

BENEFIT IMPACTS AT TERMINATION DUE TO LAYOFF*

EMPLOYEES AGE 55 AND OLDER (AGE 50 FOR PROTECTIVES)

WHO DO NOT BEGIN A WRS RETIREMENT BENEFIT

NOTE: The information in this fact sheet is based on laws and insurance contracts in effect as of April 2007. It is general and does not cover all details that you may need to know. For complete and current information on how layoff would affect your specific benefits, consult your benefits office as soon as possible.

WISCONSIN RETIREMENT SYSTEM (WRS)

Your WRS contributions and service credits will end as of your last day paid. You may begin your WRS retirement benefit effective the day after you terminate employment. This fact sheet is for employees who **DO NOT** begin their WRS retirement benefit within 30 days after employment terminates. It is usually more advantageous to begin a WRS benefit *immediately*, and therefore any delay should be carefully considered.

STATE GROUP HEALTH INSURANCE

At the time employment terminates, premiums have been paid two months in advance. The University contribution then continues for an additional three months after termination due to layoff. After the first five months, you will be responsible for paying all premiums. You may use sick leave credits to pay premiums (see below). After eligibility to use sick leave credits ends,

- If you have 20 years of WRS creditable service, you (and your insured surviving spouse, after your death) may continue group coverage indefinitely by paying the premium directly.
- If you have less than 20 years of WRS creditable service, you may continue group coverage for an additional 36 months under COBRA provisions by paying the premium directly. You may re-enroll in the group plan, with a 6-month waiting period, once a WRS retirement benefit begins.

SICK LEAVE CREDITS

When your employment terminates due to layoff, special provisions allow you to convert your sick leave hours to credits at your highest rate of pay. Your health insurance premiums are paid from the sick leave credits until the earliest of the following events:

1. The credits are exhausted;
2. You are reemployed in any position that would make you ineligible for Unemployment Compensation;
3. Five years elapse; or
4. You die. (Your insured surviving spouse and dependents can continue to use your remaining sick leave credits to pay for health insurance.)

If you return to an eligible University/state position within a specified period of time (five years for classified employees, three years for unclassified employees), your remaining sick leave hours are restored to you.

If you have 20 years of WRS service, more generous provisions apply. You may continue to use sick leave credits until they are exhausted. If you have comparable health insurance from another source, you may escrow your sick leave credits for use at a later date. In addition, if you have 15 years of adjusted continuous state service, you will receive supplemental sick leave credits. The supplemental credits match your accumulated sick leave hours up to a maximum based on years of service and employment category.

INCOME CONTINUATION INSURANCE (ICI)

Coverage ends on the date employment terminates.

EPIC DENTAL AND EXCESS MAJOR MEDICAL

Coverage ends at the end of the month following the month employment terminates. If you have 20 years of WRS creditable service, you are entitled to continue your coverage indefinitely by paying the premium. Otherwise, you are entitled to continue your coverage for up to 36 months under COBRA provisions by paying the premium.

DENTABLUE DENTAL INSURANCE

Coverage ends at the end of the month following the month employment terminates. You are entitled to continue your coverage for up to 18 months under COBRA provisions by paying the premium.

DENTAL INSURANCE (Certain Represented Employees)

Consult your union representative for information.

* A non-renewal of an academic staff contract is not a layoff, and thus the additional three months of employer-paid health insurance are not available (ch. UWS 12.01, Wis. Admin. Code). Non-renewed employees with less than 20 years of WRS service can receive sick leave credits only by taking an immediate WRS benefit.

**SPECTERA VISION
INSURANCE**

Coverage ends at the end of the month for which premium has been paid. You may maintain coverage until the end of the year in which employment terminated by prepaying premium prior to termination. You may continue the coverage under this plan.

**STATE GROUP LIFE
INSURANCE**

Coverage ends at the end of the month following the month employment terminates (at the end of the month of termination if you are age 65 or older). Continuation in the group plan for your lifetime is available if you had at least five years of active insurance coverage since 1990 or had WRS coverage before 1990 (coverage reduces at age 65). Most other employees, as well as your insured spouse and dependent children, are eligible to convert the coverage to an individual policy.

**INDIVIDUAL AND FAMILY
GROUP LIFE INSURANCE
and
UW EMPLOYEES, INC.
GROUP LIFE INSURANCE**

Coverage ends at the end of the month following the month employment terminates. You may convert the coverage to an individual policy.

**UNIVERSITY INSURANCE
ASSOCIATION (UIA)
GROUP LIFE INSURANCE**

(Unclassified employees only) Coverage for currently-insured employees ends on October 1 each year. You may be eligible to continue your group term insurance under this plan upon retirement or termination of employment with the University. For information regarding plan continuation contact your Benefits Office and complete a continuation form.

**EMPLOYEE
REIMBURSEMENT
ACCOUNT (ERA)**

Medical account: You may continue coverage for some or all of the current plan year up to the next March 15 by pre-paying contributions. Otherwise, costs incurred after the end of the last month in which you made a contribution will not be reimbursed.

Dependent Care account: Your contributions end when you terminate employment. However, you may continue to request reimbursement for eligible expenses during the plan year up to the next March 15 until the account is exhausted.

**ACCIDENTAL DEATH AND
DISMEMBERMENT
INSURANCE**

Coverage ends at the end of the month following the month employment terminates. You may convert to an individual (or family) policy.

**TAX-SHELTERED ANNUITY
403(b) ACCOUNT (TSA)
and
DEFERRED
COMPENSATION ACCOUNT**

You may discontinue contributions at any time by filing timely notice. Contributions end automatically with your last paycheck. If you are age 55 or older at the time of termination you may withdraw some or all of your account without an early withdrawal tax penalty. (Deferred Compensation accounts are not subject to the early withdrawal tax penalty, even if you terminate before age 55).

**ACCRUED LEAVE TIME
(VACATION, SABBATICAL,
ALRA, HOLIDAYS,
COMPENSATORY TIME)**

Your last paycheck will include payment for accrued vacation and other leave time owed to you. This payment is not part of your final average salary for benefit purposes under the Wisconsin Retirement System.

Every effort has been made to ensure that this information is correct and current. However, the terms and conditions of UW benefits programs are established by state and federal laws and regulations, the relevant contracts, and the policies of the Board of Regents. These sources of authority control over the information in this fact sheet to the extent there are any differences or conflicts.

If you need this material interpreted or in a different form, or if you need assistance using this service, please contact us.



University of Wisconsin System
780 Regent St. Suite 305
Madison, WI 53715
www.uwsa.edu/hr/benefits