



**How to Become a Participating
Employer Under the
Wisconsin Public Employers'
Group Life Insurance Program**

Wisconsin Department of Employee Trust Funds
P. O. Box 7931
Madison, Wisconsin 53707-7931

TABLE OF CONTENTS

	<u>Page</u>
GENERAL INFORMATION	1
EMPLOYER ELIGIBILITY	1
EMPLOYEE ELIGIBILITY	1
Employer Cannot Limit Employee Participation	2
Continuation After Termination or Retirement	2
Conversion to a Private Policy	3
BASIC LIFE INSURANCE	3
SUPPLEMENTAL LIFE INSURANCE	3
ADDITIONAL LIFE INSURANCE	3
EMPLOYEE COST	4
EMPLOYER COST FOR BASIC INSURANCE	5
EMPLOYER PAYMENT OF TOTAL PREMIUM.....	6
SPOUSE AND DEPENDENT LIFE INSURANCE.....	6
Premiums for Spouse and Dependent Insurance	6
ADMINISTRATION	6
HOW TO JOIN	7
EFFECTIVE DATE OF RESOLUTION TO PARTICIPATE.....	7
EFFECTIVE DATE OF RESOLUTION TO PAY 100% OF PREMIUM.....	8
CARRIER	8
TERMINATION OF PARTICIPATION	8
MORE INFORMATION	8
SAMPLE RESOLUTION FOR INCLUSION UNDER GROUP LIFE INSURANCE.....	9
RESOLUTION FOR INCLUSION UNDER GROUP LIFE INSURANCE	11
RESOLUTION TO PAY ENTIRE PREMIUM.....	13

GROUP LIFE INSURANCE PLANS

GENERAL INFORMATION

The information in this booklet supplements the information contained in *Group Life Insurance for State and Local Employees of Wisconsin* brochure ET-2101.

The Basic group life insurance plan became available to state employees in 1958 and to local government employees in 1960. Spouse & Dependent, Supplemental, and Additional coverage is also available.

EMPLOYER ELIGIBILITY

Public employers included under the Wisconsin Retirement System (WRS) or another private pension fund are eligible to file with the Department of Employee Trust Funds (ETF) a *Resolution for Inclusion under Group Life Insurance* to cover their employees under the Basic group life insurance plan. An employer may also elect by resolution to offer any or all of the following plans to employees already covered by Basic group life insurance:

- Spouse & Dependent Life Insurance (up to two units)
- Supplemental Life Insurance
- Additional Life Insurance (up to three units)

Initially, for example, an employer may choose to offer only the Basic life insurance plan to employees or all plans at once. The above plans may be added subsequently in any order, in any combination and at any time.

EMPLOYEE ELIGIBILITY

a. When employer initially participates

All eligible employees may enroll without proof of insurability when an employer first offers the Basic plan. Eligible employees include *all* employees who have participated in the WRS or the employer's private pension plan for six months. If the employee has been covered under the retirement system for less than six months on the employer's effective date of participation, coverage for that employee is deferred until the six-month waiting period has been completed. Employees who are on unpaid leave on the employer's effective date of participation may enroll upon returning to active employment. Employees over age 70 are eligible provided they meet the six-month requirement on the employer's effective date of participation. Periods of WRS coverage served with previous employers count toward the six-month requirement.

For plans other than the Basic plan, open enrollment is available to *all* employees who participate in the WRS or the employer's private pension plan *and* who have elected Basic coverage. The employee must be under age 70 on the coverage effective date in order to enroll for Supplemental, Additional, or Spouse & Dependent Coverage. Employees age 70 or above may enroll in the Additional plan whether or not they have Basic coverage, but proof of insurability is required.

Employees who are terminated, retired, or on unpaid leave of absence on the employer's effective date of participation are not eligible for coverage unless and until they return to active employment which is covered under the WRS (or another pension plan of the employer, if applicable).

b. After the employer's initial participation date

New employees may obtain coverage without proof of insurability by filing a *Life Insurance Application/Cancellation/Refusal* form (ET-2304) no later than 30 days after becoming eligible. Employees become eligible after completing six months under the WRS, including periods of WRS coverage served with previous employers, or the employer's other pension system. Employees age 70 and above when first eligible may only enroll in the Additional plan, and must provide proof of insurability.

