

State of Wisconsin

DEPARTMENT OF EMPLOYMENT RELATIONS

- CLASSIFICATION & COMPENSATION BULLETIN -

- COLLECTIVE BARGAINING BULLETIN -

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Subject: Information Relating to the Administration of the Supplemental Health Insurance Conversion Credit Program for Nonrepresented and Certain Represented Employees

INTRODUCTION

The purpose of this bulletin is to provide technical and procedural information that will help agencies interpret and administer the supplemental health insurance conversion credit (SHICC) program to those employees to which it has been extended. As of the date of this bulletin, the employee groups for which the SHICC program has been approved and the effective date of the program for each respective group are as follows:

- * Wisconsin State Employees Union (WSEU; all units) 11/26/95
- * Wisconsin Physician and Dentist Association 11/26/95
- * Classified nonrepresented employees 1/21/96
- * Unclassified nonrepresented employees, other than those with fixed term appointments 1/21/96
- * Unclassified nonrepresented employees with fixed term appointments made on or after 1/21/96 Date of appointment
- * Faculty and Academic Staff of the University of Wisconsin system 2/1/96
- * State elected officials Date varies based on term of office; contact DER for more information
- * Professional Employees in Research, Statistics & Analysis 4/14/96
- * State Engineering Association 4/14/96
- * Wisconsin Professional Employees Council 4/14/96
- * Wisconsin Science Professionals 4/14/96

NOTE: Unless otherwise instructed by DER, the information in this bulletin will also apply to the administration of a SHICC program for any other represented employee group for which this program is agreed to for the 1995-97 collective bargaining agreement. As of the date of this bulletin, 1995-97 agreements have been reached with three additional state bargaining units (Association of State Prosecutors; State Professional Education and Information Council; and United Professionals for Quality Health Care) and are awaiting signing by the Governor and publication in the official state newspaper. The expected

effective date for these contracts is June 8, 1996. The SHICC program is included in all of those tentative agreements.

NOTE: Please refer to CC/POL-26, dated January 18, 1996, for background information relating to the establishment of this program for nonrepresented classified and unclassified employees, faculty and academic staff, and state elected officials.

INTEGRATION OF SHICC WITH PROGRAMS/BENEFITS ADMINISTERED BY THE DEPARTMENT OF EMPLOYE TRUST FUNDS

Although the information or examples in this bulletin may appear to apply to an individual employee's circumstances, any specific facts relating to the Wisconsin Retirement System (WRS) and the exact circumstances of an employee's retirement from state service should be verified before a definitive answer is given to the employee.

ANSWERS TO FREQUENTLY ASKED QUESTIONS ABOUT THE SHICC PROGRAM

The following questions and answers represent those that have been asked most frequently in the past several weeks by agency personnel or payroll staff or identified by Department of Employment Relations (DER) staff as likely areas of concern or confusion. They are grouped by general topic (e.g., "effective date") but some questions and/or answers involve more than one issue. The following topics are included:

1. BASIC ELIGIBILITY ISSUES (P. 2)
2. DETERMINING YEARS OF CONTINUOUS SERVICE WITH THE STATE (P. 3)
3. EFFECTIVE DATE (P. 4)
4. DOCUMENTING AN EMPLOYEE'S YEARS OF PROTECTIVE AND GENERAL
OR EXECUTIVE OCCUPATION CATEGORY PARTICIPATION (P. 5)
5. COMPUTING THE AMOUNT OF SUPPLEMENTAL CREDITS FOR AN EMPLOYEE (P. 7)
6. DETERMINING AN EMPLOYEE'S ELIGIBILITY FOR THE "RESTORATION" OF 500
CREDITS OF SICK LEAVE (P. 9)
7. DETERMINING THE BASE RATE AT WHICH TO CONVERT THE SUPPLEMENTAL
CREDITS..... (P. 10)
8. REHIRED ANNUITANT ISSUES (P. 10)
9. CARRY-OVER EMPLOYEES OF THE UNIVERSITY OF WISCONSIN HOSPITAL AUTHORITY..... (P. 11)
10. MISCELLANEOUS (P. 11)

Three attachments are also included for reference. **Attachment A** is a sample form to be adapted by each agency for use by its employees when they request restoration of 500 hours of sick leave used in the three years preceding retirement for a single injury or illness. **Attachment B** is a copy of the table that shows the maximum supplemental credits for general/executive or protective category up to 25 years of service. **Attachment C** is a copy of a table that shows the maximum supplemental credits for employees with a combination of general/executive and protective category employment during the first 24 years of continuous service/seniority.

