HOW LAYOFF IMPACTS YOUR BENEFITS
(if not eligible to retire)

The following chart provides a summary of how benefits are affected by permanent layoff. This chart applies to you only if your employment ends due to layoff and you are:

- Under 55 years old (50 years old if covered by the Protective WRS category); or
- Not vested* in the Wisconsin Retirement System

*You are vested in the WRS if:

- You have WRS creditable service prior to July 1, 2011; or
- You were first covered by the WRS on July 1, 2011 or later, and you have at least 5 years of WRS creditable service.

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; therefore the following provisions do not apply to a non-renewal.

The UW Service Center will send you a continuation notice that outlines your continuation or conversion rights to the benefit plans that you were enrolled in at the time of layoff. Contact the UW Service Center at servicecenter@uwsa.edu or (888) 298-0141 if you do not receive one.

Contact your human resources office with questions about your layoff.

| Wisconsin Retirement System (WRS) | You can either leave your money in the WRS to accumulate interest or close your WRS account (separation benefit) by requesting payment of your employee-required contributions and any interest on those contributions. If you take a separation benefit, you will lose any employer-required contributions in your account and your years of WRS service, and pay tax and penalties on the remaining amount.
|-----------------------------------|---|
| If vested, you may take a separation benefit at any time before you reach retirement age of 55 (50 for Protectives) or you may wait until you reach retirement age and take a retirement benefit.
| If not vested, you are only eligible to receive a separation benefit and may apply for this benefit at any time after termination.
| See the ETF brochure, Separation Benefits, for additional information.
| Generally, it's in your best interest to leave your contributions in the WRS. If you take a separation benefit and later return to state employment, you must re-serve any waiting periods for benefits. |

| State Group Health Insurance | When you end employment due to layoff, your health insurance will end at the end of the month following your termination date (provided the premium is paid). You are then eligible for an additional three months of the employer contribution towards your health insurance.
|-----------------------------|---|
| You are required to pay your portion of the health insurance premium for these additional three months. You can pay through pre-tax payroll deduction from your final check(s), payment by personal check or with converted sick leave credits. You must complete a Health Insurance Premium Payment at Layoff (UWS 40) form before your layoff to indicate how you want to pay for the three extra months of coverage.
| After the three additional months, you can use your sick leave credits to pay your health insurance premium for a limited time (See Using Sick Leave Credits), or end coverage and be issued a COBRA Continuation form. After all of your sick leave credits have been used, you may continue health insurance coverage through one of the following:
| - If you have less than 20 years of WRS creditable service, you may continue coverage for 36 months and you will have to pay the total premium.
| - If you have at least 20 years of WRS creditable service, you may continue coverage indefinitely and you will have to pay the total premium.
| Important: If you are enrolled in a High Deductible Health Plan (HDHP), you are required to remain enrolled in the state’s sponsored Health Savings Account (HSA). See Health Savings Account below for more information. |
Using Sick Leave Credits to Pay for Health Insurance Premiums During Layoff

You can convert sick leave hours to a dollar value by multiplying your current number of sick leave hours by your highest hourly rate of pay. 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. Your health insurance premiums are paid from sick leave credits until the earliest of the following events:

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. Your death. Your insured surviving spouse and dependents can continue to use your remaining sick leave credits to pay for health insurance.

**If you have at least 20 years of WRS service**, you may continue to use sick leave credits until they are exhausted. If you have comparable health insurance from another source, you may save your sick leave credits for use at a later date.

If you do not convert your sick leave hours to credits or you become ineligible to use your remaining credits, your sick leave hours will be lost unless you return to a sick-leave eligible job at the UW or a State Agency within your reinstatement period (five years for University Staff, three years for Faculty, Academic Staff and Limited appointees).

If you return within your reinstatement period, any remaining sick leave will be restored to you.

