The Wisconsin Public Employers Group Life Insurance Program Administration Manual

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Table of Contents

Chapter 1: Introduction ***5***
Program Overview 5
Employer Responsibilities 6

Chapter 2: Eligibility ***8***

Chapter 3: Enrollment ***10***
Enrollment When First Eligible 10
Enrollment Upon Return from Leave of Absence 10
Transferring Employment Between State Agencies 11
Concurrent Employment—Multiple State Employers 11
Concurrent Employment—Multiple Local Employers, or Local and State 11
Rehired Annuitants or Rehired Lump Sum Retirees 11
Enrollment for Change in Employment Class 12
Enrollment Due to Family Status Change Event 13
Enrollment Under Evidence of Insurability 13
Effective Date of Insurance 14

Chapter 4: Amount of Life Insurance ***15***
Coverage Amounts 15
Election to Reduce Coverage 17
Annual Renewal Census 18

Chapter 5: Cost of Insurance ***20***
Cost to Employee 20
Refunding Excess Premiums 20
Cost to Employer 20

Chapter 6: Life Insurance and Accidental Death and Dismemberment Claims ***22***
Accidental Death, Dismemberment, and Loss of Use Coverage 22
Benefits 23
Requirements 23
Limitations 24
Filing a Claim 25
Payment of the Benefit at Death 25

Chapter 7: Beneficiary ***27***

Chapter 8: Spouse and Dependent Coverage ***28***
Eligibility 28
Enrollment for Spouse and Dependent Coverage 28
Evidence of Insurability for Spouse and Dependent Coverage 29
Effective Date of Insurance 29
Amount of Coverage 30
Cost of Insurance 30
Coverage During Disability 30
Coverage During an Approved Leave of Absence, Layoff, or While Appealing a Discharge 30
Conversion to an Individual Policy 30
Termination of Coverage 31
Cancellation of Coverage 31
Beneficiary 31

Living Benefits for Spouse and Dependent Coverage 32
Payment of Benefits at Death 32

Chapter 9: Benefits Payable During Lifetime 33
Living Benefits 33
Conversion to Pay Health or Long-Term Care Insurance Premiums 34

Chapter 10: Disability Waiver of Premium Benefit 35
Definition of Disability 35
Filing a Disability Waiver of Premium Claim 35
Amount of Insurance 36
Termination of a Disability Waiver of Premium Benefit 36
When Employee Returns to Work 37

Chapter 11: Coverage During Periods of No Earnings and Employment Gaps 38
Coverage During a Leave of Absence 38
School District Coverage During Summer Months 39

Chapter 12: Coverage While Appealing a Dismissal/Compromise Settlement 40

Chapter 13: Cancellation 42

Chapter 14: Termination of Insurance 43
Active Employees 43
Spouse and Dependent 44

Chapter 15: Maintaining Coverage After Termination of Employment 46
Continuation of Group Coverage 46
Termination Before Age 65 47
Termination at Age 65 or Later 47
Conversion to an Individual Policy 48
Employer Responsibilities When an Employee Terminates Employment 48

Chapter 16: How Group Term Life Insurance Benefits Are Taxed 51
Imputed Income 51
Death Benefits 53

Chapter 17: Premium Reporting and Remittance 54
Premium Billing 54
Billing Cycle 54
Billing Reconciliation 55
Adjustments—Additions 55
Adjustments—Deletions 55
Adjustments—Cancellations 55
Adjustments—Leave without Pay 55
Adjustments—Disability 56
Adjustments—Death 56
Remit Payment and Adjustments 56

Chapter 18: Local Government Resolutions 57
Joining Plan or Adding Coverage 57
Increasing Post-Retirement Benefits 57
Election to Pay 100% of the Premium 58
Termination of Participation/Withdrawal from Plan 58
Local Government Employer Rejoining after Withdrawal 59

Chapter 19: Employer Error Corrections......60
Statutory and Insurance Policy Provisions......60
Types of Employer Errors That Can Be Corrected......61
How to Correct an Employer Error......62
Errors Not Eligible for Correction......63
Deadline for Reporting Employer Error......63

Chapter 20: Frequently Asked Questions......64

Chapter 21: Quick Reference Guide......67
Premium Billing and Adjustments......68
Insurance Options When Taking a Leave of Absence......70
Insurance Options When Retiring or Terminating Employment......71
Continuation of Coverage......73
Disability Premium Waiver Claims......76
Death Claims......77

Chapter 22: Contact Information......79

Chapter 1:
Introduction

Program Overview

The Wisconsin Public Employers Group Life Insurance Program (the Program) is a benefit provided under the Wisconsin Retirement System and is available to employees of the State of Wisconsin and employees of participating Wisconsin local government employers. The Program is governed under Chapter 40 of the Wisconsin State Statutes, Wisconsin Administrative Code and the life insurance policy between the Wisconsin Group Insurance Board (GIB) and Securian Financial Group, Inc. (Securian Financial). The GIB is the policyholder and is responsible for Program oversight. The Wisconsin Department of Employee Trust Funds (ETF) has overall responsibility for administration of the Program. Securian Financial and its affiliate, Minnesota Life, underwrite and assist ETF with administration of the Program.

The *Group Life Insurance Administration Manual* (ET-1117) is intended as a reference to aid your administration and participation in the Program. Its contents are based on State statute, and administrative code that governs the Program, and the group life insurance policy between the GIB and Securian Financial. This manual provides instruction relevant to the administrative and reporting procedures of the Program. Authority for the Program is vested in the GIB [Wis. Stat. §15.165 (2)].

The Program is administered through the Secretary of ETF. The Secretary may authorize a representative or representatives designated by the employer to act for the employer in matters pertaining to the employee trust fund [Wis. Stat. § 40.03 (2)(j)]. Usually, the employer representative also represents the employer in matters regarding the Wisconsin Retirement System. ETF's Employer Services Section (ESS) provides a single point of contact to resolve issues regarding eligibility, enrollment, and coverage for ETF administered benefit programs, including the Program.

The development of statutes, administrative code, and group life insurance policy is ongoing and changes may occur subsequent to this manual's revision. Therefore, ETF will make every effort to communicate any subsequent changes via Employer Bulletin and/or GovDelivery.

Securian Financial acts at the third party administrator, resolving application and claim processing issues and should be the point of contact when such issues arise. However, ETF provides ombudsperson services to assist claimants with unresolved problems or complaints regarding the third party administrator.

The insurance provided is group term life insurance, which builds no cash value. It may not be assigned to anyone [Wis. Stat. § 40.08 (1)], but it may be paid out during the lifetime of the insured under certain circumstances. The insurance also provides continued coverage upon termination for qualified employees.

Employee information is provided in *The Wisconsin Public Employers Group Life Insurance Program* (ET-2101) brochure.

