

Sick Leave Conversion Credit Program **Accumulated Sick Leave Conversion Credits (ASLCC)** **and** **Supplemental Health Insurance Conversion Credits (SHICC)**

This document outlines the benefits of the sick leave conversion program. The program has two parts: 1) the Accumulated Sick Leave Conversion Credits (ASLCC) created by statutes; and 2) the Supplemental Health Insurance Conversion Credits (SHICC) program created by collective bargaining and compensation plans.

Effective July 26, 2003 and created by Section 40.02 (25) (b) 6e the definition of “eligible employee” for ASLCC and SHICC benefits was expanded to add: “A state employee who terminates creditable coverage after attaining 20 years of creditable service, remains a participant and is not eligible for an immediate annuity”.

Effective July 26, 2003 Section 40.95 (1) (a) of the Statutes was amended to make an employee’s surviving insured dependents eligible for SHICC hours. The amended language reads: “...and for an eligible employee under 40.02 (25) (b) 6e or the eligible employee’s surviving insured dependents.”

	Accumulated Sick Leave Conversion Credit (ASLCC)	Supplemental Health Insurance Conversion Credit (SHICC)
Authorized by	Chapter 40, WI Statute	Relevant Compensation Plan or Collective Bargaining Agreement.
Description of Benefit**	This program allows an eligible employee to convert the hours of sick leave to an account that can be used for the payment of health insurance premiums. See eligibility requirements below.	To be eligible for this benefit an employee must have at least 15 years of continuous state service . This program allows an employee to have their ASLCC hours matched based on their years of continuous state service. For WRS Employment Categories, General and Teachers/Educational Support Personnel , the ASLCC hours are matched at the rate of 52 hours per year for each year of continuous state service between year 1 and year 24. For years over 24, the ASLCC hours are matched at the rate of 104 hours per year for each year of continuous state service. The SHICC hours cannot exceed the ASLCC hours. For WRS Employment Category, Protective Employees , the ASLCC credits are matched at the rate of 78 hours per year for years 1 to 24 and 104 hours per year for each year over and above 24 years.

Eligibility Requirements	<ul style="list-style-type: none"> • Are laid off, or • Die while actively employed in State service, or • Terminate employment with 20 years WRS creditable service before retirement age, or • Retire: <ul style="list-style-type: none"> ◦ On an immediate retirement or disability annuity; or ◦ And receive a lump sum retirement benefit; or ◦ With 20 years of WRS creditable service but defers application. 	<ul style="list-style-type: none"> • Meet ASLCC eligibility, and • Have at least 15 years of adjusted continuous State service (commonly referred to as seniority), and • Are NOT Craft workers in Bargaining Unit 04.
Participation in State Health Insurance Plan Required	<ul style="list-style-type: none"> • Yes. Coverage must be in force for at least one month prior to any of the events that make an employee eligible. 	<ul style="list-style-type: none"> • Yes. Coverage must be in force for at least one month prior to any of the events that make an employee eligible.
Basis of Rate Calculation	<ul style="list-style-type: none"> • Highest rate of pay while an employee in State service. 	<ul style="list-style-type: none"> • Highest rate of pay while an employee in State service
Purchased Service Included in Determining Eligibility	<ul style="list-style-type: none"> • Yes. Purchased service is included for determining the 20 years of WRS creditable service, however, purchase of other governmental service is not included. 	<ul style="list-style-type: none"> • No. Purchased service is not included in determining the 15 years of continuous service.
Credits at Layoff	<ul style="list-style-type: none"> • Unused sick leave credits can be converted at time of layoff. • Credits can be used to pay for health insurance premiums up to 5 years. 	<ul style="list-style-type: none"> • Employee is eligible for SHICC if they meet the eligibility criteria for ASLCC and SHICC. • Credits can be used to pay for health insurance premiums for up to 5 years.
Credits at Time of Death	<ul style="list-style-type: none"> • Employee must be actively employed in state service at time of death. • Unused sick leave credits can be converted at time of employee death. • Credits can only be used by survivors if family coverage is in force. 	<ul style="list-style-type: none"> • Credits are available to survivors if deceased employee meets eligibility for ASLCC and SHICC and family coverage is in force.
Credits at Termination with 20 Years of WRS Creditable Service (under retirement age)	<ul style="list-style-type: none"> • Convert accrued, unused sick leave hours at time of termination. • Converted credits cannot be used until eligible for a retirement benefit. • If separation benefit is taken prior to retirement, credits are forfeited. • Credits are available to survivors of a terminated employee if family coverage is in force. 	<ul style="list-style-type: none"> • Employee is eligible for SHICC if they meet eligibility criteria for ASLCC and SHICC. • SHICC credits cannot be used until eligible for a retirement benefit. • If separation benefit is taken prior to retirement, credits are forfeited. • Credits are available to survivors of a terminated employee if family coverage is in force.

Credits at Retirement	<ul style="list-style-type: none"> • Convert accrued, unused sick leave hours at time of retirement. • Credits are available to survivors of a retiree if family coverage is in force. 	<ul style="list-style-type: none"> • Employee is eligible for SHICC if they meet eligibility criteria for ASLCC and SHICC. • Credits are available to survivors of a retiree if family coverage is in force.
Sick Leave Restoration Provision	<ul style="list-style-type: none"> • There is no Sick Leave Restoration provision for ASLCC. 	<ul style="list-style-type: none"> • Employee is eligible for Sick Leave Restoration credits if they meet the eligibility criteria for ASLCC and SHICC. • 500 hours of sick leave is restored at retirement, if the same illness or injury resulted in use of at least 500 hours of sick leave during the three years immediately preceding retirement.
Escrow at Retirement	<ul style="list-style-type: none"> • Yes, if employee or spouse has comparable health insurance coverage from another source. 	<ul style="list-style-type: none"> • Yes, if employee or spouse has comparable health insurance coverage from another source.
Credits Available Upon Taking a Separation Benefit	<ul style="list-style-type: none"> • No. If an active employee under retirement age takes a Separation Benefit, credits are forfeited. 	<ul style="list-style-type: none"> • No. If an active employee under retirement age takes a Separation Benefit, credits are forfeited. (Exception: employees on layoff)
Cash Value	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • None

WRS Creditable Service: The number of years of service as used for computing a retirement benefit. The number can be found on the Annual WRS Statement of Benefits, distributed each May.

Continuous State Service: The number of years of continuous State of Wisconsin service, it includes whole years that are not pro-rated for part-time employees. Continuous state service can often times be greater than the number of years of WRS creditable service.

****The Non-Represented Compensation plan and the WSEU union contract allow employees to convert their earned vacation/sabbatical time to sick leave credits to pay for health insurance premiums at retirement.**

When exercising this option, the employee must first pay the Federal, State, and Social Security taxes and these credits would not be matched under the SHICC provisions.

UW System Administration powerpoint presentations on "Sick Leave, A Valuable Retirement Benefit" for both Classified and Unclassified employees. It provides information on who is eligible to earn sick leave, how much sick leave an employee earns, estimating your sick leave credit, and the supplemental sick leave credit program. Below are links to the Classified and Unclassified presentations.

[Classified Sick Leave Information](#)
[Unclassified Sick Leave Information](#)