



Employer *Bulletin*

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Group Life Insurance Policy Changes for 2016

The following changes to the group life insurance policy were recently approved by the Group Insurance Board.

Elimination of the Six-Month WRS Waiting Period

Employees are no longer required to serve six months under the Wisconsin Retirement System in order to be eligible for the Group Life Insurance Program. This was a statutory change made in the 2015-17 Biennial Budget (2015 Wisconsin Act 55) and is effective January 1, 2016.

For employees hired after July 1, 2015, employees are eligible for life insurance on January 1, 2016. Eligible employees still have a 30-day enrollment window, beginning January 1, 2016, to submit their life insurance applications. For employees hired after July 1, 2015, applications can be submitted through January 31, 2016.

If enrollments were received on or before January 1, 2016, coverage will be effective on January 1, 2016 and premiums will be due for January coverage. If the enrollments have already been processed with a future effective date (effective dates of February 1, 2016 through July 1, 2016) the effective date will be adjusted to January 1, 2016. A billing comment will be added to the affected participant records to indicate that the effective date has been adjusted due to elimination of the six-month waiting period.

Removal of Dependent Child Evidence of Insurability

Effective January 1, 2016, employees enrolling for Spouse & Dependent coverage outside of an open enrollment opportunity no longer have to provide evidence of insurability for dependent children. After January 1, 2016, dependent children will not negatively impact an underwriting decision for coverage.

If an employee wishes to enroll in Spouse & Dependent coverage outside of an open enrollment opportunity, employees will still need to complete an [Evidence of Insurability Application \(ET-2305\)](#). Spouses and domestic partners will be underwritten, but dependent children will not be underwritten. An updated *Evidence of Insurability Application (ET-2305)* will be available for use in January 2016.

Please note this change does not decouple the current Spouse & Dependent plan into a separate spouse and separate dependent plan. The advantage of this change to the employee is that children will not negatively impact an underwriting decision for Spouse & Dependent coverage.

Spouse & Dependent Open Enrollment

Effective January 1, 2016, open enrollment for Spouse & Dependent coverage has been expanded to provide a Spouse & Dependent open enrollment opportunity due to each qualifying family status change. Currently, the policy only allows for open enrollment within 30 days of hire or within 30 days of *first* having a spouse or dependent to insure. An updated *Life Insurance Application/Cancellation/Refusal (ET-2304)* will be available for use in January 2016.

For qualifying family status changes on or after January 1, 2016, the employee will have 30 days from one of the following changes to enroll in Spouse & Dependent coverage;

1. date of marriage*
2. date of establishment of domestic partnership for Wis. Stats. Chapter 40 benefits purposes
3. date of birth, adoption, placement for adoption or award of legal guardianship of the employee's dependent child

*If an employee established a domestic partnership and subsequently marries the person with whom the employee had a domestic partnership, the marriage will not be considered a family status change for purposes of this section.

Employees may elect either one or two levels of Spouse & Dependent coverage.

For example: employee Sarah is currently not enrolled in Spouse & Dependent coverage. She did not enroll within 30 days of hire and did not enroll when she got married two years ago. Now Sarah has had her first child. Since Sarah did not enroll in Spouse & Dependent coverage when she was married (when *first* having a spouse or dependent to insure), she does not have an open enrollment opportunity for Spouse & Dependent coverage due to the birth of her child. After January 1, 2016, a qualifying family status change *will* provide an open enrollment opportunity. If Sarah has another qualifying status change event in 2016 or later, she will have an open enrollment opportunity for both levels of Spouse & Dependent coverage.

Termination of Coverage at the End of the Month

Effective January 1, 2016, life insurance coverage terminates at the end of the month in which employment ends. This applies to all levels of coverage. This applies to termination of employment for any reason, including retirement. Eligibility for continuation of coverage has not changed.

For example, if a member is retiring or terminating and they meet the eligibility for continuation, the member still has 31 days from termination to submit a continuation application; this has not changed. What has changed is when the employer ceases/stops withholding life insurance premiums from the employee: employers will no longer deduct/withhold premiums beyond the month in which the member retires or terminates as of January 1, 2016.

The following changes to the group life insurance policy will be requested for approval by the Group Insurance Board in November 2015:

Effective Date for Coverage

ETF and Minnesota Life are requesting a change to the effective date for life insurance coverage from the Group Insurance Board in November. This change was requested by STAR for PeopleSoft implementation. If approved, these changes would be effective January 1, 2016.

The effective date for life insurance for a new employee will be the first day of the month following 30 days from the date of hire.

The effective date for life insurance enrollment due to a qualifying family status change event will be the first day of the month following 30 days from the date of the qualifying event.

The new effective date language will also apply to employees returning from an unpaid leave of absence where coverage lapsed.

For claims purposes, an employee's election date will be the point of reference for providing coverage and paying claims. Election date is the date of online enrollment or the date the paper application is received by the employer, but not earlier than the date of hire or the date of the qualifying family status change event.

For example: employee John's date of hire is April 10, 2016. John submits his life insurance application to his employer on May 5, 2016 (within his 30 day open enrollment period). John's effective date will be June 1, 2016 for premium payments. If John dies on May 17, 2016, Minnesota Life would pay his life insurance claim to his beneficiaries based on his May 5, 2016 election date.

To recap:

1. The effective date of coverage for an employee who files a timely application is the first day of the month on or after the end of the open enrollment period.
2. For premium payment purposes, premiums are due beginning with the effective date of insurance.
3. For claims purposes, claims will be paid beginning with the date the employer receives the open enrollment application, either electronically or on paper, but not earlier than the date of hire or date of the qualifying family status change event.
 - If the employer receives the application prior to the hire date or family status change event date, claims will be paid beginning with the date of hire or date of the qualifying family status change event.
 - In order for a claim to be paid, the insured (employee, spouse/domestic partner or dependent) must be living on the date the application is received by the employer.
 - If the "date received by employee" is not completed on the application, the date that ETF receives the application will be used as the date received.

Coverage approved through employer error will continue to be effective on the first of the month following the date the employer error application is received by the employer, as defined in Wis. Stats. 40.70 (7).

Coverage approved through Evidence of Insurability will continue to be effective on the first of the month following the date that the coverage is approved.

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