Employer Cannot Limit Employee Participation

<p>IMPORTANT</p> <p>None of the group life insurance plans may be limited to a particular department, a classification of employees, special interest groups, union contract groups or to full-time versus part-time employees. When a resolution is adopted for any group life insurance plan described in this booklet, <u>all</u> employees who have been enrolled in the WRS or another private pension plan of the employer for six months must be offered coverage.</p>

When a resolution to participate in the Basic plan is received, instructions are sent to the employer together with forms for enrolling eligible employees. At least 50% of the eligible employees must elect to participate for coverage to be effective.

The Spouse & Dependent, Supplemental and Additional life insurance plans do not require a minimum level of participation. These insurance plans are optional and are available to all active employees under age 70 who have Basic coverage. (Employees over age 70 are only eligible to enroll in the Additional plan and must provide Evidence of Insurability.)

Continuation After Termination or Retirement

Employees who became employed after December 31, 1989 must be covered by both the group life insurance plan and the WRS in five calendar years in order to continue life insurance coverage after termination of employment. In addition, all employees under age 65 when they terminate must meet either an age or a service requirement (see the Group Life Insurance brochure, section 12). Those who meet these requirements may also continue Supplemental and Additional coverage until age 65. Basic coverage can be continued for life; no premiums are required after age 65, but the level of coverage is reduced.

Employees who remain actively employed after age 65 continue to have full coverage under all plans until they retire or reach age 70. Supplemental coverage ceases at age 70 (or retirement, if earlier). Full coverage under the Additional plan may continue after age 70 if the employee continues employment. Coverage under the Basic plan continues for active employees over age 70 at no cost, but declines to the post-retirement amount.

Spouse & Dependent coverage ceases on the earlier of the employee's 70th birthday or the end of the month following the month in which employment terminated.

Conversion to a Private Policy

An employee who has been insured for at least six continuous months at the time coverage terminates but who is ineligible to continue group coverage may convert any or all coverages to an individual policy.

BASIC LIFE INSURANCE

Basic insurance has the following features:

- a. Group term life insurance equal to 100% of the employee's previous calendar year earnings, as reported to the retirement system, rounded to the next higher thousand dollars.
- b. Waiver of premium during the employee's total disability, occurring for any cause.
- c. Post-age 65 coverage for retirees at 25% or 50% of the pre-retirement level, at no cost to the insured after age 65.
- d. Accidental death and dismemberment benefits equal to the face amount of the Basic insurance, up to age 65 (age 70 if actively employed).
- e. Living benefits up to the face value, payable to the insured in case of terminal illness.
- f. Optional conversion of post-retirement life insurance to pay premiums for health insurance plans offered by ETF.

SUPPLEMENTAL LIFE INSURANCE

Supplemental insurance is identical to Basic coverage except:

- a. Employee must have Basic coverage in order to be eligible.
- b. Supplemental coverage ceases completely by age 65 or at retirement, whichever is later, but no later than age 70.

ADDITIONAL LIFE INSURANCE

Additional insurance is identical to Basic coverage except:

- a. Employees must have the Basic plan in order to be eligible. However, employees over age 70 may apply through Evidence of Insurability even if they do not have Basic coverage.
- b. Employers may offer 1, 2, or 3 units of additional coverage. Each unit is equal to 100% of the employee's previous calendar year earnings.
- c. Additional coverage can be continued after age 70 for as long as the employee continues active employment.

EMPLOYEE COST

The employee cost for each level of coverage is based on the previous year's WRS earnings and the employee's age as of July 1 of each year. The following table shows the monthly employee premium per thousand dollars of coverage for Basic, Supplemental, and Additional insurance by age group for the period of July 2011 through June 2012.

<u>Age</u>	<u>Employee Contribution Rate Per \$1,000 of Insurance</u>
Under 30	\$.05
30-34	.06
35-39	.07
40-44	.09
45-49	.14
50-54	.22
55-59	.41
60-64	.51
65-69	.60

For example, a 48-year old employee who has three levels of coverage (Basic, Supplemental, and one unit of Additional) and whose annual earnings total \$33,280.00 would pay a monthly premium of \$14.28. ($34 \times \$.14 \times 3 = \14.28)

Premiums for employees age 65-69 are required as long as employment continues. When an active employee reaches age 70, Basic coverage continues at a reduced level without further premiums and Supplemental coverage ceases. Additional coverage may be continued until the employee terminates employment, cancels coverage, or stops paying premium.

