



Employer *Bulletin*

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Rule Change Regarding Sick Leave Conversion

In accordance with Wis. Stat. § 40.05, eligible employees can convert accumulated sick leave hours to a dollar-based credit to pay premiums for coverage under the State Group Health Insurance Program (if an applicable compensation plan or collective bargaining agreement provides for sick leave conversion).

- Accumulated sick leave is converted to credits only for the payment of state group health insurance premiums.
- The sick leave credits are computed as $\text{Hours} \times \text{Highest Basic Pay Rate} = \text{Sick Leave Credits}$.

A recent change to ETF regulations, effective June 1, 2015, added a definition of “highest basic pay rate.” See *Wis. Admin. Code § ETF 10.01(3e)*.

- The new definition clarifies that the “highest basic pay rate” for purposes of calculating accumulated sick leave conversion is the highest hourly rate at which the employee accrued sick leave that is eligible for conversion under [s. 13.121\(4\)](#), [s. 36.30](#), [s. 230.35\(2\)](#), [s. 238.04\(8\)](#), or [s. 757.02\(5\)](#).
- In essence, for a pay rate to be used in the calculation, an employee must have earned sick leave eligible for conversion at that pay rate.
- Pay for service such as limited term employment, or project employment that does not provide eligible sick leave, cannot be used as an employee’s highest basic pay rate.

Changes To How Employers Will Report Pay Rate For Sick Leave Conversion

Under this rule change, in order for a pay rate to be used in the calculation, an employee must have earned sick leave eligible for conversion at that pay rate.

- The salary an employee earns in an LTE position can never be used to certify sick leave for conversion because LTEs do not earn sick leave.
- The salary an employee earns in a project position cannot be used to certify sick leave when the sick leave earned in that position is not eligible for conversion.
- The salary an employee earns while employed by a public authority that does not offer sick leave as a benefit cannot be used to certify sick leave because no sick leave eligible for conversion is earned in that position. This applies to current employees.

Background Information on Sick Leave Conversion

For further information on sick leave conversion, please see [Chapter 12](#) of the State Agency Health Insurance Administration Manual (which is being revised to include this information) and the [Sick Leave Conversion Credit Program \(ET-4132\) informational brochure](#).

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