This manual contains examples relevant to the administration of the Program but they do not cover every eventuality. ETF considers current statute, administrative code, group insurance policy, federal and state laws and case law when addressing specific program questions and unique situations. Consult this manual as a first-step resource when you encounter group life insurance program-related questions or concerns.

Employer Responsibilities
The employer's responsibility includes, but is not limited to, the following:

Administration:

1. Understand participation and coverage provisions of the Program.
2. Understand proper forms used in administering the Program.
3. Determine coverage eligibility for each employee.
4. Certify necessary information on behalf of the employer.
5. Collect, audit, and maintain applications and maintain payroll deductions.
6. Sign and transmit forms containing information used by ETF to determine eligibility or benefit amounts.
7. Comply with Chapter 40, Wisconsin Statute and Wisconsin Administrative Code reporting requirements.
8. Audit and submit premium payments.
9. Perform annual coverage and premium updates based on the annual renewal census.
10. Report employment changes required to maintain life insurance.
11. Ensure staff responsible for the day-to-day administration of the Program receive all program-related communications sent by ETF and Securian Financial.

Advise Employees:

1. Ensure all eligible employees are provided enrollment information and the *Life Insurance Application/Cancellation/Refusal* (ET-2304) form.
2. Explain eligibility, cost, enrollment procedures, and coverage effective dates to new employees.
3. Distribute copies of completed applications to ETF and the employee timely and maintain an employer copy.
4. Ensure all insured employees are provided access to *The Wisconsin Public Employers Group Life Insurance Program* (ET-2101) brochure.
5. The *Wisconsin Public Employers Group Life Insurance Program* (ET-2101) brochure serves as the summary plan description and the certificate of

participation for insureds. The brochure should be distributed or the online version should be made available to all eligible employees.

6. Handle the different stages during the employment career of an employee as detailed in this manual.
7. Inform employees that the Secretary of the Department of Employee Trust Funds is authorized under Wis. Stat. § 40.03 (2) (ig), to promulgate, with the approval of the group insurance board, all rules required for the administration of the life insurance plan.

Chapter 2: Eligibility

Employees may enroll if their employer participates in the Program, they are an eligible employee in accordance with Wis.Stats. § 40.02(25)(a) or (c), whether full time or part time, and they are under age seventy (70).

Employees may enroll if they are included under a private pension plan with a participating local government employer.

Any blind employee qualifying under Wis.Stats. § 40.02(25)(a)(3) is eligible.

Employees who reach age seventy (70) before coverage becoming effective may be insured only under the Additional Plan if their employer offers the plan, if the employee provides evidence of insurability satisfactory to Securian Financial.

Rehired annuitants who have continued coverage during retirement, who subsequently return to employment as a WRS participating employee in accordance with Wis.Stats. § 40.02(46), may choose between retaining the annuitant coverage or enrolling for coverage as an eligible employee for the plans available through the employee's employer.

An employee who returns to work as an eligible employee with the same employer within thirty (30) days after termination of employment does not have a new enrollment opportunity. If the employee was previously enrolled in life insurance, the coverage amounts and types remain the same and premiums continue to be due.

If an employee returns to work after a leave of absence without earnings, during which time coverage lapsed, the employee is eligible to apply for the plans and amounts in effect prior to the leave of absence, except plans that have been canceled by the employee.

The following criteria must be met for the employee to apply for coverage and for evidence of insurability:

Basic coverage, the employee must be:

1. Actively employed,
2. Under age seventy (70) on the date the employer receives the application.

Supplemental coverage, the employer must offer the coverage and the employee must be:

1. Actively employed,
2. Under age seventy (70) on the date employer receives the application, **and**
3. Insured for Basic coverage

Additional coverage, the employer must offer the coverage and the employee must be:

1. Actively employed and under age seventy (70) on the date the employer receives the application, **and**
2. Insured for Basic coverage OR
3. If age seventy (70) or older on the date the employer receives the application, an application for Evidence of Insurability needs to be submitted (Basic coverage is not required).

Spouse and Dependent coverage, the employer must offer the coverage and the employee must be:

1. Actively employed or on Disability Waiver of Premium,
2. Under age seventy (70) (age sixty-five (65) if on Disability Waiver) on the date employer receives the application, **and**
3. Insured for Basic coverage

Chapter 3:
Enrollment

Enrollment When First Eligible

Employees who are under age seventy (70) may obtain coverage by completing an application provided by their employer.

A *Life Insurance Application/Cancellation/Refusal* (ET-2304) form should be provided to all eligible employees and **completed applications must be received by the employer within 30 days after the hire date**. The "Date received from employee" field on the *Life Insurance Application/Cancellation/Refusal* (ET-2304) form must be completed by the employer within thirty (30) days after the hire date. *If this field is incomplete, the date that ETF receives the completed application will be used as the date received by employer.*

The coverage effective date is the first (1^{st}) of the month following thirty (30) days after the date of hire. For claims purposes, the employee's election date will be the point of reference for providing coverage and paying claims. Election date is the date the application is received by the employer, but not earlier than the date of hire.

The employee's coverage amount will be based on the estimated annual earnings that the employer provides on the application. The employer should provide the estimated earnings for a full calendar year period.

When an employee returns to work for the same employer after a break in service that exceeds thirty (30) days, the employee is considered newly eligible under that employer.

When an employee returns to work for the same employer within thirty (30) days, there is not a new enrollment opportunity. If the employee was previously enrolled in life insurance, the coverage amounts and types remain the same and premiums continue to be due.

Enrollment Upon Return from Leave of Absence

For employees who return to employment after a leave of absence, during which time coverage lapsed, they may enroll without evidence of insurability for the plans of insurance in effect prior to their leave. They may apply for any new coverage that their employer made available to all employees for the first time during their leave. They may not enroll in any plan which they previously declined or canceled. The application must be submitted within 30 days after the employee's return to work.

A *Life Insurance Application/Cancellation/Refusal* (ET-2304) form should be provided to all eligible employees returning from a leave of absence. **Completed applications must be received by the employer within thirty (30) days after the return to work**.

The "Date received from employee" field on the *Life Insurance Application/Cancellation/Refusal* (ET-2304) form must be completed by the employer within thirty (30) days after the return to work. **If this field is incomplete, the date that ETF receives the completed application will be used as the date received by employer.**

The coverage effective date is the first of the month following thirty (30) days after the return to work date. For claims purposes, the employee's election date will be the point of reference for providing coverage and paying claims. Election date is the date the application is received by the employer, but not earlier than the date the employee returned to work.

The employee's coverage amount will be same amount that was in effect prior to the lapse, or based on the prior year's actual earnings, whichever is higher.

If coverage continued during the leave of absence, no action is needed upon the employee's return to work.