BASIC ELIGIBILITY ISSUES

1. To be eligible to receive supplemental credits, one of the criteria is that an employe must “retire from the service.” What does that mean?

It means to meet the definition of “retired employe” found in s. 40.02(49), Stats. Under this definition, a “retired employe” is a former insured employe who is not a participating employe and who is one of the following:

- ◆ retired on an immediate or disability (including duty disability) annuity;
- ◆ received a lump sum payment, which would have been an immediate annuity if paid as an annuity;
- ◆ terminated creditable service after attaining 20 years of creditable service under the WRS who is eligible for an immediate annuity but defers application;
- ◆ any state constitutional officer, member or officer of the legislature, head of a state department or state agency who is approved by the governor with senate confirmation, or head of a legislative service agency who terminates all creditable service on or after 1/1/92, who is eligible for and has applied for a retirement annuity.

2. What is an “immediate annuity?”

“Immediate annuity” is defined at s. 40.02(38), Stats. It means an annuity, not including an annuity from additional contributions, which begins to accrue not later than 30 days after termination of employment.

DETERMINING YEARS OF CONTINUOUS SERVICE WITH THE STATE

1. To be eligible for supplemental credits under the SHICC program, an employe must have at least 15 full years of adjusted continuous service with the state at the time of retirement. How is “adjusted continuous service” determined?

For represented employes, the term “seniority” should be used interchangeably with the term “adjusted continuous service.” Thus, for those employes, the full years of service will be determined in accordance with the seniority provisions of the respective collective bargaining agreement.

For nonrepresented employes, the years of “adjusted continuous service” years are determined in accordance with the provisions of s. ER 18.02(2), Wis. Adm. Code.

2. Are the years of creditable service under the Wisconsin Retirement System computed the same as the “full years of continuous service” with the state?

Definitely not. Although these two terms are frequently confused by employes, and the number of years are similar for some employes, the two terms have distinct meanings and different methods of computation. The years of creditable service refers to the number of years of service an employe has credited under the Wisconsin Retirement System for purposes of retirement eligibility and annuity

calculation; this amount may reflect employment with a non-state employer that participates in the WRS, an employee's half-time status for some or all of his/her career, the fact an employee took a separation benefit when leaving a previous covered position and many other factors.

In contrast, the years of adjusted continuous service or seniority with the state relates to the number of years an employee has worked for the state without a break in service. For example, a half-time employee would accrue one full year of continuous service/seniority over a calendar year, and approximately one-half (1/2) year of creditable service under the WRS for that same year.

EFFECTIVE DATE

1. An employe retired from a position during this fiscal year, but before the effective date of the SHICC program for the employe group under which the employe is covered. Is s/he eligible for the supplemental credits provided under SHICC?

No. The supplemental credits are only available to employes who meet the basic eligibility criteria i.e., 15 full years of continuous state service/seniority as of the date of retirement, and who retire on or after the date on which the SHICC program became effective for that employe group. In addition, any requirements that exist in order for an employe to convert sick leave credits under the standard Accumulated Sick Leave Conversion Credit (ASLCC) program must also be met.

Example A: Jack Smith retired from a WSEU position effective 11/12/95 and had 20 years of seniority at the time of his retirement. He is not eligible for supplemental credits under the SHICC program because he terminated state service before the effective date of the SHICC program for WSEU employes.

Example B: Jack Smith was on a leave of absence from a WSEU position and retired 12/15/95 without returning to *active* pay status; he had 20 years of seniority at the time of his retirement. Jack would be eligible for the supplemental credits because his actual date of retirement was after the initial effective date for the SHICC program for employes represented by WSEU.

