

HOW LAYOFF IMPACTS YOUR BENEFITS

For Employees At or Above Minimum Retirement Age

The information in this document pertains to employees whose employment is terminated due to permanent layoff who are at or above the minimum retirement age for their employment category (age 55 for most employees, age 50 for protectives). Other than for group health insurance purposes, a state or UWS employee whose employment is terminated due to permanent layoff is to be treated, for benefit purposes, like any other employee terminating state or UWS service. However, for group health insurance purposes, an employee terminated due to permanent layoff will be treated as if on a leave of absence per §40.02 (40) and §40.05(4)(bm), Wis. Stats.

The following information provides a summary of how benefits are affected by permanent layoff. Contact your [benefits office](#) as soon as you learn about your layoff for benefit continuation forms and answers to your questions.

The following information about health insurance and sick leave credits pertains to termination by permanent layoff only. 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).

<p>Wisconsin Retirement System (WRS)</p>	<p>Your WRS contributions and service credits will end as of your last day paid. Since you are at or above minimum retirement age at the time of termination, you have two options in regards to your WRS account.</p> <ol style="list-style-type: none"> 1. You may begin receiving WRS retirement benefits effective the day after you terminate employment. This is considered an immediate annuity (or lump-sum retirement benefit, if eligible); OR 2. You may elect to defer/not receive your WRS retirement benefits and leave your account with the WRS where it will continue to accumulate interest until you receive a distribution. <p>You are not required to apply for your WRS retirement benefit but it is usually more advantageous to begin your annuity (or receive your lump-sum retirement benefit, if eligible) immediately following termination. If you delay applying for your WRS retirement benefits, it may affect your ability to continue some insurance benefits. If you die after you terminate employment but before you apply for your WRS retirement benefits, your beneficiaries will only receive half the total value of your WRS account (employee contributions plus accumulated interest) upon death.</p> <p>You can contact the Dept. of Employee Trust Funds (ETF) at 1-877-533-5020 to request a retirement benefit estimate and application.</p>
<p>State Group Health Insurance Coverage & Employer Contribution Towards Premium After Layoff</p>	<p>Health insurance premiums are paid two months in advance so your health insurance coverage will continue for two months beyond the end of the month in which your terminate employment, provided the premium is paid through that month. This is considered health insurance coverage paid through your active employment.</p> <p>You are also eligible to receive the same employer contribution towards your health insurance premium for an additional three months after termination due to layoff for a <u>total of five months of employer contribution after layoff</u>. Even though you are eligible to receive the employer contribution towards your premium for these three months, this coverage is not considered paid through your active employment. You are required to pay your share of the health insurance premium during these three months in order to maintain your coverage. You can pay your share of the premium for the first three months through pre-tax payroll deduction from your final check, payment by personal check or with converted sick leave credits.</p> <p>If you take an immediate WRS annuity (or lump-sum payment), you are entitled to continue group health insurance for life by paying the premium with sick leave credits (see Using Sick Leave Credits section). Once the sick leave credits are exhausted, you are eligible to continue coverage indefinitely but you are responsible for the full cost of the monthly premium.</p> <p style="text-align: center;">(Continued on next page)</p>