Transferring Employment Between State Agencies
Transfer applications are required only when an employee transfers into a different State payroll system. The current payroll systems are STAR, UW, UWHC, WEDC, WHEDA, Courts, Wiscraft and Fox River Navigational System. The coverage levels and coverage amounts do not change. The transfer is effective on the first (1^{st}) of the month following the termination date with the previous agency.

Concurrent Employment—Multiple State Employers
Employees who add employment at another State agency do not have an enrollment opportunity at the second State agency. When concurrent employment with two (2) agencies begins, the coverage amount remains at the initial coverage level until the annual renewal update, when the coverage amount may increase, based on the total earnings reported by all employing State agencies for the previous year.

To switch premium deductions from the initial State agency to the subsequent agency, submit a transfer application indicating the change.

Concurrent Employment—Multiple Local Employers, or Local and State Employers Employees have an enrollment opportunity when they are eligible with each participating employer, in the plans offered by that employer. See section A for information regarding enrollment when first eligible.

Coverage amounts are based on earnings with each employer individually.

If an employee employed by two (2) employers terminates employment with the employer with whom they have Spouse & Dependent coverage, the employee can enroll in Spouse & Dependent coverage with the remaining participating employer by filing an application within thirty (30) days after the coverage termination, provided that employer offers Spouse & Dependent coverage.

Rehired Annuitants or Rehired Lump Sum Retirees
WRS annuitants who terminated employment on or after July 1, 2013 are required to meet the minimum seventy-five (75) day break in service, and when they return to WRS eligible employment their WRS annuity is terminated. Employees then have the option to keep their previous life insurance and pay premiums directly to Securian Financial, or elect coverage as a newly eligible employee with the new employer. See section A for information regarding enrollment when first eligible.

WRS annuitants who terminated employment prior to July 1, 2013 or lump sum retirees have the option to keep their previous life insurance with premiums deducted from their annuity or paid directly to Securian, or elect coverage as a newly eligible employee with the new employer. See section A for information regarding enrollment when first eligible.

The employee should carefully consider whether it is advantageous to continue previous coverage or to elect active coverage.

The annuitant may not have both active and retiree coverage. When the active coverage becomes effective, all continued coverage is automatically canceled.

The new coverage levels will be based on estimated earnings at the time the employee is re-enrolled in the WRS. When the participant subsequently terminates, the retirement coverage will be based on the new employment only. The coverage effective date is based on the date ETF terminates the annuity.

If a rehired annuitant chooses to elect coverage as a WRS eligible employee, a *Life Insurance Application/Cancellation/Refusal* (ET-2304) form should be completed and must be received by the employer within thirty (30) days after beginning active WRS participation.

Enrollment for Change in Employment Class
A change in employment class or a change in appointment does not provide employees with an open enrollment unless the change resulted from a termination of employment. However, if they have a change in employment class that requires the employer to provide them with 100% employer-paid coverage under its employment contract for an entire employment class, employees will be eligible for an open enrollment only for the plans that are 100% employer paid. Employees will have thirty (30) days to enroll from the date they became eligible for 100% employer paid coverage.

Change in part time to full time employment does not provide an open enrollment as it is not a change in employment class.

A *Life Insurance Application/Cancellation/Refusal* (ET-2304) form should be provided to all eligible employees and **completed applications must be received by the employer within 30 days after the employment class change**. The "Date received from employee" field on the *Life Insurance Application/Cancellation/Refusal* (ET-2304) form must be completed by the employer within thirty (30) days after the employment class change. *If this field is incomplete, the date that ETF receives the completed application will be used as the date received by employer.*

The coverage effective date is the first (1^{st}) of the month following thirty (30) days after the date that the employee became eligible under the new employment class. For claims purposes, the employee's election date will be the point of reference for providing coverage and paying claims. Election date is the date the application is received by the employer, but not earlier than the date of the employment class change.

Enrollment Due to Family Status Change Event
Employees may enroll in Basic coverage, or increase their employee coverage by one level, and enroll in one (1) or two (2) units of Spouse and Dependent coverage without evidence of insurability if application is made within thirty (30) days after gaining a dependent as defined in ETF 10.01(2) due to one of the following:

1. the date of the employee's marriage
2. the date of birth, adoption, placement for adoption, or award of legal guardianship of a dependent child

Enrollment is subject to the plan maximum, or if employed by a participating local government employer, is subject to the plans that are made available by that employer.

A *Life Insurance Application/Cancellation/Refusal* (ET-2304) form should be provided to all eligible employees and **completed applications must be received by the employer within 30 days after the family status change event**. The "Date received from employee" field on the *Life Insurance Application/Cancellation/Refusal* (ET-2304) form must be completed by the employer within thirty (30) days after the family status change event. If this field is incomplete, the date that ETF receives the completed application will be used as the date received by employer.

The coverage effective date is the first of the month following thirty (30) days after the date of event. For claims purposes, the employee's election date will be the point of reference for providing coverage and paying claims. Election date is the date the application is received by the employer, but not earlier than the date of event.

Enrollment Under Evidence of Insurability
If employees do not enroll for all available coverage within thirty (30) days after first becoming eligible, or within thirty (30) days after a family status change event, as described above, they may obtain coverage by providing Securian Financial satisfactory evidence of insurability. Securian Financial must receive the *Evidence of Insurability Application* (ET-2305) prior to the employee's seventieth (70^{th}) birthday for the Basic and Supplemental Plans of insurance. However, Securian Financial can receive the *Evidence of Insurability Application*
(ET-2305) at any age for the Additional Plan.

Employees who become an eligible employee at age seventy (70) or later are not eligible for the Basic or Supplemental Plans. They are eligible to apply for the Additional Plan but are required to provide evidence of insurability.

Evidence of Insurability applications must be received by Securian Financial within ninety (90) days of completion, since medical information can become outdated. Both the employee and employer will receive a *Notification of Underwriting Decisions* (ET-2351) from Securian Financial showing the underwriting decision. The notification will also contain the effective date of coverage(s) if applicable. Securian Financial may contest payment of any benefit for up to two years after coverage begins.

The coverage effective date is the first (1^{st}) of the month following the date of approval. For claims purposes, the approval date of coverage will be the date that coverage is provided and that a claim would be paid. The employee, spouse and eligible dependent children must be living on the date the application is approved in order for coverage to be effective.

Effective Date of Insurance
Insurance becomes effective if the employee is eligible and has filed an application in accordance with the enrollment provisions. Effective dates would be:

- the first day of the month following thirty (30) days after the date of hire,
- the first day of the month following thirty (30) days after return from an approved leave of absence, or
- the first day of the month following thirty (30) days after the date of the qualifying family status change event.