NOTE: Premium rates are subject to change upon annual review of the Plan's experience. You can find current premium rates on form number ET-2164 on the ETF Internet site at etf.wi.gov.

Additional Life Insurance
Monthly Premium Rate per \$1,000 of Insurance For
Employees Age 70 and Over
(Effective July 1, 2011 through June 30, 2012)

<u>Age</u>	<u>Employee Premium Rate</u>
70	\$1.00
71	1.15
72	1.25
73	1.45
74	1.60
75	1.80
76	1.95
77 and older	2.06

There is no required employer contribution.

EMPLOYER COST FOR BASIC INSURANCE

The employer cost for the Basic plan is computed for all covered local government employers as a group, not individually, thereby yielding a very high "premium-to-benefit" ratio. The minimum level of employer contribution toward the premium is set by the Group Insurance Board and is subject to change. Employer cost is based on which of the following two plans is elected:

25% Final Benefit Plan - Post-age 65

This plan (elected by checking the box marked "Basic Group Life Insurance" on the Resolution) provides group life insurance coverage for an insured retiring employee in the amount of 25% of their pre-retirement coverage, after the employee reaches age 67. (See the Group Life Insurance brochure ET-2101, for more information on continuation of coverage after age 65.) The current employer cost for this plan is 20% of the total employee premium and is in addition to the employee rates shown above. For example, if the total monthly cost for all employees is \$1,000, the employer's cost for that month would be \$200. The total monthly premium due would be \$1,000 (employee cost) + \$200 (employer cost) = \$1,200.

50% Final Benefit Plan - Post-age 65

This plan (elected by checking the box on the Resolution marked for increasing coverage to 50%) provides group life insurance coverage for an insured retiring employee in the amount of 50% of their pre-retirement coverage, after the employee reaches age 66. Effective July 1, 2004, the employer cost for this plan is 40% of the total employee premium for Basic Coverage and is in addition to the employee rates shown above. For example, a total monthly employee cost of \$1,000 requires a \$400 employer cost for that month. The total monthly premium due would be \$1,000 (employee cost) + \$400 (employer cost) = \$1,400.

EMPLOYER PAYMENT OF TOTAL PREMIUM

Employers may elect to pay all or any part of the employee cost for Basic and/or other coverage(s), in addition to its own required cost. Resolution(s) must be filed with ETF if the employer decides to pay the entire cost for all employees. Upon receipt of the resolution(s), all employees participating in the retirement system, including employees who previously declined coverage, may apply for the coverage specified by the resolution(s). (Basic coverage is a prerequisite to all other coverages except Additional coverage for when an employee is over 70.)

SPOUSE & DEPENDENT LIFE INSURANCE

Employers participating in the Basic plan may elect to offer Spouse & Dependent life insurance to their employees.

Spouse & Dependent Insurance has the following features:

- a. Employees covered by the Basic plan who have a spouse, domestic partner* and/or dependent child(ren) to insure are eligible. Dependent children of a domestic partner are not eligible for Dependent life insurance coverage.
- b. \$10,000 coverage for the insured employee's spouse or domestic partner*.
- c. \$5,000 coverage for each of the insured employee's dependent children.
- d. The employee may elect to double the coverages provided in b. and c. above.
- e. Waiver of premiums during the employee's total disability occurring for any cause, without payment of premiums.
- f. Living benefits up to the face value, payable to the insured in case of terminal illness.
- g. Conversion to an individual policy if the coverage was in effect for six continuous months prior to the employee's termination of employment, death, divorce, termination of domestic partnership, or dependent's loss of eligible status.

*A domestic partner is a person who meets the definition of domestic partner in Wis. Stat. 40.02 (21d) and for whom the insured employee has submitted an Affidavit of Domestic Partnership (ET-2371) with ETF.

Premiums for Spouse & Dependent Insurance

The total cost is \$1.75 per month regardless of the number of dependents insured. If the employee elects double coverage, the premium is \$3.50 per month. Unless the employer agrees to pay part or all of the premium, the employee pays the entire premium for Spouse & Dependent Life Insurance.

ADMINISTRATION

A comprehensive administration manual is provided to each participating employer. The employer is responsible for the day-to-day administration of the programs. The insurance carrier provides comprehensive monthly billings.

HOW TO JOIN

The governing body of the employer must adopt a resolution to be included under the Basic group life plan. If the employer is already participating under the Basic group life plan, a new resolution is needed to participate in the Spouse & Dependent plan, Supplemental plan, or Additional plan. Included at the back of this booklet is a blank resolution. A sample resolution is also included for your convenience.

