

BENEFIT IMPACTS AT TERMINATION DUE TO LAYOFF*

EMPLOYEES UNDER AGE 55 (50 FOR PROTECTIVES)

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 take a separation benefit (withdraw the employee portion of your WRS account) before you reach minimum retirement age (55, or 50 for protectives), or leave your account on deposit for a future benefit. With a separation benefit, you forfeit the employer half of your WRS account. It is usually more advantageous to delay taking a benefit until you reach minimum retirement age, **and therefore this decision 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 be able to use sick leave credits to pay premiums for a limited period (see below). After eligibility to use sick leave credits ends,

- If you have 20 years of WRS creditable service, you may continue group coverage indefinitely (provided you do not take a separation benefit) 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.

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 have elapsed; 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 preserve 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. You are entitled to continue your coverage for up to 36 months under COBRA provisions by paying the premium. You may continue indefinitely if you have 20 years of WRS creditable service and do not take a separation benefit.

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 University-paid health insurance and use of sick leave credits do not apply (ch. UWS 12.01, Wis. Admin. Code).

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. Most employees are eligible to convert the coverage to an individual policy. Continuation in the group plan may be available to employees with 20 years of service.
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)	<p>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 last month in which you made a contribution will not be reimbursed.</p> <p>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.</p>
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. After termination you may withdraw some or all of your account. A 10% early withdrawal tax penalty may apply to your TSA account, but does not apply to your Deferred Compensation account.
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.


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