Date of hire/WRS eligibility/return to work/qualifying family status change	Life Insurance Application Due Date	Effective Date of Coverage
January 5	February 4	March 1
June 1	July 1	August 1
August 1	August 31	September 1
November 15	December 15	January 1

For claims purposes, an employee's election date will be the point of reference for providing coverage and paying claims. Election date is the date of online enrollment or the date the paper application is received by the employer, but not earlier than the date of hire, the date of the qualifying family status change event, or the return to work date, whichever is applicable.

For Evidence of Insurability the coverage effective date is the first of the month following the date of approval. For claims purposes, the approval date of coverage will be the date that coverage is provided and that a claim would be paid. The employee, spouse and eligible dependent children must be living on the date the application is approved in order for coverage to be effective.

Insurance shall not become effective if the applicant is no longer an employee of a participating employer on the insurance effective date.

Chapter 4:
Amount of Life Insurance

Coverage Amounts

When employees first become insured through their current employer, the amount of insurance is an estimate determined by the employer. The estimate is based on the employer's projection of the employee's earnings for the next twelve (12) months rounded to the next higher $1,000 if not already an even $1,000. On the January 1 that immediately follows the date they became insured, the amount of insurance is based on the higher of the estimated earnings or the actual earnings in the previous calendar year. On each January 1 thereafter their insurance amount will be based on their highest prior calendar year's actual earnings with the employer.

"Earnings" means the total salary or wages paid to the employee by the employer during the previous calendar year. This includes deferred compensation, tax shelter arrangements and allowances provided for in lieu of money. For employers that provide employees a private pension plan, "earnings" has the same meaning as above and are reported by the employer to Securian.

For newly eligible employees, the coverage amount will be based on the estimated annual earnings that the employer provides on the application. The employer should provide the estimated earnings for a full calendar year period.

Each local government employer is a separate employer and the State of Wisconsin is considered one employer for life insurance purposes. Coverage amounts are calculated separately for Local employers and are combined for State employers.

If earnings increase above the current level of coverage, insurance coverage will increase January 1 of the following year. If earnings decrease, insurance coverage will not decrease unless the employee requests a reduction of insurance in writing or unless the calendar year earnings after one full year of employment are less than the coverage amount that was based on the prior year's estimate. For billing purposes premium changes due to coverage increases or age changes are effective April 1 for State employees and July 1 for Local employees.

Highly compensated employees who began WRS participation after July 1, 1996, have their WRS reportable earnings capped by compensation limits imposed by Internal Revenue Code Section 401 (a) (17). Life insurance coverage will be based on the employee's actual earnings.

Contract settlements sometimes involve the payment of retroactive earnings. For WRS purposes, retroactive earnings must be allocated to the year in which payment would have been made had the contract been settled timely. Coverage amounts affected by retroactive earnings will be adjusted at retirement, continuation, or when a claim is processed and approved. Employers do not need to report retroactive earnings due to contract settlements to Securian.

Basic Plan
Except as provided above, under the Basic Plan the employee will have insurance equal to the earnings paid to them by the employer during the previous calendar year rounded to the next higher $1,000.

When active employee reaches age seventy (70) Supplemental and Spouse and Dependent coverage terminates. Basic coverage automatically continues at the reduced amount. Premiums will be discontinued and the amount of Basic insurance will be adjusted as shown in the Continuing Coverage Table below. The adjustments shown in the Continuing Coverage Table do not apply to employees under age seventy (70).

When the governing body of an employer adopts a resolution to participate in the Program and makes insurance available for the first time to its employees, eligible employees who are age seventy (70) and older on the effective date of the Basic Plan, will receive an amount of insurance equal to the final reduced amount provided in the following table:

Continuing Coverage Table	
Age	**% of Basic Coverage Continuing**
Before age 65	100%
While age 65	75%
While age 66	50%
While age 67 and after	25%*

** Applies only to employees of local government employers. Local government employers may, however, elect a continuation of 50% of the Basic coverage if they agree to make the increased employer contributions. State employee coverage continues at the 50% rate from age sixty-six (66) and after.*

Supplemental Plan
Basic coverage is required, and the employer must participate in the Supplemental Plan for employees to be eligible. This plan provides life insurance coverage in addition to the Basic Plan at one (1) times the employee's previous year's earnings, rounded to the next higher $1,000. For employees who are employed when they reach age seventy (70), premiums will stop and Supplemental insurance coverage will terminate.

If the employee has continued the Supplemental Plan following termination of employment or retirement, coverage will end at age sixty-five (65).

Additional Plan
The employer must participate in the Additional Plan for employees to be eligible. This plan provides life insurance in addition to the Basic Plan at up to three (3) times the employee's prior year's earnings. For employees who are employed when they reach

age seventy (70), coverage will continue until employment is terminated, coverage is canceled or premiums have stopped being paid, whichever is earliest. If the employee has continued the Additional Plan following termination of employment or retirement, coverage will end at age sixty-five (65).

When the governing body of an employer adopts a resolution to participate in the Additional Plan and makes it available for the first time to all its employees, eligible employees who are age seventy (70) and older on the effective date of the Additional Plan are required to provide evidence of insurability satisfactory to Securian, if they wish to enroll in the Additional Plan.

For employees who are age seventy (70) and older when they begin employment, Evidence of Insurability is required to enroll in the Additional Plan. Basic coverage is not a prerequisite. The Additional Plan does not include waiver of premium or accidental death and dismemberment benefits for insureds who are age seventy (70) and older.

Spouse and Dependent Coverage
Eligible employees may apply for one (1) or two (2) units of Spouse and Dependent term life insurance. They may not elect more than two (2) units of coverage even if they are employed by more than one (1) participating employer. However, the employee and their spouse may both elect Spouse and Dependent coverage if both are eligible employees and both their employers offer the coverage. There is no Accidental Death, Dismemberment or Loss of Use coverage in the Spouse and Dependent Plan. The amounts of coverage under each unit may be subject to changes made by the Group Insurance Board.

1 Unit:	Spouse = $10,000
	Each Dependent Child = $5,000
2 Units:	Spouse = $20,000
	Each Dependent Child = $10,000

Election to Reduce Coverage
Insured employees may *elect* to reduce their insurance coverage if all of the following requirements have been met:

1. The employee's calendar year earnings (W-2 earnings for private pension employees) have decreased and could result in less coverage than the employee currently has.
2. The employee is actively employed with the same employer.
3. The employee has been actively employed for at least nine (9) months in the last calendar year.

The employee must properly complete and sign an *Election to Reduce Amount of Life Insurance* (ET-2309), which can be obtained by contacting ETF. The election must be filed with the employer in the year following the year in which there was a decrease in earnings, and received by ETF within sixty (60) days of receipt by the employer.

The reduced coverage will be effective the first (1st) day of the month on or after the date the employer receives the *Election to Reduce Amount of Life Insurance* and will be based on actual earnings in the last calendar year.