Action to adopt a resolution must be taken by one of the following governing bodies:

Public Employer

County
City
Village
School District
Other Political Subdivision

Corresponding Governing Body

County Board
Common Council
Village Board
School Board
Governing Body

EFFECTIVE DATE OF RESOLUTION TO PARTICIPATE

The resolution must be certified by the WRS agent for that employer or, for non-WRS pension plans only, by the authorized employer representative. Coverage will be effective on the first day of the fourth month following receipt of the certified resolution at ETF.

EXAMPLE

Resolution received by ETF in February

Application due date is April 15

Coverage effective date is June 1

Mail resolution(s) to: Department of Employee Trust Funds
Division of Insurance Services
PO Box 7931
Madison WI 53707-7931

After a resolution is filed, ETF will provide you with enrollment materials. During the enrollment period, all active employees under age 70 participating in the retirement system are eligible to elect the coverage(s) provided in the resolution without proof of insurability. Basic coverage is a prerequisite for all other coverages. Spouse & Dependent, Supplemental, and Additional enrollment is limited to employees of employers participating in the Basic plan which have submitted specific resolution(s) to offer those plans.

During an employer's initial enrollment period, employees over age 70 may elect premium-free Basic coverage (at the post-retirement amount) without proof of insurability. They are required to give Evidence of Insurability in order to enroll for Additional coverage. Supplemental and Spouse & Dependent coverage is not available to those over age 70.

If an eligible employee does not elect to participate in a life insurance plan during the enrollment period, they may obtain coverage by providing the insurer with satisfactory evidence of insurability at the employee's expense. The evidence of insurability application for Basic, Supplemental or Spouse & Dependent life insurance must be

received by the insurer prior to the employee reaching age 70. Employees of any age may apply for Additional coverage.

EFFECTIVE DATE OF RESOLUTION TO PAY 100% OF THE PREMIUM

Your resolution will take effect either on the first of the month following the date your resolution is received by ETF, or the first day of the second month following the date your resolution is received by ETF. Be sure to make your election for the effective date on the resolution form which asks you to indicate your choice. Premiums will be due beginning on the effective date that you elect.

CARRIER

The Minnesota Life Insurance Company is the primary insurer with EPIC Life Insurance Company functioning as reinsurer.

TERMINATION OF PARTICIPATION

The group life insurance plans are optional. Covered employers may withdraw from any plan or may rescind paying 100% of premium for any level of coverage at any time. Rescinding resolutions may be filed with ETF at any time during the year and will take effect on the first day of the fourth month following its receipt by ETF.

MORE INFORMATION

If you have any questions not covered in this booklet or the employee booklet, you may obtain additional information by writing to:

Department of Employee Trust Funds
Division of Insurance Services
Group Life Insurance
PO Box 7931
Madison WI 53707-7931

You may also call the Employer Communication Center toll free at (888) 681-3952, option 1 or (608) 264-7900, option 1 (local Madison).

SAMPLE RESOLUTION

Trust Funds

P.O. Box 7931
Madison, WI 53707-7931

RESOLUTION FOR INCLUSION UNDER GROUP LIFE INSURANCE

RESOLVED, by the Town Board of the Town of Anywhere
(Governing Body) (Employer Legal Name)

that pursuant to the provisions of Chapter 40 of the Wisconsin Statutes such Town Board hereby determines to be
(Governing Body)

included under the following Group Life Insurance program(s) provided by Chapter 40 of the Wisconsin Statutes for its eligible personnel:

Check box(es) for coverage desired:

- Basic Group Life Insurance
- Supplemental Group Life Insurance

Additional Group Life Insurance

- Unit 1
- Units 1 and 2
- Units 1, 2 and 3

- Spouse & Dependent Group Life Insurance
- Amount of insurance for any insured employee who attains age 65 on or after the effective date of this resolution shall be 50% rather than 25%

BE IT FURTHER RESOLVED, that the proper officers are herewith authorized and directed to take all actions and make such deductions and submit such payments as are required by the Group Insurance Board of the State of Wisconsin to provide such group life insurance.

BE IT FURTHER RESOLVED, that the Town of Anywhere WRS Agent submit a certified copy of this
(Employer Name)
Resolution to the State of Wisconsin Department of Employee Trust Funds.

