

**DEPARTMENT OF EMPLOYEE TRUST FUNDS
EMPLOYEE TRUST FUNDS BOARD
WISCONSIN RETIREMENT BOARD
TEACHERS RETIREMENT BOARD**

The Wisconsin department of employee trust funds proposes an order to amend ETF 10.08 (2) (b) 4. and to create ETF 50.30 (4), relating to termination of employment and administrative leave of absence.

Text of Proposed Rule

Section 1. ETF 10.08 (2) (b) 4. is amended to read:

4. ~~Upon~~ Except as provided in ETF 50.30 (4), upon termination of employment the participant is treated consistently with the status of a former employee. This includes, but is not limited to the terminated employee no longer being eligible for benefits available only to active employees. Examples of such benefits may include health insurance, life insurance, income continuation insurance coverage, making deferred compensation or tax sheltered annuity contributions, worker's compensation coverage, internal grievance, promotion or transfer rights, or rights available to active employees under a collective bargaining agreement. This subd. shall not apply to benefits that may be available to the employer's retired employees, such as severance pay, post-retirement insurance coverage and/or employer payment of premiums, or post-retirement benefits or other rights provided through collective bargaining or other retirement agreements. However, agreements made after the termination date for future compensable services to be rendered by the employee would not be precluded under subd. 3.

Section 2. ETF 50.30 (4) is created to read:

(4) To be eligible for disability benefits under s. 40.63, Stats., a participant must terminate all participating employment. For disability benefits under s. 40.63, Stats., "termination of employment" means that the participant has ceased to be a participating employee on the termination date that the employer reports to the department for the purpose of all benefits administered under ch. 40, Stats. Such benefits include health insurance coverage and sick leave credit usage, life insurance coverage, income continuation insurance coverage, Wisconsin retirement system coverage and death benefits under s. 40.73 (1) (am) and (c), and making deferred compensation contributions under s. 40.80, Stats. A termination of employment under this subs. does not preclude a participating employer from placing the participant on an administrative leave of absence as long as the employee is not expected to resume active service.