

**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.”

	<b>Accumulated Sick Leave Conversion Credit (ASLCC)</b>	<b>Supplemental Health Insurance Conversion Credit (SHICC)</b>
<b>Authorized by</b>	Chapter 40, WI Statute	Relevant Compensation Plan or Collective Bargaining Agreement.
<b>Description of Benefit**</b>	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 information below.	To be eligible for this benefit an employee must have at least <b>15 years of continuous state service</b> .  This program allows an employee to have their ASLCC hours matched based on their years of continuous state service. For WRS Employment Categories, <b>General and Teachers/Educational Support Personnel</b> , 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, <b>Protective Employees</b> , 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.

<p><b>Eligibility</b></p>	<ul style="list-style-type: none"> <li>• Employee must be covered under the State Group Health Insurance Program as either a subscriber or a dependent under another state employee's or retiree's plan.</li> <li>• All employees are eligible for ASLCC credits if they: <ul style="list-style-type: none"> <li>○ Retire</li> <li>○ Qualify for a disability benefit</li> <li>○ Qualify for immediate annuity but defer application</li> <li>○ Terminate with 20 years WRS creditable service but are not eligible for an immediate annuity</li> <li>○ Are on leave of absence due to layoff</li> <li>○ Die while in active service</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Employee must meet ASLCC eligibility, <b>and</b></li> <li>• Have at least 15 years of adjusted continuous <b>State</b> service (commonly referred to as seniority), <b>and</b></li> <li>• Are <b>NOT</b> Craft workers in Bargaining Unit 04.</li> </ul>
<p><b>Pay Rate Used for Conversion</b></p>	<ul style="list-style-type: none"> <li>• Highest rate of pay while an employee in <b>State</b> service.</li> </ul>	<ul style="list-style-type: none"> <li>• Highest rate of pay while an employee in <b>State</b> service</li> </ul>
<p><b>Purchased Service Use</b></p>	<ul style="list-style-type: none"> <li>• Purchased service is not included in computing the value of the ASLCC credits.</li> <li>• Purchased service is included for determining the 20 years of WRS creditable service for employees that terminate.</li> </ul>	<ul style="list-style-type: none"> <li>• Purchased service is not included in determining the 15 years of continuous service for SHICC eligibility.</li> </ul>
<p><b>Credits at Retirement</b></p>	<ul style="list-style-type: none"> <li>• Credits can be used or escrowed for future use if the employee retires: <ul style="list-style-type: none"> <li>○ On an immediate retirement or disability annuity; <b>or</b></li> <li>○ Receives a lump sum retirement benefit; <b>or</b></li> <li>○ But defers application for a benefit.</li> </ul> </li> <li>• Credits can be escrowed provided comparable coverage is in force.</li> <li>• Credits are available to survivors if family coverage is in force.</li> </ul>	<ul style="list-style-type: none"> <li>• Employee is eligible for SHICC if they meet eligibility criteria for ASLCC and SHICC.</li> <li>• Credits are available to survivors of a retiree if family coverage is in force.</li> </ul>

<b>Credits at Time of Death</b>	<ul style="list-style-type: none"> <li>• Active at time of death: <ul style="list-style-type: none"> <li>○ Employee must be actively employed in state service</li> <li>○ Unused sick leave credits can be converted</li> </ul> </li> <li>• Receiving retirement of disability annuity at time death: Credits can only be used by survivors if family coverage is in force</li> </ul>	<ul style="list-style-type: none"> <li>• Credits are available to survivors if deceased employee meets eligibility for ASLCC and SHICC and family coverage is in force.</li> </ul>
<b>Credits at Termination before retirement age</b>	<ul style="list-style-type: none"> <li>• Credits can be preserved for future use <b>ONLY</b> if employee has 20 years of WRS creditable service at the time of termination, otherwise credits are forfeited. <ul style="list-style-type: none"> <li>○ Employee does not have to have health insurance in force at the time termination</li> <li>○ Converted credits cannot be used until eligible for a retirement benefit.</li> <li>○ If separation benefit is taken prior to retirement, credits are forfeited.</li> <li>○ Credits are available to survivors.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Employee is eligible for SHICC if they meet eligibility criteria for ASLCC and SHICC.</li> <li>• SHICC credits cannot be used until eligible for a retirement benefit.</li> <li>• If separation benefit is taken prior to retirement, credits are forfeited.</li> <li>• Credits are available to survivors of a terminated employee if family coverage is in force.</li> </ul>
<b>Credits at Layoff</b>	<ul style="list-style-type: none"> <li>• Unused sick leave credits can be converted at time of layoff.</li> <li>• Credits can be used to pay for health insurance premiums up to 5 years.</li> </ul>	<ul style="list-style-type: none"> <li>• Employee is eligible for SHICC if they meet the eligibility criteria for ASLCC and SHICC.</li> <li>• Credits can be used to pay for health insurance premiums for up to 5 years.</li> </ul>
<b>Loss of Sick Leave Credits</b>	<ul style="list-style-type: none"> <li>• <b>Applies to Classified Employees only</b></li> <li>• Termination from the service for misconduct or delinquency shall cancel all unused accumulated sick leave.</li> <li>• Classified Human Resources makes the final decision to deny or grant retention of sick leave under ER 18.03(5).</li> </ul>	<ul style="list-style-type: none"> <li>• Not eligible for SHICC if ASLCC is denied.</li> </ul>
<b>Sick Leave Restoration Provision</b>	<ul style="list-style-type: none"> <li>• There is no Sick Leave Restoration provision for ASLCC.</li> </ul>	<ul style="list-style-type: none"> <li>• Employee is eligible for Sick Leave Restoration credits if they meet the eligibility criteria for ASLCC and SHICC.</li> <li>• 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.</li> </ul>

Cash Value	• None	• None
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**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 is often confused with WRS creditable service. See additional information on Continuous Service on these websites: <http://www.legis.state.wi.us/rsb/code/er/er018.pdf> or <http://oser.state.wi.us/docview.asp?docid=4368>

\*\*The WSEU union contract allows 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.

View UW System Administration's PowerPoint presentation 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. Click on the link to the presentation: [Sick Leave Presentation](#)