Example C: Jack Smith terminated state employment from a WSEU position 12/15/95 and had 19 years of seniority at the time of termination. Six months later, he decides to apply for an annuity. He would not be eligible for supplemental credits because he did not retire on an immediate annuity from a state position; because he is not eligible for an immediate annuity, he would not be eligible to convert any unused sick leave credits under the ASLCC. Therefore, he is also ineligible to receive any supplemental credits under the SHICC program. (*NOTE: An employe who has reached minimum retirement age, has 20 years of creditable service and is eligible for an immediate annuity may defer application for an annuity. These participants are considered to have "retired from the service" and are thus eligible for accumulated sick leave conversion credits and supplemental health insurance conversion credits even though they don't receive an immediate annuity.*)

2. An employe has applied for a disability retirement. The effective date of a disability retirement is typically determined retroactively; however, the employe typically remains in

employment status with the state until the decision on the disability application is made. To be eligible to receive supplemental credits under SHICC, an employee must have at least 15 full years of continuous service, or seniority, at the time of retirement. What date would be used to determine an employee's eligibility for supplemental credits: the effective date of the retirement, or the date on which the individual's employment status with the state is terminated? What date would be used to determine the employee's full years of seniority?

The date determined by the Department of Employee Trust Funds (DETF) as the effective date of the retirement would be the date on which both eligibility for supplemental credits and full years of continuous state service would be determined.

Example A: Joan Adams is a nonrepresented classified employee. She applied for a disability retirement through the Wisconsin Retirement System in October 1995. The decision approving that disability retirement is not made until February 15, 1996, and it is determined that the effective date of her retirement is October 21, 1995. Joan is not eligible to receive SHICC credits, even if she had 15 years of continuous service on October 21, 1995, because the SHICC program was not effective for nonrepresented classified employees until January 21, 1996.

Example B: Tom Jones is a represented physician. He has 15 years of continuous service/seniority as of March 3, 1996. Tom applied for a disability retirement prior to that date, and the DETF determined that the retirement would be effective February 15, 1996. Even though Tom is in a position for which the SHICC program was approved effective November 26, 1995, he does not have the required 15 full years of continuous service as of the date of his retirement, i.e., February 15, 1996. Therefore, he is not eligible for any supplemental credits under the SHICC program.

DOCUMENTING AN EMPLOYEE'S YEARS OF PROTECTIVE AND GENERAL OCCUPATION PARTICIPATION

1. Some employees have moved between "general" and "protective" occupation category employment, and not all of that employment was with this agency. How can we document the years of continuous service in protective vs. general occupation employment for an employee?

Depending on the age and completeness of the employee's P-file, documents may exist in that file that would allow you to "track" the employee's movements to and between general and protective category positions. The Employee Trust Funds Form 40 may exist in an employee's file and would document a change of that sort. Other clues can be determined from the employee's classification in a given year or over a specific time frame, since for many classifications, virtually everybody holding that classification title will be in a particular retirement category (e.g., Officer would most likely be protective and a Program Assistant would be general). *The Department of Employment Relations, in conjunction with DETF, is working to develop a legislative history of what state classifications were added to protective occupation category by statute and when those changes were effective. This document will be shared with state agencies when it is developed.*

The DETF may be able to provide you with the start and stop dates of an employee's participation in a particular retirement category, which may help in cases where little documentation can be derived from

the employe's P-file or other records available within the employing agency. Be aware, however, that an employe's adjusted continuous service, or seniority, may not cover the same time frame as DETF's records for that individual. For example, an employe may have had prior employment with a non-state WRS employer and had protective service with that employer.

The years of protective service for that employe will not match the years of continuous service/seniority with the state. Likewise an employe whose seniority date was adjusted upon reinstatement to a WSEU Security and Public Safety (SPS) bargaining unit position may reflect many more years of WRS creditable service than the employe's current seniority.