Coverage automatically increases if the employee's earnings increase in subsequent years; The employee will need to file a new *Election to Reduce Amount of Life Insurance* (ET-2309) to reduce coverage after changes in earnings. If the employee's earnings do not increase, the election remains in effect until the employee changes employers.

Annual Renewal Census
The insurance amount for a new or rehired employee who has been employed less than a full calendar year will be based on the higher of the prior year's estimated earnings or prior year's actual earnings, even if employment is only for part of the year in which the highest earnings occur.

If the estimated earnings are higher than the actual prior year earnings, the employee's coverage will be based on an estimate until they have been employed for a full calendar year.

If earnings decrease, insurance coverage will not decrease unless a reduction of insurance is requested in writing or unless the calendar year earnings after one full year of employment are less than the coverage amount that was based on the prior year's estimate.

In subsequent years, the insurance amount will be based on the highest prior year's actual earnings.

Coverage for an employee who retires before the end of the year will be based on the higher of their current insurance amount or the amount that is based on the actual earnings for the year in which they retire.

Highly compensated employees who began WRS participation after July 1, 1996, have their WRS reportable earnings capped by compensation limits imposed by Internal Revenue Code Section 401 (a) (17). Life insurance coverage will be based on the employee's actual earnings. Employers are responsible for reporting all earnings that exceed the compensation limits to Securian.

1. **State Annual Renewal Census**
   Annual earnings must be reported to ETF by January 31 of each year. ETF then provides earnings to Securian Financial which are used to update coverage amounts.

   Premium changes due to coverage amounts or age changes are effective April 1.

   Files containing coverage changes are provided to State payroll agencies by Securian.

   Employers are expected to review files for accuracy and update payroll deductions. Any discrepancies should be reported to Securian.

2. **Local Annual Renewal Census**
   Annual earnings must be reported to ETF by January 31 of each year. ETF then provides earnings to Securian Financial which are used to update coverage amounts.

   Premium changes due to coverage amounts or age changes are effective July 1.

   Annual census reports are sent to each Local employer in early April containing new coverage and premium amounts.

   Employers are expected to review reports for accuracy and update payroll deductions. Any discrepancies should be reported to Securian Financial via the adjustment page included with the census reports.

   Coverage amounts for Private Pension employers are based on W2 earnings from the previous calendar year. Securian Financial will contact Private Pension employers in February of each year to obtain annual earnings.

Chapter 5:
Cost of Insurance

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.

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.

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* R*esolution 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* R*esolution 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* R*esolution to Pay Entire Premium* (ET-1301) form must be filed with ETF.

Chapter 6: Life Insurance and Accidental Death and Dismemberment Claims

Employers must report an insured employee's death as soon as possible to Securian Financial by completing the *Notice of Death form* (ET-6301) form.

Employers must report an insured employee's spouse or dependent death as soon as possible to Securian Financial by completing the *Notice of Death for Spouse or Dependent Child form* (ET-6303) form.

For annuitants, retirees, or inactive employees, ETF is usually notified of the death by a beneficiary or family member. Beneficiaries or family members may report a death by contacting ETF or Securian Financial to begin the claim process. Notifications provided to ETF are shared with Securian, and notifications provided to Securian Financial are shared with ETF. Securian Financial will contact the beneficiary(ies) of the life insurance to obtain the documentation necessary to process the claim.

Premiums are payable through the month of death. Premiums paid beyond the month of death will be refunded.

Accidental Death, Dismemberment, and Loss of Use Coverage

The amount of Accidental Death, Dismemberment, and Loss of Use (AD&D) coverage is equal to the total amount of insurance under the Basic, Supplemental and Additional coverages. This amount of coverage is also referred to as the "Principal Sum." Payment of benefits under the Accidental Death, Dismemberment and Loss of Use coverage is in addition to any payment under the Basic, Supplemental and Additional coverages. If the employee suffers more than one of the losses listed below in Coverages A and B because of any one accident, payment will be made only for the loss for which the largest amount is payable, but not more than the Principal Sum. If the employee receives payment for a loss under this policy and later incur another loss, payment will be made for that loss regardless of any previous loss. However, under no circumstances will more than one payment be made for the loss or loss of use of the same limb(s), or part thereof, or member(s). Insurance on a spouse or dependent child does not include the Accidental Death and Dismemberment benefit.

This coverage continues while insurance is in force and the insured is:

1. employed and under age seventy (70); or
2. retired and under age sixty-five (65); or
3. on a disability waiver of premium.

Benefits

Coverage A: Loss of Life, Limb or Sight Loss

Benefit Payment

Life = principal sum

Two (2) or more members = principal sum

One (1) member = one-half of principal sum

Thumb and index finger on same hand = one-fourth of principal sum

“Member” means hand, foot or eye. Loss of hand or foot means actual severance through or above the wrist or ankle joint. Loss of sight means the entire and irrecoverable loss of sight. Loss of thumb and index finger means actual severance through or above the metacarpophalangeal (close to the palm of the hand) joint. Above the wrist and metacarpophalangeal joints means towards the elbow; above the ankle joint means towards the knee.

Benefits for loss of life will be paid to the beneficiary. Benefits for any other loss will be paid to the employee.

Coverage B: Permanent and Total Loss of Use Loss

Benefit Payment

Each hand or foot from wrist or ankle = one-fourth of principal sum

Each arm or leg from shoulder or hip = one-half of principal sum

Permanent and total loss of use means the permanent and total loss of the ability to function because of incurable paralysis or stiffening. The requirements of occupation or profession are not considered when determining the right to this benefit. Permanent and total loss of use of arm or leg means the permanent and total loss of use to the entire arm or leg, including loss of use of the attached hand or foot.

Requirements

For payment of AD&D benefits under Coverages A and B, injury and loss must:

1. Result from a bodily injury which was unintended, unexpected and unforeseen, as shown by a visible contusion or wound on the exterior of the body (except in the case of drowning).
2. Be suffered through external, violent and accidental means.
3. Be the direct result of that injury.
4. Be independent of all other causes.
5. Occur within one (1) year of the date of the accident.
6. Occur while your coverage is in force.

Limitations

In no event will the AD&D benefit be paid where the loss is caused directly or indirectly by, results from, or there is contribution from, any of the following:

1. Self-inflicted injury or self-destruction, whether sane or insane.
2. Suicide or attempted suicide, whether sane or insane.
3. Participation in or attempt to commit a crime, assault, or felony.
4. Bodily or mental infirmity, illness or disease.
5. The use of alcohol, drugs, medications, poisons, gases, fumes or other substances taken, absorbed, inhaled, ingested or injected, unless taken upon the advice of a licensed physician in the verifiable prescribed manner and dosage.
6. Motor vehicle collision or accident where the employee is the operator of the motor vehicle and the employee's blood alcohol level meets or exceeds the level at which intoxication is defined in the state where the collision or accident occurred, regardless of the outcome of any legal proceedings connected thereto.
7. Infection, other than infection occurring simultaneously with, and as a direct result of, the accidental injury.
8. Medical or surgical treatment or diagnostic procedures or any resulting complications.
9. 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.
10. War or any act of war, whether declared or undeclared.