<table>
<thead>
<tr>
<th>Income Continuation Insurance (ICI)</th>
<th>Coverage ends on the date employment terminates.</th>
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<tbody>
<tr>
<td>EPIC Benefits+</td>
<td>Coverage ends at the end of the month in which your employment terminates. You may continue coverage by submitting a continuation notice and application to EPIC Specialty Benefits within 60 days of the coverage end date or the receipt of continuation notice, whichever is later. • If you have less than 20 years of WRS creditable service – Coverage may continue for up to 18 months. • If you have at least 20 years of WRS creditable service – Coverage may continue for life provided you do not take a separation benefit.</td>
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<tr>
<td>Dental Wisconsin</td>
<td>Coverage ends at the end of the month in which your employment terminates. You may continue coverage for 18 months by submitting a continuation notice and application to EPIC Specialty Benefits within 60 days of the coverage end date or the receipt of continuation notice, whichever is later.</td>
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<tr>
<td>VSP Vision Insurance</td>
<td>Coverage ends at the end of the month in which your employment terminates. You may continue coverage for 18 months by submitting a continuation notice and application to VSP within 60 days of the coverage end date or the receipt of continuation notice, whichever is later.</td>
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<tr>
<td>State Group Life Insurance</td>
<td>Coverage ends at the end of the month in which your employment terminates. If you have less than 20 years of WRS creditable service, you and any eligible dependents covered under Spouse &amp; Dependent coverage (if applicable) may be eligible to convert coverage to an individual policy by submitting a conversion application and first premium directly to Securian within 31 days of your coverage end date. If you have at least 20 years of WRS creditable service, you may be eligible to continue coverage indefinitely by submitting a continuation application directly to the Dept. of Employee Trust Funds within 31 days of your coverage end date. If you carry Spouse &amp; Dependent coverage, any covered dependents may be eligible to convert coverage to an individual policy by submitting a conversion application and first premium directly to Securian within 31 days of the coverage end date.</td>
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<tr>
<td>Plan Type</td>
<td>Details</td>
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<tr>
<td>Individual &amp; Family Life Insurance</td>
<td>Coverage ends at the end of the month in which your employment terminates. You may convert your coverage to an individual policy by submitting a conversion application and first premium directly to Securian within 31 days of your coverage end date.</td>
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<tr>
<td>UW Employees, Inc. Life Insurance</td>
<td>Coverage ends at the end of the month in which your employment terminates. You may convert your coverage to an individual policy by submitting a conversion application and first premium directly to Securian within 31 days of your coverage end date.</td>
</tr>
<tr>
<td>Accidental Death &amp; Dismemberment (AD&amp;D) Insurance</td>
<td>Coverage ends at the end of the month in which your employment terminates. You may convert your coverage to an individual policy by contacting Zurich American Insurance Company at 1-800-834-1959 within 60 days of your coverage end date (reference UW System Policy # GTU-8364005).</td>
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<tr>
<td>University Insurance Association (UIA) Life Insurance</td>
<td>Coverage continues until September 30th following your termination date provided the premium is paid through that date. You may convert your coverage to an individual policy by submitting a conversion application and first premium directly to Securian within 31 days of your coverage end date.</td>
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</table>
| Flexible Spending Account (Health, Dependent Day Care and Limited Purpose FSA) | **Health Care FSA/LPFSA:** If you do not contribute your annual election amount, coverage ends at the end of the month in which your last FSA deduction was taken. If you only have carryover FSA funds from the prior plan year and did not participate in the current plan year, your coverage ends on your layoff date. Any expenses incurred after that date will not be reimbursed. You may continue coverage by:  
  - Contributing the remainder of your election via a tax-free lump sum from your final paycheck(s); or  
  - Contributing after-tax payments to your account by paying the Department of Employee Trust Funds directly (Contact the UW Service Center at servicecenter@uwsa.edu or (888) 298-0141 for an FSA continuation application).  
If you contribute your full annual election, you may incur expenses through December 31. In addition, you will be eligible to carry over up to $500 to the following plan year. Any unused funds in the carryover year will be forfeited.  
**Dependent Care FSA**  
Upon the end of your employment, you cannot continue dependent care contributions. You can continue to request reimbursement for eligible expenses until you exhaust your account or until the end of the plan year, whichever comes first, even if you have not contributed the full annual election amount.  
**NOTE:** Your TASC card will be deactivated. You will have to pay for expenses out of pocket and submit claims for reimbursement.  
Employees have 90 days from the end of the Plan Year to submit claims. |
| **Health Savings Account (HSA)**  
(Applicable only if enrolled in High Deductible Health Plan) | You must remain enrolled in the state-sponsored HSA if you are continuing your enrollment in a State of WI High Deductible Health Plan after layoff. You may continue to contribute to your HSA as long as you remain enrolled in the HDHP and you are not currently enrolled in Medicare. These contributions will be made post-tax.  
Once you are no longer enrolled in a State of WI HDHP or become enrolled in Medicare, you may no longer make contributions to your HSA.  
After your layoff, you are eligible for an additional three months of the employer contribution towards your health insurance. Therefore, you will continue to receive the HSA Employer contribution for these three months. Once your employer contribution ceases, you will no longer receive an HSA Employer contribution. In addition, you will then be responsible for a monthly $3.00 administration fee which will be drawn from your account balance. If your account reaches a zero balance, your HSA will be automatically be closed after 90 days if there are no additional deposits. As a reminder, you must remain enrolled in the state-sponsored HSA if you are continuing your enrollment in a State of WI HDHP.  
Once you turn 65, you can continue to use your account tax-free for qualified medical expenses. You can also use your account to pay for things other than medical expenses. If used for other expenses, the amount withdrawn will be taxable as income but will not be subject to any other penalties. Individuals under age 65 who use their accounts for non-qualified medical expenses must pay income tax and a 20% penalty on the non-qualified withdrawal.  
There will be no future employer contribution to your account. |
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<td><strong>Tax-Sheltered Annuity (TSA) 403(b) Program</strong></td>
<td>Contributions will end automatically on your last paycheck. After you end employment, you may withdraw some or all of your account but a 10% early withdrawal tax penalty may apply. Contact your <a href="http://www.wisconsin.edu/ohrwd/">TSA provider</a> for information about your account and distribution options.</td>
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<tr>
<td><strong>Wisconsin Deferred Compensation 457 Program</strong></td>
<td>Contributions will end automatically on your last paycheck. Contact <a href="http://www.wisconsin.edu/ohrwd/">Wisconsin Deferred Compensation</a> directly for information about your account and distribution options.</td>
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</table>
| **Accrued Leave Time (Vacation, Banked Leave, Personal/Floating Holidays, ALRA, Compensatory Time)** | 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.  
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. |

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 have 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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Madison, WI 53715  
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