

## Chapter 5

### Cost of Insurance

#### A. Cost to Employee

Monthly premiums are determined as of April 1 of each year for state employees and as of July 1 of each year for local government employees, and are based on the employee's age on that date and the amount of insurance. Current [Life Insurance Rates \(ET-2164\)](#) are subject to change annually.

Monthly premiums are payroll deducted by the employer from the earnings of each insured active employee.

Both employee and employer may agree to a deduction schedule in which premiums are paid in advance for several months at a time (for example, if the employee is off work over the summer, or is a substitute teacher with uncertain work hours).

Premiums are due for each month during which group coverage is in force beginning on the first day of the month following thirty (30) days after the date of hire. When an insured retiree turns age sixty-five (65) no premiums will be deducted from the insured's annuity. For employees who retire between age sixty-five (65) and age sixty-nine (69) when they retire, the last premium is due for the month in which they retire.

When an active employee reaches age seventy (70):  
Premiums for Basic, Supplemental, and Spouse & Dependent coverage are due only through the month prior to the month in which the employee turns age seventy (70). The employee's Basic coverage will continue at the final reduced amount with no further premiums due. Additional coverage continues and premiums are due until the employee terminates employment, cancels coverage or stops paying premium.

#### B. Refunding Excess Premiums

In the event an excess deduction of employee premium has been taken for any reason, premiums must be refunded to the employee. If the employee has already received his or her final paycheck after termination of employment, the employer who made the excess deduction is responsible for issuing a refund to the employee.

#### C. Cost to Employer

[Wis. Stat. § 40.05 \(6\) \(e\)](#), requires that each employer contribute toward the total cost of insurance for active employees until they reach age seventy (70).

The employer's cost is authorized by the Group Insurance Board and is subject to change. The required employer contribution must be paid by the employer and cannot be

paid by employee (except in the situation where employees are appealing their dismissal).

Please note that the employer may pay any employee premiums either entirely or in part. Local employers may file an [Employer Resolution to Pay Entire Premium \(ET-1301\)](#) form with ETF to pay the entire premium for all employees as provided under [Wis.Stats. § 40.05 \(6\) \(e\)](#).

### **1. Basic Plan**

State employers pay an additional 65.25 percent of the employee Basic premium.

Local government employers pay an additional 20 percent of the employee Basic premium. This provides post-retirement coverage at the 25 percent-of-Basic level.

Local government employers have the option to provide post-retirement coverage at the 50 percent-of-Basic level, which requires local government employers to pay 40 percent of the employee Basic premium. [An Employer Resolution to Pay Entire Premium \(ET-1303\)](#) form must be filed with ETF.

Local government employers have the option to pay 100% of an employee's premium. An [Employer Resolution to Pay Entire Premium \(ET-1301\)](#) form must be filed with ETF.

### **2. Supplemental Plan**

State employers pay an additional 37.25 percent of the employee Supplemental rate.

No employer contribution is required of local government employers.

Local government employers have the option pay 100% of an employee's premium. An [Employer Resolution to Pay Entire Premium \(ET-1301\)](#) form must be filed with ETF.

### **3. Additional and Spouse and Dependent Plans**

No employer contribution is required. Employees pay the full cost of coverage.

Local government employers have the option pay 100% of an employee's premium. An [Employer Resolution to Pay Entire Premium \(ET-1301\)](#) form must be filed with ETF.