Back to Top

Filing a Claim

1. **Life insurance**

   The employer must report an insured employee's death as soon as possible to Securian Financial by completing the *Notice of Death form* (ET-6301) form.

   The employer must report an insured employee's spouse or dependent death as soon as possible to Securian Financial by completing the *Notice of Death for Spouse or Dependent Child* (ET-6303) form.

   For annuitants, retirees, or inactive employees, ETF is usually notified of the death by a beneficiary or family member. Beneficiaries or family members may report a death by contacting ETF or Securian Financial to begin the claim process. Notifications provided to ETF are shared with Securian, and notifications provided to Securian Financial are shared with ETF. Securian Financial will contact the beneficiary(ies) of the life insurance to obtain the documentation necessary to process the claim.

   Premiums are payable through the month of death. Premiums paid beyond the month of death will be refunded.

2. **Accidental Death, Dismemberment and Loss of Use**

   Claimants or beneficiaries should contact Securian Financial to initiate the claim process within thirty (30) days of the accident, if possible.

   Forms for Accidental Dismemberment Total and Permanent Loss of Use or Loss of Sight will be sent to the claimants by Securian.

   Instructions for filing a proof of loss will accompany the claim form. Securian Financial may require a claimant to be examined at the Securian's expense while a claim is pending.

Payment of the Benefit at Death

Securian Financial will send claim forms to the beneficiary(ies) and will request a death certificate and other documents Securian Financial deems necessary to consider a claim for payment. Benefits will be paid to the beneficiary(ies) as shown in the next section.

Chapter 7:
Beneficiary

Beneficiaries shall be determined in accordance with Wis. Stat. § 40.02(8) and § 40.74. Employees may designate a beneficiary or change their beneficiary at any time by completing a form provided by ETF. The Separate *Beneficiary Designation* forms (ET-2320/ET-2321) form may be filed for WRS retirement and life insurance benefits. Benefits will be paid according to the last *Beneficiary Designation* on file with ETF at the time of the employee's death.

If the employee does not designate a beneficiary or if the designated beneficiaries are not living at the time of the employee's death, the sequence of beneficiaries will be as follows:

1. Surviving spouse or surviving domestic partner as provided in Wis. Stat. § 40.02 (21d);
2. Children of the deceased participant, employee, or annuitant, in equal shares, with the share of any deceased child payable to the issue of the child or, if there is no surviving issue of a deceased child, to the other eligible children in this group or, if deceased, their issue;
3. Parent, in equal shares if both survive;
4. Brother and sister in equal shares, and the issue of any deceased brother or sister. No payment may be made to a person included in any group if there is a living person in a preceding group;
5. Estate.

Employees should submit their completed *Beneficiary Designation* forms (ET-2320/ET-2321) form directly to ETF.

Beneficiary for Spouse & Dependent Coverage
The employee is the beneficiary in the event of the death of his or her spouse or dependent. In the case of simultaneous deaths of the employee and his or her spouse or dependent child, payment will be made to the employee's estate.

Chapter 8:
Spouse and Dependent Coverage

Definitions:

"Spouse" means lawful husband or wife.

"Dependent" means the employee's natural children, stepchildren, adopted children, legal wards and children in adoptive placement under Wis. Stats. § 48.837(1). Children are eligible from live birth (stillborn and unborn children are not eligible) to the attainment of age 26. A child who is age 26 or older is also eligible if he or she is incapable of self-support because of a physical or mental disability which is expected to be of a long-continued and indefinite duration.

Eligibility

The employee must have the Basic Plan or file an application for Basic coverage at the same time they apply for the Spouse and Dependent coverage. Also, the employee must be an eligible employee under age seventy (70) and the employer must offer this plan as part of its benefits program.

Employees may not elect more than two (2) units of coverage even if they are employed by more than one (1) participating employer. However, if the employee and the employee's spouse are both eligible employees, then they may both apply for Spouse and Dependent coverage if both employers offer the coverage.

If an employee employed by two (2) employers terminates employment with the employer with whom he or she has Spouse & Dependent coverage, the employee can enroll in coverage with the remaining participating employer by filing an application within thirty (30) days of the coverage termination.

Enrollment for Spouse and Dependent Coverage

An eligible employee may enroll without evidence of insurability for Spouse and Dependent insurance by filing an application provided by ETF which must be received by the employer within thirty (30) days after:

1. The date the employee first qualifies with that employer as an eligible employee under Wis. Stats. § 40.02(25)(a) or (c) provided the employee enrolls in the Basic Plan; or
2. One (1) of the following changes:
    a. The date of the employee's marriage.
    b. The date of birth, adoption, placement for adoption, or award of legal guardianship of a dependent child; or
3. The date an employee returns to work as an eligible employee of a participating employer if within thirty (30) days of terminating employment or after a leave of absence without earnings, during which time coverage lapsed. The employee may enroll only for the plans of coverage that were in effective prior to

termination or leave of absence, unless coverage was previously canceled by the employee.

You may only enroll in coverage levels offered by your employer; if you already have all the coverage offered, you do not have an enrollment opportunity.

Evidence of Insurability for Spouse and Dependent Coverage
Evidence of insurability may be required if the employee enrolls or increases coverage after the enrollment period ends, as described above.

If an employee wishes to enroll in Spouse and Dependent coverage outside of an open enrollment opportunity, he or she must complete an *Evidence of Insurability Application* (ET-2305) form.

If the employee is applying for insurance for his or her dependent children, the dependent children do not need to be underwritten. Dependent children will automatically be covered upon the approval of the employee's spouse. If the employee does not have a spouse, the dependent coverage will automatically be approved upon receipt of the completed *Evidence of Insurability Application* (ET-2305) form.

If the employee cancels coverage because he or she no longer has an eligible spouse or dependent, the employee may re-enroll without evidence of insurability within thirty (30) days of a qualifying family status change.

Effective Date of Insurance
If an eligible employee enrolls for Spouse and Dependent coverage on an application in accordance with the enrollment provisions, effective dates would be:

1. the first day of the month following thirty (30) days after the date of hire,
2. the first day of the month following thirty (30) days after return from an approved leave of absence, or
3. the first day of the month following thirty (30) days after the date of the qualifying family status change event.

For claims purposes, an employee's election date will be the point of reference for providing coverage and paying claims. Election date is the date of online enrollment or the date the paper application is received by the employer, but not earlier than the date of hire, the date of the qualifying family status change event, or the return to work date, whichever is applicable.