CERTIFICATION

I hereby certify that the foregoing resolution is a true, correct and complete copy of the resolution duly and regularly passed by the Town Board of the Town of Anywhere on the 1 day of March,
(Governing Body) (Employer Legal Name)

2007 and that said resolution has not been repealed or amended, and is now in full force and effect. Dated this 1 day of March, 2007.

I understand that Wis. Stat. 943.395 provides criminal penalties for knowingly making false and fraudulent statements on this form and hereby certify that, to the best of my knowledge and belief, the information is true and correct.

Employer Identification Number (EIN) 69-036-0000-000

Betsy Ross

Board President

WRS Agent Signature

Title

1234 Main Street

Anywhere, WI 53456

Mailing Address

Telephone Number (608) 123-4567

Number of WRS eligible employees: 10

E-Mail Address bross@americasews.gov

The resolution shall be effective on the 1st of the 4th month after receipt in the office of the Department of Employee Trust Funds.

For ETF Use Only
EFFECTIVE DATE OF COVERAGE ENTERED BY ETF:

RESOLUTION FOR INCLUSION UNDER GROUP LIFE INSURANCE

RESOLVED, by the _____ of the _____ of _____
(Governing Body) (Employer Legal Name)

that pursuant to the provisions of Chapter 40 of the Wisconsin Statutes such _____ hereby determines to be
(Governing Body)

included under the following Group Life Insurance program(s) provided by Chapter 40 of the Wisconsin Statutes for its eligible personnel:

Check box(es) for coverage desired:

- Basic Group Life Insurance
- Supplemental Group Life Insurance

Additional Group Life Insurance

- Unit 1
- Units 1 and 2
- Units 1, 2 and 3

- Spouse & Dependent Group Life Insurance
- Amount of insurance for any insured employee who attains age 65 on or after the effective date of this resolution shall be 50% rather than 25%

BE IT FURTHER RESOLVED, that the proper officers are herewith authorized and directed to take all actions and make such deductions and submit such payments as are required by the Group Insurance Board of the State of Wisconsin to provide such group life insurance.

BE IT FURTHER RESOLVED, that the _____ WRS Agent submit a certified copy of this
(Employer Name)
Resolution to the State of Wisconsin Department of Employee Trust Funds.

CERTIFICATION

I hereby certify that the foregoing resolution is a true, correct and complete copy of the resolution duly and regularly passed by the _____ of the _____ of _____ on the ____ day of _____,
(Governing Body) (Employer Legal Name)
_____ and that said resolution has not been repealed or amended, and is now in full force and effect. Dated this ____ day of _____.

I understand that Wis. Stat. 943.395 provides criminal penalties for knowingly making false and fraudulent statements on this form and hereby certify that, to the best of my knowledge and belief, the information is true and correct.

Employer Identification Number (EIN) 69-036-_____

WRS Agent Signature Title

Mailing Address

Telephone Number _____

Number of WRS eligible employees: _____ E-Mail Address _____

The resolution shall be effective on the 1st of the 4th month after receipt in the office of the Department of Employee Trust Funds.

For ETF Use Only
EFFECTIVE DATE OF COVERAGE ENTERED BY ETF:

EMPLOYER RESOLUTION TO PAY ENTIRE PREMIUM FOR:

Check box(es):

- Basic Group Life Insurance
- Supplemental Group Life Insurance
- Additional Group Life Insurance
 - Unit 1
 - Units 1 & 2
 - Units 1, 2, & 3

- Spouse and Dependent Group Life Insurance

Your resolution will take effect either on the first of the month following the date your resolution is received by ETF, or the first day of the second month following the date your resolution is received by ETF. Premiums will be due beginning on the effective date that you elect. I elect to pay the entire premium beginning (check one box):

- on the effective date of my resolution. or,
- on the first of the next month following the effective date of my resolution.

I hereby certify that pursuant to Wis. Stat. 40.05 (6)(e), a resolution to pay the entire group life insurance premium for all employees for the plan(s) indicated above was duly made by the

(Governing Body)

of the _____
(Employer Name)

Employer Identification Number (EIN): 69-036- _____ on

(Date Action Taken)

I understand that Wis. Stat. 943.395 provides criminal penalties for knowingly making false or fraudulent statements on this form and hereby certify that, to the best of my knowledge and belief, the information is true and correct.

Date (MM/DD/CCYY)	WRS Agent Signature	Title

(For ETF use only)

Effective Date of Coverage entered by ETF:

