

* RECEIVED
EMPLOYEE TRUST FUNDS

2021 SEP 29 AM 7:53

955 W River Dr.
New Richmond WI 54017
Sept. 27, 2021

A. John Voelker, Secretary
State of Wisconsin Department of Employee Trust Funds
Box 7931
Madison WI 53703-7931

Dear Mr. Voelker,

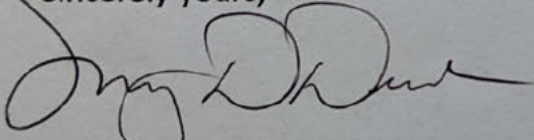
My ETF member number is [REDACTED]

I taught at UW-River Falls for 34 years, and have over \$[REDACTED] in sick leave escrow. Since my retirement in 2015, I have been paying for a medicare part B supplement for my husband and myself, and a medicare part D supplement for both of us. This helps pay for local and Mayo Clinic (in Rochester MN) doctor and hospital care costs, and helps pay the specialty pharmacy costs.

IS there any way my \$[REDACTED] can be used to pay for my current plans?

Kindly respond!

Sincerely yours,



Marilyn D. Duerst



STATE OF WISCONSIN
Department of Employee Trust Funds
A. John Voelker
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

October 11, 2021

MARILYN DUERST
955 W RIVER DR
NEW RICHMOND WI 54017

ID: [REDACTED]

Dear Ms. Duerst:

Thank you for your September 27, 2021, letter to Secretary Voelker at the Department of Employee Trust Funds (ETF). You asked if you could use your accumulated sick leave conversion credits to pay for health insurance outside of the State of Wisconsin group health insurance program (Program), such as Medicare Part B or D premiums. I appreciate the opportunity to respond to your questions on behalf of Secretary Voelker.

Accumulated sick leave conversion credits may only be used to pay for premiums in the Program. State law doesn't allow the credits to be used for any other insurance, including Part B or D premiums. The sick leave program was designed to help pay the cost of health insurance that is offered by the health plans under contract with the Group Insurance Board (Board). Because this program is defined in the statutes, ETF isn't authorized to allow former employees to use these credits to pay any other premiums.

A second reason is the potential negative tax consequences for participants. For tax purposes, the sick leave program is treated like an employer's contribution to the health insurance of its active employees. Any change to the usage of these funds, that is, to permit their use to pay for health insurance outside of the Board's authority, could carry substantial tax liabilities for all participants. For example, if participants had the option to receive cash payments for other health insurance instead of the current contribution toward our employer-sponsored plan, the sick leave payments could become subject to income tax for all participants, even if only a few individuals chose to receive the payment directly.

You mentioned that you have a Medicare supplement and Part D plan for yourself and your husband. Please note that several health plans in our program offer access to Mayo providers. One in particular, WEA Trust West – Mayo Clinic Health System, may be of interest to you .

Further, if you decide to use your sick leave credits to pay for coverage through the Program you will receive your Medicare Part D coverage through Navitus Health Solutions. You may be enrolled in another Medicare Part D prescription drug plan; however, it is not recommended or required under the Program. If you choose to remain

Marilyn Duerst
October 11, 2021
Page 2

in a different Medicare Part D plan, your health insurance premium for your coverage in the Program does not change, but your Navitus supplemental, wrap-around pharmacy coverage will be secondary to the other Medicare Part D plan.

More information about the Medicare coordinated coverage that is available to State retirees can be found on ETF's website at <https://etf.wi.gov/its-your-choice/2022/health-benefits/medicare-information-faqs>

Again, thank you for your message. I hope this information is helpful. If you have further questions, please contact me or Arlene Larson at (608) 264-6624 or arlene.larson@etf.wi.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Stamm", with a long horizontal flourish extending to the right.

Brian Stamm
Deputy Director
Office of Strategic Health Policy
(608) 267-4554
brian.stamm@etf.wi.gov

CC: Secretary Voelker and Arlene Larson, ETF