Example A: John Doe was employed as a Correctional Officer for 16 years and left state service for other employment. He reinstated to an SPS position in a non-protective position two years after leaving. John works 15 more years and then retires. John's *seniority* would be 15 years, all of it in a general occupation category position. However, his creditable service under WRS would reflect 16 years protective and 15 years general, for a total of 31 years. The maximum amount of supplemental credits that could be matched for John would be based solely on the 15 years of general category employment, i.e., $15 \times 52 = 780$.

Example B: John Doe was employed as a Correctional Officer for 15 years and left state service for other employment. He reinstated two years later to an SPS protective category position and worked 10 more years. He then moved to a nonrepresented position in a general occupation category where he worked for 5 more years. In this case, John's years of continuous service would have been recomputed at the time he moved to the nonrepresented position, and his previous 15 years of service would be credited for seniority purposes. He would have 30 years of continuous service at the time he retired, of which the first 25 were in protective. The maximum supplemental credits he could be provided would be computed as follows:

Years 1-24:	24 (protective) x 78	1872
Years 25-30:	6 (protective or general) x 104	<u>624</u>
	Maximum match:	2496

- 2. What if an employe claims to have more years of protective employment than can be documented by the employer? For example, an employe with 35 years of service transferred to his or her present agency 20 years ago and the P-file does not contain any documents that support the employe's claim that five of those first years were in a protective category position.**

The employer should take reasonable efforts to attempt to document the employe's claim, e.g., contacting the previous agency to determine what records might still exist at the agency to support the claim, consult with the DETF to determine what records or information might exist in the employe's file at ETF, contacting the central payroll center to determine what records might exist or be retrieved for the period in question. The employe should also be requested to provide whatever documentation he or she has to support that claim of previous service. If no documentation can be found by the employer or employe to support the claim of protective service, the employe's supplemental credits must be based on the record of employment that is supported by documents.

3. If an employe has 24 or more full years of seniority, of which some of the first 24 were in protective, and some were in general, how do I treat fractions of a year?

When an employe has time in both protective and general during the first 24 years of seniority/continuous service, you will give credit for a full year of protective service if the fraction of a year is 1/2 or more (e.g., 12.5 years protective = 13 years protective). If the fraction of a year of protective is less than one-half, you will round down (e.g., 12.4 years protective = 12 years protective).

COMPUTING THE AMOUNT OF SUPPLEMENTAL CREDITS FOR AN EMPLOYEE

1. The chart provided in the collective bargaining agreements and the compensation plan materials starts at 15 years. Does this mean that the years of service before 15 are not included when determining the amount of supplemental credits to which an employe may be entitled?

No. An employe is not eligible for the supplemental credits unless s/he has at least 15 full years of continuous service/seniority at the time of retirement, which is why the chart begins at 15 years. If an employe meets the 15 years minimum requirement, all the years prior to that do count for purposes of computing the amount of accumulated sick leave credits that may be matched. The chart simply illustrates the maximum amount of supplemental credits that could be provided to an employe with years of service ranging from 15 to 26, and with employment only in one retirement category (general or protective) during that time period. If an employe has service in both categories during the first 24 years, the chart may not be helpful and the maximum supplemental amount will need to be determined based on the 52 hours for each year of general category employment, and 78 hours for each year of protective category employment.

Example A: An employe has 24 years of continuous service and all of that time was in the protective category. The chart illustrates that the employe may be supplemented up to 1872 hours of accumulated sick leave upon retirement. This is the same result as multiplying the years of service (24) by 78.

Example B: An employe has 24 years of continuous service, 10 of which were general category and 14 of which were protective category. The chart will not be helpful in determining this employe's maximum supplement. Instead, you multiply the years of general service (10) by 52 (520), and the years of protective service (14) x 78 (1092), and add the two amounts: 1612.

2. An employe has 30 years of adjusted continuous service; the first 15 years were in general occupation and the last 15 were in protective. How do I compute the supplemental amount for that employe?