<p>State Group Health Insurance Coverage & Employer Contribution Towards Premium After Layoff</p> <p><i>(continued)</i></p>	<p>If you do NOT take an immediate WRS annuity (or lump sum payment), your eligibility to receive the employer contribution towards your health insurance ends five months after layoff, but you have the right to continue your health insurance. You can convert your unused sick leave to sick leave credits to pay your health insurance premium for a limited period (see Using Sick Leave Credits section).</p> <p>After eligibility to use your sick leave credits ends, you can maintain your health insurance through one of the following provisions:</p> <ul style="list-style-type: none"> • If you have less than 20 years of WRS creditable service, you may continue group coverage for an additional 36 months under COBRA provisions. If you continue coverage through COBRA, you are responsible for paying the full premium but you may be eligible for up to a 65% premium reduction for a limited time (see COBRA Premium Assistance section) • If you have 20 years of WRS creditable service, you may continue group coverage indefinitely by paying the premium directly to the health insurance carrier.
<p>Using Sick Leave Credits to Pay for Health Insurance Premiums During Layoff after Employer Contribution Towards Premium Ends</p>	<p>If you take an immediate WRS annuity, your accumulated sick leave hours are automatically converted to credits at your highest rate of pay and used to pay your health insurance premiums in retirement.</p> <ul style="list-style-type: none"> • Your premiums are paid from your sick leave credits until they are exhausted. Once the credits are exhausted, you can continue your health insurance coverage indefinitely by having the monthly premium deducted from your retirement annuity on a pre-tax basis or by direct payment to your health insurance carrier. You may also escrow your credits for future use if you have comparable health insurance coverage from another source. • If you have 15 years of adjusted continuous state service at layoff, you are eligible for supplemental sick leave credits based on years of service and employment category. <p>If you do NOT take an immediate WRS annuity, you can convert sick leave hours to credits at your highest hourly rate of pay. Your health insurance premiums are paid from sick leave credits until the earliest of the following events:</p> <ol style="list-style-type: none"> 1. The credits are exhausted; 2. The first of the month following the acceptance of other employment offering comparable health insurance coverage; 3. Five years have elapsed from the date of layoff (no time restriction if you have at least 20 years of WRS creditable service); or 4. You die. Your insured surviving spouse and dependents can continue to use your remaining sick leave credits to pay for health insurance. <p>If you return to a sick leave eligible UWS or State position within a specified period of time (five years for classified employees, three years for unclassified employees), your remaining sick leave hours will be restored to you.</p> <p>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 at layoff, you are eligible for supplemental sick leave credits based on years of service and employment category.</p>
<p>COBRA Premium Assistance Information</p>	<p>Permanent layoff is considered an involuntary termination and anyone who involuntarily terminates employment between September 1, 2008 and February 28, 2010, may be eligible for up to a 65% premium reduction toward State Group Health, Anthem DentalBlue, EPIC Dental & Excess Medical and VSP Vision Insurance premiums for up to fifteen months if <u>coverage is continued through COBRA provisions</u>. The fifteen month COBRA premium assistance eligibility period under all plans begins when coverage as an active employee ends. At the of the fifteen month eligibility period, you will be required to pay the entire monthly premium(s) out-of-pocket if you want to maintain coverage.</p> <p style="text-align: center;">(Continued on next page)</p>

<p>COBRA Premium Assistance Information</p> <p><i>(continued)</i></p>	<p>NOTE: You are NOT eligible for COBRA premium assistance towards any continued benefits if you are eligible for other group health insurance, including State Group Health Insurance as a retiree and/or Medicare.</p> <p>For more detailed information about COBRA premium assistance, including information on eligibility requirements, go to: www.uwsa.edu/hr/benefits/ins/2009COBRA.html</p> <p>FOR HEALTH INSURANCE ONLY:</p> <p>If you take an immediate WRS annuity (or lump-sum payment), you are NOT eligible for COBRA premium assistance because you are eligible for State Group Health Insurance as a retiree.</p> <p>If you do NOT take an immediate WRS annuity (or lump sum payment), you have the option to either immediately begin using your sick leave credits to pay for your health insurance OR immediately elect COBRA coverage.</p> <p>1. If you do NOT take an immediate WRS annuity AND you elect COBRA coverage AFTER you use your sick leave credits, the credits must be fully exhausted before eligibility for COBRA premium assistance begins. Once the credits are exhausted, you are eligible to elect COBRA coverage. If you only have enough sick leave credits to pay for a partial month of health insurance before you are eligible to enroll in COBRA, you will be required to personally pay the difference between the total premium and the value of sick leave credits during the final month of sick leave credit usage.</p> <p>If your sick leave credits are exhausted prior to the end of your fifteen month COBRA premium assistance eligibility period, you are eligible to receive COBRA premium assistance for the remainder of the eligibility period, provided you elect COBRA coverage when the sick leave credits are exhausted. For example, if your health insurance coverage as an active employee ends on January 31, 2010, your fifteen month eligibility period begins on February 1, 2010. You then receive three months of employer contribution towards your premium (coverage through April 30, 2010) and then elect to use your sick leave credits which cover five months of insurance premiums (coverage through September 30, 2010) and then elect COBRA coverage effective October 1, 2010. Both the three months that you received the additional employer contribution and the five months you used sick leave credits, count towards the fifteen month COBRA premium assistance eligibility period so you would be eligible for seven months of COBRA premium assistance (coverage through April 30, 2011).</p> <p>After your eligibility for COBRA premium assistance ends, you will be required to pay the entire monthly premium out-of-pocket if you want to maintain coverage.</p> <p>2. If you do NOT take an immediate WRS annuity AND you elect COBRA coverage INSTEAD OF using your sick leave credits to pay for health insurance, you are immediately eligible for COBRA premium assistance, but you are not eligible to use your sick leave credits to pay for health insurance after the COBRA premium assistance ends. After the fifteen month COBRA premium assistance eligibility period, you will be required to pay the entire monthly premium out-of-pocket if you want to maintain coverage.</p>
<p>Income Continuation Insurance (ICI)</p>	<p>Coverage ends on the date employment terminates.</p>
<p>EPIC Excess Dental & Major Medical</p>	<p>Coverage ends at the end of the month following the month employment terminates provided the premium is paid through that month. If you want to continue coverage, you must submit a continuation form within 60 days of the coverage end date or 60 days from the date on the continuation form, whichever is later.</p> <p>(Continued on next page)</p>

