisor for more information.
- If you are relocating, it is imperative that you provide your HR office with a forwarding address so that Fidelity can continue to send you important plan information. For security purposes address changes can only be made through the employer.



If you have an outstanding 401(k) loan at the time of your termination, Fidelity Investments will send you a letter with instructions to repay your loan through the Electronic Loan Payment Service. This allows you to make payments directly from your bank account. Failure to repay a loan will result in the loan being declared a distribution, and you will not be able to take out another loan against your 401(k) until this loan has been paid in full.

- If you are placed in LOA status prior to termination, loan participants can be exempt from the requirement to make loan payments for up to 12 months while they are on a Leave of absence.



I have been provided the **Benefits Separation Checklist (BSC)** and understand the benefit options available to me upon termination of employment from my Marine Corps NAF employer and acknowledge receipt of this information.

SIGNATURE OF HR OFFICE REPRESENTATIVE

Date: _____

SIGNATURE OF TERMINATING EMPLOYEE

Date: _____

OR

I, _____, was unable to meet with
(HR or Benefits Representative – Please Print)

_____ upon termination of employment. I have therefore sent a
(Employee Name)

copy of our Termination Agreement by certified mail to the following address:

_____ on:

(Date)

SIGNATURE OF HR OFFICE REPRESENTATIVE

Date: _____

A copy of the completed/signed form must be provided to the terminating employee and a copy retained in their OPF for future reference.