



# Employer *Bulletin*

Employer Communication Center (608) 264-7900 Toll free: 1-888-681-3952 <http://etf.wi.gov>

## Aviation Accidental Death Benefit for State Employees

The Group Insurance Board has approved a revision of the Accidental Death and Dismemberment (AD&D) provisions of the Wisconsin Public Employers Group Life Insurance policy to no longer exclude an accidental death or dismemberment benefit for victims of plane crashes when the employee was a pilot, crew member or passenger on a state plane and the purpose of the flight was work-related. The AD&D limitation in the policy has been revised to the following:

“Travel in or descent from any aircraft, except as a fare-paying passenger on a regularly scheduled commercial flight on a licensed passenger aircraft carrier, or except for an employee who is a pilot, crew member or passenger on an aircraft owned, operated or leased by a state or local government employer and being used for business of that employer.”

### Employer Share of Premium Will Increase Effective April 1, 2011

The approval to change the limitation language was contingent upon State employers assuming the additional costs associated with the increased risk, not the employee. The cost of offering the benefit was estimated to be an additional \$210,000 per year.

Currently, State of Wisconsin employers pay an amount equal to 63% of the Basic premium and 35% of the Supplemental premium paid by employees. A portion of the employer premium contributions for active employees goes toward the current cost of the active employees' coverage and a portion accumulates as reserve funds to pay for future post-retirement benefits.

To fund the increased risk created by providing employment-related aviation AD&D insurance, the State employer contribution for Basic coverage will increase by 2.25% to an amount equal to 65.25% of the employee-paid premium and the contribution for Supplemental coverage will increase by 2.25% to 37.25%. This increase will be effective April 1, 2011.

The contributions and claims related to the aviation AD&D insurance will be accounted for separately and will be reported to the Board in the annual financial experience report. Because claims for this benefit will be sporadic and volatile, excess contributions in years with positive results will be accumulated in a reserve to pay claims when they occur and to stabilize the plan's finances.

## INSIDE

- \* Aviation Accidental Death Benefit
- \* New Online Video: Employee Orientation

## New Online Video: Employee Orientation - Retirement Benefits

The Department's newest online video is an especially helpful resource for new members of the Wisconsin Retirement System. ***New Employee Orientation—Retirement Benefits*** covers the basics that new employees need to know as they begin WRS-covered employment with either the State of Wisconsin or any local government employer. Topics of this 28-minute program include: eligibility criteria; employee, employer and additional contributions; the Core and Variable Trust Funds; the four types of WRS benefits; beneficiary designations; and the annual Statement of Benefits. Find this and all of ETF's outstanding videos — for employers as well as employees — in the video library at <http://etf.wi.gov/webcasts.htm>.

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This Employer Bulletin is published by the Wisconsin Department of Employee Trust Funds. Questions should be directed to contact persons listed in the Bulletin, or to the Division of Retirement Services (DRS). Call Jean Gilding, DRS administrator, at (608) 266-1210. Employer agents may copy this Bulletin for further distribution to other payroll offices, subunits or individuals who may need the information. Copies of the most recent Employer Bulletins are available on our Internet site at the following URL: <http://etf.wi.gov/employers.htm>

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