For a spouse who is required to submit evidence of insurability the effective date of insurance is the first of the month following the date the application is approved by Securian. For claims purposes, the approval date will be the point of reference for providing coverage and paying claims.

Insurance shall not become effective if the applicant is no longer an employee of a participating employer or if the applicant is no longer a spouse or dependent of an employee on the insurance effective date.

Amount of Coverage
If the employee meets eligibility requirements, he or she may apply for one (1) or two (2) units of Spouse and Dependent term life insurance. The employee may not elect more than two (2) units of coverage even if employed by more than one (1) participating employer. However, the employee and his or her spouse may both apply for Spouse and Dependent coverage if they are both eligible employees and both of their employers offer the coverage. There is no Accidental Death, Dismemberment or Loss of Use coverage in the Spouse and Dependent Plan. The amounts of coverage under each unit may be subject to changes made by the Group Insurance Board.

1 Unit: Spouse = $10,000
Each Dependent Child = $5,000

2 Units: Spouse = $20,000
Each Dependent Child = $10,000

Cost of Insurance
The monthly cost for each unit of Spouse and Dependent life insurance is a set dollar amount. The cost is the same for each unit of coverage regardless of the age or number of family members insured. Current premium information can be found on the *Life Insurance Rates* (ET-2164) form on ETF's website at http://etf.wi.gov.

Coverage During Disability
Employees who become disabled can continue Spouse and Dependent life insurance coverage until age sixty-five (65) without premium payments, as long as their disability continues and they continue to be covered under the Basic Plan.

Coverage During an Approved Leave of Absence, Layoff, or While Appealing a Discharge
Spouse and Dependent coverage may be continued during an approved leave of absence or while employee is appealing a dismissal.

Conversion to an Individual Policy
When coverage on the employee's insured spouse or dependent child terminates, the spouse or dependent child may convert to an individual policy. The application for conversion and first premium payment must be received by Securian Financial within thirty-one (31) days after the insured is no longer eligible for coverage under the group policy. Failure to obtain an application for conversion does not extend the conversion period. In the event of the employee's death, the insured spouse and dependent(s) will have ninety (90) days from the date of death to convert. Spouse and Dependent coverage must have been in effect for the entire six (6) month period preceding termination of coverage. The *Conversion of Group Life Insurance Enrollment* (ET-2306) form can be found on ETF's website at http://etf.wi.gov. Completed applications for conversion should be sent to Securian.

Termination of Coverage
Insurance on any spouse or dependent shall terminate automatically on the earliest of the following dates:

1. The last day of the calendar month in which the employee terminates employment; or
2. The date the employee meets any of the conditions specified in Chapter 14, "Termination of Employee's Insurance," or reaches age seventy (70); or
3. For an individual whose premiums are waived under the section entitled Chapter 10, "Disability Waiver of Premium Benefit," the date the individual reaches age sixty-five (65); or
4. The last day of the calendar month in which the employer receives a written notice of cancellation of this insurance from the employee. The notice must be on a form provided by ETF. A notice of cancellation may be withdrawn only by a written request to the employer or ETF which is received prior to the termination of coverage; or
5. For a dependent, the date of qualification for insurance as an eligible employee under Wis. Stats. § 40.02(25); or
6. For a spouse, the date a divorce decree is entered; or
7. Ninety (90) days after the death of the employee; or
8. For a dependent other than one described in ten (10) below, upon reaching age 26, or;
9. For a dependent incapable of self-support due to a physical or mental disability which can be expected to be of long-continued or indefinite duration who would not otherwise be eligible, the date disability ceases or;
10. The effective date of termination of the group policy by the employer.

Insurance coverage shall be considered lapsed if an employee fails to make the required premium payments during a sixty (60) day period which begins on the day following the last day for which premiums were paid.

Cancellation of Coverage
Employees should cancel their Spouse and Dependent coverage as soon as they no longer have a spouse or eligible dependent(s) to insure by filing a *Life Insurance Application/Cancellation/Refusal* (ET-2304) form with the employer. If there is a delay filing a cancellation, a refund of premiums is limited to the current year and the immediately preceding calendar year.

Beneficiary
The employee is the beneficiary in the event of the death of his or her spouse or dependent. In the case of simultaneous deaths of the employee and his or her spouse or dependent child, payment will be made to the employee's estate.

Living Benefits for Spouse and Dependent Coverage
Insured persons (spouse or dependent) may apply to receive all or part of the value of his or her life insurance coverage while still living, provided they are diagnosed with a terminal condition caused by illness or injury and have a life expectancy of twelve (12) months or less. If a partial benefit is requested it must be equal to a full unit of coverage provided under the Spouse and Dependent plan.

Payment of Benefits at Death
Upon the death of an insured spouse or dependent, the employee needs to contact his or her employer's payroll and benefits office to report the death. The employer should assist the employee in completing the *Notice of Death for Spouse or Dependent Child* (ET-6303). The completed form should be submitted it to Securian.

Chapter 9:
Benefits Payable During Lifetime

Living Benefits

Insured employees, annuitants, spouses or dependents, may apply to receive all or part of the value of their life insurance coverage while still living, provided they are diagnosed with a terminal condition caused by illness or injury and have a life expectancy of twelve (12) months or less.

The benefit amount must be equal to an amount provided under a plan of insurance or a multiple of plans. They may request a Living Benefit more than once, provided they have not exhausted all of their coverage. In no event are they allowed to claim more benefits than the amount for which they are insured. Any value remaining at death will be paid to the insured's beneficiary(ies), or to the employee if the coverage is the Spouse and Dependent Plan. Living Benefits may be taxable to the recipient as regular income in the year of payment.

The amount of life insurance eligible for a living benefit payment shall be the total amount of insurance in force on the life of the insured on the date Securian Financial receives the application for a living benefit payment.

An eligible insured may file a claim for a living benefit by requesting a *Life Insurance Summary and Application for Living Benefits* (ET-2323) from Securian. The insured's life insurance must be in force and all required premiums must have been fully paid. Medical evidence will be requested by Securian Financial after they file the application. Securian's determination regarding the applicant's eligibility for the living benefit is final.

The request for a living benefit must be voluntary. A living benefit is not intended to cause the insured to involuntarily reduce the death proceeds ultimately payable to the named beneficiary. Therefore:

1. If the insured is required by law to use this option to meet the claims of creditors, whether in bankruptcy or otherwise, the insured is not eligible for this benefit.

2. If the insured is required by a government agency to use this option in order to apply for, obtain or keep a government benefit or entitlement, the insured is not eligible for this benefit.

Upon receipt of satisfactory evidence of the insured's qualifying condition as defined in this section, Securian Financial will pay the living benefit to the insured subject to Wis. Stats.
§ 40.08 (9) and (9m) and applicable ETF Wisconsin Administrative Code. If the insured dies, any remaining life insurance that remains in force will be paid to the insured's beneficiary.