<p>EPIC Excess Dental & Major Medical</p> <p><i>(continued)</i></p>	<p>If you take an immediate WRS annuity, you may continue EPIC coverage indefinitely but you are NOT eligible for COBRA premium assistance because you are eligible for State Group Health Insurance as a retiree. If you are eligible for any group health insurance coverage, you are not eligible to receive COBRA premium assistance towards any continued benefits.</p> <p>If you do NOT take an immediate WRS annuity, you are entitled to continue coverage for up to 36 months under COBRA provisions. You may be eligible for up to a 65% premium reduction for up to fifteen months (see COBRA Premium Assistance section) if you continue coverage.</p> <p>If you have 20 years of WRS creditable service and do NOT take an immediate WRS annuity, you may continue coverage indefinitely through contract provisions. This is not considered COBRA continuation so you are not eligible for COBRA premium assistance if you elect indefinite continuation coverage.</p>
<p>Anthem DentalBlue Dental Insurance</p>	<p>Coverage ends at the end of the month following the month employment terminates provided the premium is paid through that month. If you want to continue coverage, you must submit a continuation form within 60 days of the coverage end date or 60 days from the date on the continuation form, whichever is later.</p> <p>If you take an immediate WRS annuity, you may continue Anthem DentalBlue coverage indefinitely but you are NOT eligible for COBRA premium assistance because you are eligible for State Group Health Insurance as a retiree. If you are eligible for any group health insurance coverage, you are not eligible to receive COBRA premium assistance towards any continued benefits.</p> <p>If you do NOT take an immediate WRS annuity, you are entitled to continue coverage for up to 18 months under COBRA provisions. You may be eligible for up to a 65% premium reduction for up to fifteen months (see COBRA Premium Assistance section) if you continue coverage.</p>
<p>Union-Sponsored Dental Insurance</p>	<p>Consult your union representative for information.</p>
<p>VSP Vision Insurance</p> <p><i>(replaces OptumHealth Vision effective January 1, 2010)</i></p>	<p>Coverage ends at the end of the month following the month employment terminates provided the premium is paid through that month. If you want to continue coverage, you must submit a continuation form within 60 days of the coverage end date or 60 days from the date on the continuation form, whichever is later.</p> <p>If you take an immediate WRS annuity, you may continue VSP coverage indefinitely but you are NOT eligible for COBRA premium assistance because you are eligible for State Group Health Insurance as a retiree. If you are eligible for any group health insurance coverage, you are not eligible to receive COBRA premium assistance towards any continued benefits.</p> <p>If you do NOT take an immediate WRS annuity, you are entitled to continue coverage for up to 18 months under COBRA provisions. You may be eligible for up to a 65% premium reduction for up to fifteen months (see COBRA Premium Assistance section) if you continue coverage.</p>
<p>State Group Life Insurance</p>	<p>Coverage ends at the end of the month following the month employment terminates (the end of the month of termination if you are age 65 or older) provided the premium is paid through that month. You are eligible to continue coverage indefinitely if:</p> <ul style="list-style-type: none"> • You were covered under the WRS prior to 1990 (without taking a separation benefit for this period of service; OR • You have at least one month of life insurance coverage in each of five calendar years after 1989. <p>If you carry Spouse & Dependent coverage, any covered dependents may be eligible to convert coverage to an individual policy by submitting a conversion form and first premium directly to Minnesota Life within 31 days of the coverage end date.</p> <p style="text-align: center;">(Continued on next page)</p>