Only the first 24 years of service are supplemented at different amounts. Thus, the formula for this employe's maximum supplemental credits would look like this:

Years 1-24:	15 general x 52	780
	9 protective x 78	702
Years 25-30:	6 (protective or general) x 104	<u>624</u>
	Maximum supplemental credits:	2106

Alternatively, you may refer to Attachment C for a table illustrating maximum supplemental credits for each category of employment during the first 24 years of continuous service for employes with both protective and general/executive category employment.

3. Under the standard ASLCC program, fractions of an hour are converted. Should fractions be supplemented under the SHICC?

Yes. If an employe has an accumulated sick leave balance that is less than the maximum that may be supplemented and that balance includes a fraction of an hour, the fraction should be matched.

Example A: An employe has 2042.5 hours of ASLCC and the employe's maximum supplemental amount is 2042. In this case, the fraction exceeds the maximum credits that may be supplemented and may not be matched.

Example B: An employe has 2042.5 hours of ASLCC and the employe's maximum supplemental amount is 2045. In this case, the employe should be supplemented 2042.5 hours, which is less than the maximum supplemental amount.

4. An employe used 750 hours of sick leave for a surgery and recovery during the three years preceding his retirement, and has a balance of 200 sick leave credits at the time of retirement. He has 25 years of service in general category employment. How do I compute the maximum supplemental credits for him?

First, you determine the supplemental credits that would be available based on the employe's current sick leave balance and years of service, and then add the 500 credits to that amount, if the employe requests that the credits be "restored" and the appointing authority determines the employe is eligible for the "restored" credits. For the above example, the computation would look like this:

Years 1-24:	24 (general) x 52	1248
Year 25:	(general or protective) x 104	<u>104</u>
	Maximum basic supplement:	1352

However, the employe only has 200 sick leave credits accrued at the time of retirement, so you match that amount (200), and then add 500, for a total of 700 supplemental credits.

DETERMINING AN EMPLOYEE'S ELIGIBILITY FOR THE "RESTORATION" OF 500 CREDITS OF SICK LEAVE UNDER THE SUPPLEMENTAL HEALTH INSURANCE CONVERSION CREDIT PROGRAM

- 1. An employe used 1000 hours of sick leave for a surgery and recovery, but 700 of those credits were used more than three years before his retirement date. Does he qualify for the "restoration" of 500 credits upon retirement?**

Assuming the employe is otherwise eligible for the supplement, he would not qualify for the "restoration" of 500 credits, since he used only 300 of those in the three years preceding the retirement date. If the employe had used 300 hours of sick leave prior to the three years before retirement, and 700 hours in the three years preceding retirement, the employe would be eligible for 500 "restored" hours under the SHICC program. *Reminder: These restoration provisions apply only to the SHICC program; do not restore any hours to the employe's regular sick leave account that is converted under the ASLCC program.*

- 2. What kind of documentation must the employe provide to demonstrate that at least 500 hours of sick leave were used and approved in the preceding three years, and that they were used for a single personal injury or illness?**

The employe should be requested to produce a document (sample format included as attachment A) that indicates the dates and amount of sick leave used in the preceding three years that were related to the single injury or illness, and the nature of the illness or injury. It is not necessary for that 500 hours to have been used in one increment, but if the use of the hours was in incremental amounts (e.g., several absences of two or three weeks each, multiple frequent absences over an extended time for chemotherapy, etc.) the employe should be required to identify how those absences relate to the same illness or injury. If the employe was required to provide medical documentation at the time the absences occurred, those could be relied upon for this purpose. If the employe was not required to provide any type of medical documentation relating to the illness or injury for which the 500 hours were used or there is some question as to whether the subsequent sick leave credits used were related to that illness or injury, the employer may request a statement from a medical professional that attests to the fact that the 500 hours of sick leave were related to the same illness or injury.

