HOW LAYOFF IMPACTS YOUR BENEFITS
(if 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:

- At least 55 years old (50 years old if covered by the Protective WRS category); and
- 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](mailto:humanresources@uwsa.edu) with questions about your layoff.

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<tr>
<th>Wisconsin Retirement System (WRS)</th>
<th>You have two options regarding your WRS account:</th>
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<td>• You may begin receiving a WRS retirement benefit effective the day after you terminate employment. This is considered an immediate annuity (or lump-sum retirement benefit, if eligible); OR You may postpone your WRS retirement benefits and leave your account with the WRS where it will continue to accumulate interest until you take your retirement benefit.</td>
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<td>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 benefit, it may affect your ability to continue some insurance benefits.</td>
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<td>If you die after you end employment but before you apply for your WRS retirement benefit, your beneficiaries will only receive half the total value of your WRS account (employee contributions plus accumulated interest) upon death.</td>
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<td>Refer to <a href="mailto:applying-for-your-retirement-benefit@uwsa.edu">Applying for your Retirement Benefit (ET-4106)</a> for more information. You can request a retirement benefit estimate/application by contacting the Dept. of Employee Trust Funds (ETF) at 1-877-533-5020.</td>
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<tr>
<th>State Group Health Insurance (Continued on Next Page)</th>
<th>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.</th>
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<td><strong>Note:</strong> Your retirement date can be the day after your termination, but your remaining sick leave will not be certified until after the third month of additional health insurance.</td>
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<td>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 <a href="mailto:health-insurance-premium-payment-at-layoff@uwsa.edu">Health Insurance Premium Payment at Layoff (UWS 40)</a> form before your layoff to indicate how you want to pay for the three extra months of coverage.</td>
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<td><strong>If you take an immediate WRS annuity (or lump-sum payment),</strong> you are eligible to continue health insurance for life by paying the premium with sick leave credits (See Using Sick Leave Credits). Once all your sick leave credits are used, you must pay the total premium either from your WRS annuity or by personal payment.</td>
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<td><strong>If you do NOT take an immediate WRS annuity (or lump-sum payment),</strong> you can use your sick leave credits to pay your health insurance premium for a limited time (See Using Sick Leave Credits).</td>
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| **State Group Health Insurance** (Continued) | 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** | **If you take an immediate WRS annuity (or lump-sum payment):**  
- Your sick leave hours will be converted to a dollar value by multiplying your current number of sick leave hours by your highest hourly rate of pay and will be used to pay your health insurance premiums in retirement until they are exhausted.  
- 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.  
- Once all your sick leave credits are used, you must pay the total premium either from your WRS annuity or by personal payment.  
- 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 take an immediate WRS annuity (or lump-sum payment)***  
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.  
**Income Continuation Insurance (ICI)**  
Coverage ends on the date employment terminates. |
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<th>Coverage</th>
<th>Conditions</th>
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<td><strong>EPIC Benefits+</strong></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.</td>
<td>- If you take an immediate WRS annuity (or lump sum payment), you may continue EPIC Benefits+ coverage indefinitely. You will pay a slightly higher premium than you did as an active employee. Click <a href="#">here</a> for plan and premium information (you pay “Annuitant” premium.)&lt;br&gt;- If you have at least 20 years of WRS creditable service and you do not take an immediate WRS annuity, you may continue coverage indefinitely.&lt;br&gt;- If you do not have at least 20 years of WRS creditable service and you do not take an immediate WRS annuity, you may continue coverage for up to 18 months.</td>
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<td><strong>Dental Wisconsin</strong></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.</td>
<td>- If you take an immediate WRS annuity, you may continue coverage indefinitely. You will pay a slightly higher premium than you did as an active employee. Click <a href="#">here</a> for plan and premium information (you pay “Annuitant” premium.)&lt;br&gt;- If you do NOT take an immediate WRS annuity, you may continue coverage for up to 18 months.</td>
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<td><strong>VSP Vision Insurance</strong></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 VSP within 60 days of the coverage end date or the receipt of continuation notice, whichever is later.</td>
<td>- If you take an immediate WRS annuity, you may continue coverage indefinitely.&lt;br&gt;- If you do NOT take an immediate WRS annuity, you may continue coverage for up to 18 months.</td>
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<td><strong>State Group Life Insurance</strong></td>
<td>Coverage ends at the end of the month in which your employment terminates (provided the premium is paid). You may continue coverage indefinitely if:&lt;br&gt;- You were covered under the WRS prior to 1990 (without taking a separation benefit for this period of service); OR&lt;br&gt;- You have at least one month of life insurance coverage in each of five calendar years after 1989. If you take an immediate WRS annuity and meet one of the eligibility criteria above, your coverage will automatically continue. The UW will certify your coverage level to the Dept. of Employee Trust Funds (ETF) and premiums will automatically be taken from your retirement annuity until age 65. If you do NOT take an immediate WRS annuity and meet one of the eligibility criteria above, you are eligible to continue coverage by submitting a continuation application directly to the Dept. of Employee Trust Funds (ETF) within 31 days of your coverage end date. If you are not eligible to continue coverage, you 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. 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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<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>
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| Accidental Death & Dismemberment (AD&D) Insurance | Coverage ends at the end of the month in which your employment terminates.  
If you take an immediate WRS annuity, you may continue coverage indefinitely as a retiree by submitting a continuation application and payment directly to Hausmann-Johnson no later than 60 days after your coverage end date. Coverage decreases on a sliding scale beginning at age 70.  
If you do NOT take an immediate WRS annuity, 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). |
| University Insurance Association (UIA) Life Insurance | Coverage continues until September 30th following your termination date provided the premium is paid through that date.  
- If you take an immediate WRS annuity, you may continue your coverage indefinitely as a retiree by submitting a continuation application and premium directly to Securian no later than November 29th following your coverage end date.  
- If you do not take an immediate WRS annuity, you may convert your coverage to an individual policy by submitting a conversion application to Securian within 31 days of your coverage end date. |
| 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. |
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 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.

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 TSA provider for information about your account and distribution options.

Contributions will end automatically on your last paycheck. Contact Wisconsin Deferred Compensation directly for information about your account and distribution options.

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.