<p>State Group Life Insurance</p> <p><i>(continued)</i></p>	<p>If you take an immediate WRS annuity and meet one of the eligibility criteria above, your coverage will automatically continue; you do not need to complete a continuation form. Your employer will certify your coverage level to the ETF and premiums will automatically be taken from your retirement annuity until age 65.</p> <p>If you do NOT take an immediate WRS annuity and meet one of the eligibility criteria outlined on the previous page, you are eligible to continue coverage by submitting a continuation form directly to the Dept of Employee Trust Funds within 31 days of your coverage end date.</p>
<p>Individual & Family Group Life Insurance</p>	<p>Coverage ends at the end of the month following the month employment terminates provided the premium is paid through that month. You may be eligible to convert coverage to an individual policy by submitting a conversion form and first premium directly to Minnesota Life within 31 days of your coverage end date.</p>
<p>UW Employees Inc. Life Insurance</p>	<p>Coverage ends at the end of the month following the month employment terminates provided the premium is paid through that month. You may be eligible to convert coverage to an individual policy by submitting a conversion form and first premium directly to Country Life Insurance Company within 31 days of your coverage end date.</p>
<p>Accidental Death & Dismemberment Life Insurance</p>	<p>Coverage ends at the end of the month following the month employment terminates provided the premium is paid through that month.</p> <p>If you take an immediate WRS annuity, you may continue coverage indefinitely as a retiree by submitting a continuation form and payment directly to Hausmann-Johnson no later than 30 days after your coverage end date. Coverage decreases on a sliding scale beginning at age 70.</p> <p>If you do NOT take an immediate WRS annuity, you may be eligible to convert coverage to an individual policy by contacting Hausmann-Johnson Insurance, 700 Regent Street, Madison, WI 53715 (Phone: 800-729-4287). Application for conversion must be made to Hausmann-Johnson within 31 days of your coverage end date.</p>
<p>University Insurance Association (UIA) Life Insurance</p>	<p>(Unclassified employees only) Coverage continues until September 30th following your termination date provided the premium is paid through that date. You may be eligible to continue your coverage indefinitely by submitting a continuation form and premium directly to Minnesota Life no later than November 29th following your coverage end date. Late continuation forms will be rejected.</p>
<p>Employee Reimbursement Accounts</p>	<p>Medical account: If you do not continue coverage, coverage ends at the end of the month in which your last ERA deduction was taken. Expenses for services received after this date are not reimbursable. You may continue coverage by 1) contributing the remainder of your annual election via a tax-free lump sum contribution taken from your last paycheck(s) or 2) contribute after-tax payments to your account. If you contribute your full annual election, you can incur eligible expenses through March 15th following the current plan year. All claims for reimbursement must be submitted to Fringe Benefits Management Company (FBMC) by April 15th following the current plan year.</p> <p>Dependent Care account: When you terminate employment, you cannot continue contributions. You can continue to incur expenses and request reimbursement from your account until you exhaust the balance or until March 15th following the current plan year, whichever is earlier. All claims for reimbursement must be submitted to Fringe Benefits Management Company (FBMC) by April 15th following the current plan year.</p>
<p>Tax-Sheltered Annuity 403(b) Account (TSA)</p>	<p>You may stop contributions at any time by filing a Salary Reduction Agreement. Contributions will end automatically on your last paycheck. After termination of employment (or at age 59½ or later if still employed) you may withdraw some or all of your account and you will not be subject to a 10% early withdrawal tax penalty. Contact your investment company(s) for more information.</p>

Wisconsin Deferred Compensation Account	<p>You may stop contributions at any time by contacting Wisconsin Deferred Compensation directly. Contributions will end automatically on your last paycheck. After termination of employment you may withdraw some or all of your account and you will not be subject to an early withdrawal tax penalty.</p>
Accrued Leave Time (Vacation, Sabbatical, Personal/Floating Holidays, ALRA, Compensatory Time)	<p>Please refer to your layoff letter to see if you are eligible to receive payment at layoff for any unused accrued leave. In some layoff situations, you may be required to use any accrued paid leave before your termination date or it will be lost.</p> <p>If eligible for a payout of accrued leave, you will receive a lump-sum payment for accrued vacation and other leave time owed to you on either your final paycheck or a separate check after your termination date. You can contact your payroll office to confirm the date to expect your lump-sum payment. This payment is not reportable for WRS purposes.</p>

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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