- 3. Wouldn't it just be easier to say that any employe who uses 500 or more hours of sick leave for personal purposes in the three years preceding retirement will be eligible for the 500 "restored" hours?**

Yes, it would be easier, but it would not be consistent with either the intent or provisions of the SHICC program. An employe may use sick leave for purposes other than illness or injury, e.g., routine medical or dental appointments and may have had multiple episodes of unrelated illnesses or injuries that, in the aggregate, totaled 500 or more in the three years preceding retirement. However, the intent of the "restoration" of 500 credits was to provide some cushion for the employe who happens to suffer from a serious medical condition and who is obliged to use a large number of sick leave credits for that condition, not to provide additional credits for sick leave that was used for routine purposes or for less lengthy absences resulting from unrelated illnesses or injury.

DETERMINING THE BASE RATE AT WHICH TO CONVERT THE SUPPLEMENTAL CREDITS

- 1. Under the SHICC program, the employe may choose to have the supplemental credits converted at a different rate than the employe's current rate. For most employes there won't be much of a difference, so do we have to do this for everyone?**

You do not need to determine the average rate unless the employe requests you to do so. Generally speaking, the average of the base rates for the highest earnings years probably won't be greater than the employe's current rate unless the employe experienced a decrease in her/his hourly pay rate since that time.

- 2. Under the SHICC program, an employe may choose to convert the supplemental credits at the employe's current base rate (same as Accumulated Sick Leave Credit Conversion) OR at the average of the employe's rate for the three highest earnings years. How do we determine the "average of the employe's pay rate for the three highest earnings years"?**

For some employes, the earnings for a particular year may include overtime payments or some form of lump sum payment. These payments are considered "WRS earnings" but do not affect an employe's base pay rate and will have no application for purposes of converting supplemental health insurance credits. The average of the employe's base rates during the three highest earnings years should be determined by taking all of the employe's base rates during each of those three years, and computing the average of those.

Example: An employe's base rate at the time of retirement is \$12.456/hour. The employe's three highest earnings years were 1986, \$30,000; 1987, \$32,000; and 1994, \$35,000. The employe's actual base rates received during each of those years were: **1986:** \$13.232, \$13.502; **1987:** \$13.786, 14.425; and **1994:** \$15.421, \$15.884, \$16.762. The average of base rates for those three years is $(13.232 + 13.502 + 13.786 + 14.425 + 15.421 + 15.884 + 16.762) \div 7$, or \$14.716. This rate would be used to convert only the supplemental *credits*, if the employe chose that option. The standard ASLCC would be converted at the employe's current rate of \$12.456.

REHIRED ANNUITANT ISSUES

- 1. Are rehired WRS annuitants eligible for supplemental credits if they are currently employed in a position for which the SHICC program has been approved?**

Assuming the rehired annuitant has the minimum number of years of continuous service with the state to be eligible for the supplemental credits, the answer will vary based on whether the employe continued in annuitant status upon reemployment with the state, or whether the employe ceased to draw an annuity and became an active member of the WRS.

If the employe continued in annuitant status upon reemployment with the state, s/he would not be eligible for supplemental credits upon termination from state employment. Under the provisions of the ASLCC program, only employes who are immediately eligible for an annuity may convert sick leave credits upon retirement. Similarly, the supplemental credits are available only to those employes who have the ability

to convert "regular" sick leave credits upon their retirement. Because a rehired annuitant who is not an active participant in the WRS remains an annuitant, there is no ability for that individual to "re-retire" upon termination from state employment. Thus, sick leave credits s/he may have accrued during the most recent period of employment would not be converted for payment of health insurance premiums upon the employe's termination from state employment and no supplemental credits would be provided.

However, a rehired annuitant who chooses to become an active WRS participant would be eligible for the supplemental credits upon his/her subsequent retirement from the state. The amount of sick leave credits the employe earned during the most recent period of employment would be the amount on which the supplemental credits would be based.

