



STATE OF WISCONSIN
Department of Employee Trust Funds
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SECRETARY

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Correspondence Memorandum

Date: June 4, 2025

To: Employee Trust Funds Board

From: Peter Rank, Chief Legal Counsel
Kim Esselman, Appeals Coordinator
Office of Legal Services

Subject: Secretary's Correction of Error Authority

This memo is for informational purposes only. No Board action is required.

The Department of Employee Trust Funds (ETF) Secretary has limited authority under Chapter 40 of the Wisconsin Statutes to correct errors. That authority is described in [Wis. Stat. § 40.03\(2\)\(w\)](#):

If the secretary determines that an otherwise eligible participant has unintentionally forfeited or otherwise involuntarily ceased to be eligible for any benefit provided under this chapter principally because of an error in administration by the department, may order the correction of the error to prevent inequity. A decision under this paragraph is not subject to review. The secretary shall submit a quarterly report to the employee trust funds board on decisions made under this paragraph.

Most member concerns are addressed informally. A limited number escalate to the level of a formal administrative appeal. As a result, it is rare for ETF to receive a request to have the secretary exercise this authority.

The purpose of this memo is to inform the Board of a recent request that was made to the ETF secretary to exercise the authority under Wis. Stat. § 40.03(2)(w) to correct an administrative error and allow for the refund of premiums in a Medicare supplement coverage issue. See Table 1 on page 2 for details.

Reviewed and approved by John Voelker, Secretary
Electronically Signed 05/29/2025

Board	Mtg Date	Item #
ETF	06.19.25	6D

Table 1. Correction of Error Authority Report

Type of Case	Description of Error	Decision	Date
<p>Medicare supplement coverage, sick leave conversion credits, Wis. Stat. § 40.05(4)</p>	<p>The member enrolled in Medicare supplemental plan with ETF. In the initial 2021 letter, the member was explicitly informed that she needed to write to ETF to cancel coverage if she chose to in the future.</p> <p>In late 2021, member enrolled in a different supplemental plan. CMS reported this to UHC and Navitus, and UHC and Navitus duly disenrolled member from her plan, sending confirmation of disenrollment letters in January 2022. No subsequent claims were paid by Navitus or UHC.</p> <p>Member however never sent correspondence to ETF to cancel her coverage. ETF continued to collect premium payment from the member's annuity until February 2025, when member contacted ETF to request refund of the premiums (total of \$9,186.48).</p> <p>ETF received two different reports that indicated member was disenrolled from coverage. Unfortunately, neither report was worked according to standard procedure, which would have included ETF calling the member to confirm the disenrollment or indicate the need for the member to write to ETF to cancel coverage.</p>	<p>Allow the backdating of the member's disenrollment to January 2022 and refund of premiums paid \$9,186.48.</p>	<p>March 17, 2025</p>

Staff will be at the Board meeting to answer any questions.