



EMPLOYER BULLETIN

Employer Communication Center
(608) 264-7900, toll free 1-888-681-3952

Vol. 23, State E
October 18, 2006

- **State Group Life Insurance Premium Rates Unchanged for 2007**
- **Coverage for Concurrent Employment**

Premium Rates

The Group Insurance Board recently approved the Wisconsin Public Employer Group Life Insurance premium rates for 2007. Due to the continued financial strength of the plan, the employee premium rates for basic, supplemental, additional, and spouse and dependent plans offered to state employees remain unchanged for 2007. The employer premium rates also remain the same. (See *Employer Bulletin*, Vol. 22, State H, September 30, 2005 for rates.)

Life Insurance Coverage for Employees with Concurrent Employment

A change in program administration has been implemented for employees with concurrent employment at two or more state agencies. The procedure makes life insurance eligibility, enrollment, and coverage amounts for concurrently employed state employees consistent with life insurance coverage offered to state employees who do not have concurrent employment. The change also ensures greater consistency with enrollment practices for other benefit programs, such as health insurance, income continuation insurance and the Employee Reimbursement Accounts Program.

Employees become eligible for life insurance coverage after participating in the Wisconsin Retirement System (WRS) for a period of at least six months [Wis. Stat. § 40.02(25)]. In the past, employees who began employment with a state agency while still employed at another state agency were offered an additional enrollment opportunity as though they were a new employee.

Effective immediately, employees of a state agency or university campus who add employment at another state agency will **not** have another immediate enrollment opportunity with the second employer.

When you become aware of concurrent state employment:

- Check the employee's life insurance status with the other state agency. A previous service check will identify the employing state agency if the WRS enrollment has been reported. The following action should be taken, depending on the insurance status of the employee who is concurrently employed:
 - a) If an employee declined coverage when first eligible, no action is required. The employee may only apply for coverage by filing an *Evidence of Insurability Application* (ET-2305).
 - b) If an employee has life insurance coverage through another state agency, submit a *Life Insurance Application/Cancellation/Refusal* (ET-2304).
 - Include the employee's name and Social Security number in "Section I, Employee Information" of the form. There is no need to supply any other employee information or current coverage.
 - Complete "Section II. Employer Information," indicating "concurrent employment" in the "Other" space under "Reason for Application." The "Date

Provided to Employee,” “Date Received from Employee,” “Effective Date” and “Calendar Year Earnings” sections may be left blank.

- The employee does not need to sign the form; provide the employee with a copy of the form for informational purposes. This application is for tracking purposes only and alerts the third party administrator, Minnesota Life Insurance Company (MLIC), to the fact that the employee has concurrent State employment. The employee’s coverage amount will remain at the level that they have with their initial employer.

The concurrent employers are responsible for coordinating life insurance premium payments. If premium deduction is switched to the subsequent employer, submit a new *Life Insurance Application/Cancellation/Refusal* (ET-2304), just as you would for a transferring employee.

- The form should be completed and signed by both the employee and the employer.
- Check the appropriate boxes for the plans that the employee currently has and indicate the employee’s current coverage amount in the “Calendar Year Earnings” section.
- No cancellation is required from the first employer.

c) If an employee has less than six months participation in WRS, coverage should be offered through the employer with which the employee first becomes eligible. Coverage is based on the combined estimated earnings from both employers as of the employee’s eligibility date. It is mandatory that employers coordinate coverage level and premium payment.

- The coverage amount for an employee with concurrent state agency employment who is new to one agency will remain at the original coverage level until the annual census update (in January for March coverage). Please note that the total insurance amount is based on the actual earnings from the previous year or the estimated earnings provided by the initial

employer. The earnings from the second employer will not affect the life insurance coverage amount until after the annual census update, at which time coverage will be based on the combined WRS earnings as reported by both employers for the prior calendar year.

The following describes the annual census process:

- a) For employees who are employed by two or more Central Payroll agencies, Central Payroll will report each employee’s annual earnings by agency to update the earnings in MLIC’s payment system. To assure that the coverage and premium amounts are accurately updated, MLIC will request information from each agency about employees with concurrent employment, in addition to employees who have transferred or taken an unpaid leave of absence for three or more months during the previous calendar year.
- b) For employees with concurrent non-Central Payroll employment, the employers must communicate prior year earnings with each other so that the employer through whom the premium is being paid can properly update the coverage amount. MLIC will assist in the annual update process as needed.

Employees with concurrent employment who terminate or are on layoff/LOA at one state agency while remaining employed at another will retain their current amount of coverage. The full premium amount must be paid through their continuing employment. It may be necessary to transfer life insurance payments to the other agency if the layoff or leave is from the employing agency through which premiums were being paid. Complete a *Life Insurance Application/Cancellation/Refusal* (ET-2304), just as you would for an employee who is transferring from another state agency.

Concurrent Employment Example: An employee is hired by the UW in October, 2005, and elects life insurance coverage effective May 1, 2006. The coverage amount is based on estimated earnings of \$15,000. In July 2006, the employee begins

concurrent employment with the Department of Corrections (DOC). This employee is not eligible for more coverage; however, DOC must submit a *Life Insurance Application/Cancellation/Refusal* (ET-2304) indicating the employee has concurrent employment with the UW. The employee will have one full year of State employment as of January 2007. The coverage (and premium) amount will be updated based on the actual 2006 earnings as reported by both State agencies.

For questions regarding this *Bulletin*, please contact the Employer Communication Center toll free at 1-888-681-3952 or the local Madison number at (608) 264-7900, or e-mail ETF from the 'Contact Us' page of our Internet site, <http://etf.wi.gov>.

If you have questions about life insurance premium reconciliation, please contact Jody White at MLIC, toll-free at 1-866-295-8690, extension 13, or locally in Madison at (608) 277-8690, extension 13.

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