CARRY-OVER EMPLOYEES OF THE UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY

- 1. Effective June 29, 1996, certain individuals who remain employed by the newly-created University of Wisconsin Hospitals and Clinics Authority, but were nonrepresented classified or academic staff, or represented by the Wisconsin Science Professionals, Wisconsin Professional Employees Council, or United Professionals for Quality Health Care, as of June 26, 1996, will be considered "carry-over" employees. As "carry-over" employees, they will be required to receive the same compensation for the following year as they would have received if they were a UW Hospital employe as of June 29, 1996. (See ss. 233.10(2)(a) & (c)1, 233.10(3)r(a) & (b)2, If part of their compensation as of that date includes the SHICC program, will the SHICC program be continued for those employees?**

Yes, if as of June 26, 1996, the collective bargaining agreement, compensation plan, or compensation provisions applicable to the respective employe group included the SHICC program. If so, the carry-over employees would continue to be eligible for the SHICC program for the remainder of the carry-over year, ending on June 30, 1997. Any decision or agreement to continue the SHICC program beyond the carry-over year will be made by the UW Hospitals and Clinics Authority.

- 2. Will employees who are covered by the WSEU collective bargaining agreements continue to be eligible for the SHICC program after they become employees of the UW Hospitals and Clinics Board?**

Employees who as of June 29, 1996, were represented by the WSEU in the blue collar, clerical, security and public safety, or technical bargaining units, and become employees of the UW Hospital and Clinics Board will continue to be compensated under the terms of the 1995-97 labor agreement between the state and the WSEU for the duration of the biennium. After that time, they will negotiate a new collective bargaining agreement with the UW Hospital and Clinics Board.

MISCELLANEOUS

- 1. Under standard ASLCC provisions, if an active employe dies, the accumulated sick leave credits may be converted by the dependents to pay for health insurance premiums. If an active employe died and his/her ASLCC were converted by the dependents for health insurance premium payment, would supplemental credits also be available?**

No. The supplemental credits are only available when an employe retires from state service and becomes a “retired employe.” What constitutes “retired employe” is defined as s. 40.02(49), Stats. , and the death of an active employe would not be considered a retirement from state service, even if it is treated as such by ETF for purposes of payment of any benefit under the deceased’s WRS account.

2. What if a retired employe who was granted credits under the SHICC program dies?

Any balance remaining in the employe’s health insurance premium payment account may be used by the surviving dependent(s) to continue to pay the health insurance premium after the retired employe’s death. This balance may include amounts converted from the “standard” sick leave credits, as well as from supplemental credits.

REFERRAL OF QUESTIONS

Questions from an agency-level personnel or payroll specialist regarding program-related issues such as an employe’s eligibility for supplemental credits, computation of the amount of supplemental credits, base rate to be used for converting supplemental credits, etc., should be referred to Eileen Kellor, Compensation Administration Manager, Division of Classification and Compensation, at (608) 267-7617.

Questions regarding the processing of ETF Form ET-4306 (accumulated leave certification) upon an employe’s retirement should be referred to that agency’s contact at the Department of Employee Trust Funds.

Questions from affected employes regarding the SHICC program should be directed to their appropriate payroll or personnel office. Questions from affected employes regarding retirement benefits in general should be directed to a Department of Employee Trust Funds benefits specialist.

James A. Pankratz, Administrator
Division of Classification and Compensation

Joseph P. Pellitteri, Deputy Secretary & Acting
Administrator, Division of Collective Bargaining

JAP:JPP:EMK:PLW

Attachment A: Sample format for use in documenting eligibility for restored sick leave credits

Attachment B: Supplemental Credits Table for Service Solely in Protective or General/Executive Occupation Categories During First 24 Years of Continuous Service/Seniority

Attachment C: Supplemental Credits Table for Service in Protective and General/Executive Occupation Categories During First 24 Years of Continuous Service/Seniority

--SAMPLE FORM--

NAME OF DEPARTMENT

CONFIDENTIAL REQUEST FOR RESTORATION OF
500 HOURS OF SICK LEAVE UNDER THE
SUPPLEMENTAL HEALTH INSURANCE CONVERSION CREDIT PROGRAM

Employee's name: _____ Work location: _____
Classification: _____ Bargaining unit: _____
Effective date of retirement: _____

Under the provisions of the Supplemental Health Insurance Conversion Credit program, certain employees may be eligible to have 500 hours of used sick leave restored for purposes of conversion to health insurance credits upon retirement. The conditions for this restoration are that the 500 hours must have been used in the three (3) years preceding the effective date of the employee's retirement, and the 500 hours must have been related to a single injury or illness.

