

**Department of Employee Trust Funds**  
**STATE AGENCY HEALTH INSURANCE ADMINISTRATION MANUAL**

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**CHAPTER 10 — EMPLOYEE DEATH**

**1001 Surviving Spouse and Dependents**

**1002 Surviving Spouse who is also an Employee Eligible for Coverage**

**1001 Surviving Spouse and Dependents**

In the event an employee or annuitant with family health coverage dies, the surviving spouse and/or eligible dependents may continue coverage at group rates without State contribution toward the premium. The surviving spouse may continue coverage indefinitely; dependent children (as defined under the program) may continue coverage as long as they remain eligible under the program.

Upon notification of the death of an employee or annuitant, the surviving spouse and dependents will be contacted directly by ETF about continuation rights and use of sick leave credits to pay health insurance premiums under this provision. Both surviving spouse and dependents have the option for continuation. In order for the insured spouse and dependent(s) of a deceased employee/annuitant to continue coverage, a *Group Health Insurance Application* (ET-2301) must be received by ETF within 90 days after the date of death or 30 days of the date ETF provides notice of the right to continue coverage as a survivor, whichever is later. Coverage will become effective the first of the month following the date of the employee or annuitant death. Premiums will be deducted from any WRS annuity the dependent may be receiving. If there is no annuity, or the annuity is insufficient to allow for the deduction of the premium, the survivor must pay the premium directly to the health plan.

Note: Survivors may not add persons to the policy who were not covered at the time of death, unless the individual was previously insured under the contract of the deceased employee and regains eligibility.

Should the surviving spouse (or annuitant) and dependent(s) not elect to continue coverage, coverage will end with the last day of the month for which premiums have been paid.

**The employer must promptly file an *Accumulated Leave Certification* (ET-4306) with ETF upon the death of an employee. (See Chapter 8.)**

**1002 Surviving Spouse who is also a State Employee Eligible for Coverage**

When an employee with family coverage dies, and the surviving spouse is also an eligible employee, the insured surviving spouse has three options:

- Enroll as the surviving spouse and retain coverage indefinitely as indicated in Subchapter 1001. Premiums will be paid through the WRS annuity or directly to the health plan.

- Enroll as an employee and receive the employer contribution share toward premium. In order to use the deceased employee's inactivated sick leave credits, the spouse must meet the eligibility requirements upon retirement as stated in Subchapter 701.
- Escrow the deceased spouse's sick leave credits and enroll as an employee (receive the employer contribution share toward premium). This allows the surviving spouse the right to lifetime coverage even if the spouse does not meet the retirement eligibility requirements.