Accumulated Sick Leave Credits Series
State & UW Participants

Your Credits Can:

- Pay for health insurance premiums in retirement while you are covered under the State Group Health Insurance Program.
  - This includes pharmacy and optional Uniform Dental benefits.

Your Credits Cannot:

- Be cashed out
- Earn interest
- Pay for supplemental benefits
- Pay for health insurance that is not a part of the State Group Health Insurance Program
- Transfer to another person (unless you pass away)
- Be split into two accounts

Eligibility

98% of state government employees are eligible for this benefit by meeting two requirements:

1. They are covered by the State Group Health Insurance Program, either through a spouse's policy or their own.
   - If you are covered by a spouse who receives his or her health insurance through ETF but works for a city or local employer, the plan is considered a *local* plan not a *state* plan and it does not meet this requirement.
   - If you do not meet this requirement as you approach retirement, you'll have a special enrollment opportunity. See the Special Enrollment Opportunity section for more details.
2. They are receiving an immediate annuity, either a lump sum or monthly payment, within 30 days of retirement.

To learn about other ways to qualify, talk to your employer benefits specialist or see the *Sick Leave Credit Conversion Program* (ET-4132) brochure.

How it's Calculated

Unused sick leave hours × highest hourly wage

Maximize this benefit by saving as much sick leave as possible.

You may be eligible for additional credits if you have at least 15 years of continuous state service. For more information, check with your employer benefits specialist.

How it Works

If you are eligible and plan to use your sick leave credits to pay for health insurance premiums when you retire, no paperwork is needed. Your premiums will automatically be paid using your sick leave credits.

When you leave state employment, your employer calculates your sick leave credits and certifies the amount to ETF. ETF will then send you a letter with your sick leave credit balance and health plan information.

When your sick leave credits run low, ETF will send you a letter to let you know that your credits can only cover a few more premium payments. The letter will outline options for continuing your coverage.

Escrowing Your Credits

Your sick leave credits can only pay for premiums through the State Group Health Insurance Program. If you have insurance through another source, you can save your sick leave credits for future use by escrowing them. To escrow your credits, you must 1.) have comparable coverage and 2.) be enrolled in the State Group Health Insurance Program at retirement.

The exact steps you need to take to escrow your sick leave credits depends on your situation. See the Retirement Scenario section for next steps.

Special Enrollment Opportunity

A special opportunity to:

- Protect your sick leave credits for future use by enrolling in the Group Health Insurance Program for a single month as an employee before you retire.
- Use your sick leave credits as soon as you retire by enrolling in the Group Health Insurance Program.

You must enroll in the nationwide Access Plan prior to retirement. You must have coverage as an employee for at least one full month before you retire. For example, if your termination date is May 11, you must be insured as an employee in the Access Plan for the entire month of May. Talk to your employer benefit specialist about your specific enrollment deadline. If you fail to enroll you will lose your sick leave credits.

Comparable Coverage

To be considered comparable, your plan must have benefits similar to the Access Plan or Medicare Plus.

- Generally, if your health insurance plan has deductibles, out-of-pocket limits and pharmacy benefits similar to the Access Plan or Medicare Plus, your coverage may be comparable.
- If you are covered through your spouse who is working for the state, comparable coverage includes the IYC health plan, Access Plan or one of the Medicare-coordinated plans. It could also include one of the High Deductible Health Plans as long as your spouse's employer is contributing to their health savings account.
- See the How to Save Your Sick Leave Credits page for more information.

After Your Death

- **You are covered under a family plan (as a subscriber or dependent):** Your remaining sick leave credits will be transferred to your surviving spouse or eligible dependents.
- **You are on a single plan:** Your credits will not transfer and will be lost.
- **Your credits are escrowed:** Your surviving spouse or eligible dependents may use the credits to pay for Group Health Insurance Program premiums if they had comparable coverage during escrow and were covered under the Group Health Insurance Program in the past.

Retirement Scenarios

The following scenarios assume you are retiring and both you and your spouse are covered under a **family plan** either through the State Group Health Insurance Program or another employer.

!

Does your spouse work for a local employer, such as a city, school district or local government?

Even if your spouse's plan is offered through ETF, it is considered a *local* plan, not a *state* plan. Review the second set of scenarios, You work for the state and your spouse works for another organization to understand your next steps.

If your spouse works for the UW or UW Health System, they are considered a state employee, please refer to the first set of scenarios.

You and your spouse work for the state and…

- **Your spouse continues working. You are the subscriber.**

  Most people would do a spouse-to-spouse transfer, meaning your spouse becomes the subscriber. This makes premiums cheaper for you, as your spouse's employer is paying most of the premium. Your sick leave credits will automatically be placed on hold.

  To do a spouse-to-spouse transfer, both you and your spouse should submit the *Health Insurance Application* (ET-2301).

- **Your spouse continues working. Your spouse is the subscriber.**

  Your sick leave credits are automatically placed on hold if you are covered as a dependent in one of the following State Group Health Insurance plans:

  - IYC Health Plan
  - Access Plan
  - High Deductible Health Plan or Access High Deductible Health Plan
    (if your spouse's employer is contributing to their health savings account)

  No paperwork is required.

- **You are retiring at the same time.**

  The subscriber would automatically have the premiums deducted from their sick leave credits, while the other spouse's credits are placed on hold.

  Once the subscriber's sick leave credits are exhausted, the other spouse becomes the new subscriber and the premiums will be deducted from their accumulated sick leave credits.

  No paperwork is required.

You work for the state and your spouse works for another organization and…

- **Your coverage is through the state and you wish to continue this coverage.**

  Your coverage will automatically continue, and your premiums will be automatically deducted from your accumulated sick leave credits. No paperwork is required.

You work for the state and your spouse works for another organization and…

To find out how your premiums will be paid after your sick leave credits have been exhausted, refer to the *Paying for Health Benefits in Retirement* video and handout.

- **Your coverage is through the state but you'd like to obtain coverage through your spouse's employer and save your sick leave credits for the future.**

  Submit the *Sick Leave Credit Escrow Application* (ET-4305) along with the schedule of benefits from your spouse's coverage.

  - If approved, you'll receive a confirmation letter and your state health insurance will terminate.
  - If your coverage is not considered comparable, your state health insurance will continue. If you choose to cancel your state health insurance without comparable coverage, you will lose your sick leave credits.

- **Your coverage is through your spouse's employer and you'd like to continue this coverage and save your sick leave credits for future use.**

  1. Enroll in the Access Plan by the first of the month in which you retire. Talk to your employer benefit specialist about your specific enrollment deadline.
  2. Submit the *Sick Leave Credit Escrow Application* (ET-4305) along with the schedule of benefits from your spouse's coverage.
     - If approved, you'll receive a confirmation letter and your state health insurance will terminate.
     - If your coverage is not considered comparable, your coverage through the Access Plan will continue. If you choose to cancel your state health insurance without comparable coverage, you will lose your sick leave credits.

- **Your coverage is currently through your spouse's employer, but you'd like to switch to state coverage when you retire.**

  If you've made this decision and there is still an open enrollment period prior to your retirement, you may enroll in state coverage during the open enrollment period.

  If you've made this decision and there is *not* an open enrollment period prior to your retirement, you can enroll in the Access Plan by the first of the month in which you retire. Talk to your employer benefit specialist about your specific enrollment deadline. This opportunity only allows you to enroll in the Access Plan, if you'd like to enroll in another plan, you must wait until the next open enrollment period to change plans.