The information requested below is required to evaluate the above employee's eligibility for the restoration of such credits. Additional information and/or documentation may be required on an individual basis, as determined by the appointing authority. **This information will be kept confidential, unless otherwise authorized by the employee.**

1. Please state the nature of the illness or injury for which the 500 hours of sick leave were used:

2. On what date did the injury originally occur or the illness begin? (note day, month and year)

3. Using the effective date of the retirement as specified above as the starting point, please identify all instances within three years prior to that date for which sick leave was used and approved relating to the illness or injury noted under 2., above. The date of each absence and the amount of sick leave used and approved for each absence must be included. This information may be provided on a separate sheet, if additional space is required.

Date of absence

Sick leave hours used and approved

4. Please include the name and address of the medical practitioner(s) who can document the above medical information, if necessary.

Name _____ Telephone _____

Address _____

5. If you already have medical documents that may help in the processing of this request, you may wish to inform the employer at this time.

I have medical documents relating to this request. Please contact me if you would like to review them..

_____ Yes _____ No _____ Not sure

5. Employe certification of information:

Your signature is required to begin processing of this request. Your signature also attests that the information provided is accurate and truthful, to the best of your knowledge.

Your signature will also give an authorized representative of the appointing authority permission to contact the above-named medical practitioner(s) for verification of the illness or injury identified above and its duration, if the information provided on this request form is not sufficient to determine your eligibility for the restoration of the 500 hours of used sick leave.

Employe's signature: _____

Date signed: _____

Name of appointing authority's representative who may contact the medical practitioner for additional information: _____

**SHICC Conversion Chart for Employees With Service in
Only Protective or General/Executive Occupation Category**

For informational purposes, a chart portraying this benefit is provided. The chart begins at 15 years because that is the minimum number of years of seniority required for an employee to be eligible for the supplemental credits. This chart is based on the formula of providing **up to 52 supplemental credits/year for years 1-24 for eligible general or executive occupation employees, and up to 78 supplemental credits/year for years 1-24 for eligible protective occupation employees. For years 25 and beyond, up to 104 supplemental credits/year may be provided regardless of the retirement category.** However, the amount of supplemental credits provided may not exceed the actual number of sick leave credits hours an employee has accumulated at the time of retirement.

Full Years of Adjusted Continuous Service/Seniority	Maximum Matching Credits - General and/or Executive	Maximum Matching Credits - Protective
15	780	1170
16	832	1248
17	884	1326
18	936	1404
19	988	1482
20	1040	1560
21	1092	1638
22	1144	1716
23	1196	1794
24	1248	1872
For each additional year:	Add 104 hours	Add 104 hours

**SHICC Conversion Chart for Employes With Service in
Protective and General/Executive Occupation Categories During
the First 24 Years of Continuous Service/Seniority**

This chart is intended as a resource when computing the maximum supplemental credits for an employe who has time in both protective and general/executive retirement categories during the first 24 years of continuous service/seniority. To use this chart, find the number of credits that correspond to the years of service in each category (protective, and general/executive), and total the two amounts. **For example**, an employe with 24 full years of service at the time of retirement, with 13 years protective and 11 years general could be supplemented up to 1586 hours [the sum of 1014 (13 years protective) and 572 (11 years general)].

Full years of adjusted continuous service/seniority	Maximum matching credits: General or Executive category	Maximum matching credits: Protective category
1	52	78
2	104	156
3	156	234
4	208	312
5	260	390
6	312	468
7	364	546
8	416	624
9	468	702
10	520	780
11	572	858
12	624	936
13	676	1014
14	728	1092
15	780	1170
16	832	1248
17	884	1326
18	936	1404
19	988	1482
20	1040	1560
21	1092	1638
22	1144	1716
23	1196	1794
24	1248	1872
25 or more	Add 104 hours to previous total for each year above 24	Add 104 hours to previous total for each year above 24