For more information about Living Benefits, contact ETF for a *Living Benefits* (ET-2327) brochure or contact Securian Financial for an Application for *Life Insurance Summary and Application for Living Benefits* form (ET-2323). Information can also be found at http://eft.wi.gov.

Back to Top

Conversion to Pay Health or Long-Term Care Insurance Premiums
Insured retirees may be eligible to convert their Basic group life insurance coverage to pay premiums for health insurance or long-term care insurance. If they have health or long-term care insurance through ETF and their life insurance has been reduced to its final amount, they may elect to use the present value of their life insurance to pay premiums for their health or long-term care insurance. Note: Long term care coverage through ETF is available to state employees only. Non ETF plans do not qualify for this program.

To be eligible, insureds must be at their final insurance reduction age as shown in the Continuing Coverage Table in Chapter 4. State employees must also exhaust their accumulated sick leave before converting their life insurance to pay for health insurance premiums through the conversion program.

In exchange for payment of health or long-term care insurance premiums, the employee gives up the death benefit that would otherwise be payable to their beneficiaries. They also give up the difference between the face value and present value of their life insurance coverage. The election is permanent and cannot be withdrawn.

The maximum face amount that can be converted is $50,000. Any life insurance coverage over $50,000 will remain as a life insurance benefit that is payable upon the insured's death. For tax reasons the converted amount cannot be paid directly to the insured. The insured's health or long term care insurance premiums will be administered by Securian Financial until the sum is exhausted.

Employees should review the *Converting Your Group Life Insurance to Pay Health or Long-term Care Insurance Premiums* (ET-2325) brochure. If they are eligible for conversion now, or will be eligible within the next twelve (12) months, he or she may request an application *Election to Convert Life Insurance Coverage to Pay Health or Long-Term Care Insurance Premiums* (ET-2324) from ETF. They will receive an estimate of the amount available to them under the conversion program along with an application form.

Chapter 10:
Disability Waiver of Premium Benefit

This benefit provides for continued coverage without further payment of premiums for an employee who becomes totally disabled while insured under this policy and prior to attaining age seventy (70).

Definition of Disability

An insured employee is considered to be totally disabled if, as a result of bodily injury or disease, he or she is wholly prevented from performing any work or engaging in any occupation for remuneration or profit and is likely to remain so disabled for an indefinite period of time. The employee is required to submit medical evidence acceptable to Securian Financial showing the date that total disability began or was diagnosed and that the employee is totally disabled from any gainful occupation and is likely to remain disabled for an indefinite period of time.

An employee shall also be deemed to be disabled for the purposes of this policy if the employee has qualified for a disability annuity under Wis. Stats. § 40.63 for as long as the insured qualifies for a disability annuity. Further proof of disability shall not be required while the insured qualifies for disability annuity benefits.

An employee is ineligible for a waiver of premium if employment was terminated for reasons other than disability.

Filing a Disability Waiver of Premium Claim

A claim for waiver of premium on *Request for Disability Premium Waiver* (ET-5306) form must be submitted to Securian Financial within thirty-six (36) calendar months after the last day for which earnings are paid for an employee who leaves work due to disability. Insured employees who are on a leave of absence are eligible to submit a claim if they become disabled as defined in this section during the leave of absence and insurance is in force.

Employers are not required to make a medical judgement regarding the disability or evaluate the employee's potential for rehabilitation.

The employer must continue to remit premiums for employer-paid coverage and the employee must continue to remit premium payments for all amounts of employee-paid coverage until Securian Financial approves the claim. Premiums that were paid after the effective date of the premium waiver will be refunded.

An insured employee will be granted a waiver of premium only if he or she becomes totally disabled as defined above while coverage is in force at the time the disability commences and prior to age seventy (70). Coverage must have been in force continuously from the date of onset of the disability to the date the waiver of premium is approved.

Securian Financial sends a letter to both the employer and the employee notifying them of the claim decision and certifying the life insurance coverage during disability.

If the claim is approved, the effective date of the premium waiver will be the first of the month following the date the disability began, or the date the employee is no longer receiving earnings or other earned income from any gainful occupation (last date paid), or the date or disability annuity approval, whichever is later.

The insurance shall remain in force while the premiums are waived. Insurance shall continue during the continuance of disability even if the person insured ceases to be an employee of a participating employer.

Except for those who qualified for a disability annuity as described above, the employee shall submit proof of disability to Securian Financial at Securian's request. Securian Financial shall also have the right and opportunity to have medical examiners designated by Securian Financial examine the employee when and as often as it may reasonably require during the employee's disability, but not more than once each year after insurance has been extended under this section.

Employees receiving Duty Disability benefits under Wis. Stats. § 40.65 do not automatically qualify for a life insurance premium waiver.

Note: An insured employee, annuitant, spouse or dependent who is terminally ill may wish to apply for living benefits. See Chapter 9 for more information.

Amount of Insurance

During the period of disability in which premiums are waived, the amount of insurance shall be the same as the amount of insurance at the date of onset of the disability. If an employee's insurance is continued in force under this section, any spouse and dependent life insurance shall also continue in force without payment of premium.

For purposes of determining the amount of post-retirement coverage, it shall be assumed that a person insured under a waiver or premium retires upon attainment of age sixty-five (65). The amount of Basic Insurance shall then be reduced according to the "Continuing Coverage Table" in Chapter 15 in accordance with Wis. Stats. § 40.72(2) and (3). All other insurance will terminate upon the date the insured reaches age sixty-five (65) if it has not already terminated or been canceled.

If the insured dies while waiver of premium is in effect and while remaining continuously disabled, then upon due proof of death, Securian Financial will pay the amount of insurance in force to the beneficiary.

Termination of a Disability Waiver of Premium Benefit

If the insured employee is receiving a disability annuity benefit as provided under Wis. Stats. § 40.63, premiums shall be waived for all insurance under this section until the date the insured's disability annuity is terminated, unless the insured submits proof of disability to Securian.

However, if the insured employee attains age sixty-five (65) while receiving a disability annuity benefit, the waiver of premium ends and the insured may qualify to be covered as provided in Chapter 15, “Maintaining Coverage After You Terminate Employment”.

If the insured is not receiving a disability annuity benefit, then premiums shall be waived for all insurance under this section until the earliest of:

1. The date the insured is able to return to gainful occupation; or
2. Sixty (60) days after a request by Securian Financial for an examination or proof of disability if the insured refuses to be examined as required above or fails to furnish proof of continued total disability, unless it can be shown conclusively not to have been reasonably possible to undergo such examination or to provide such proof and Securian’s request for an examination or proof is complied with as soon as reasonably possible; or
3. The end of the month in which the employee’s insurance reduces in accordance with the Program. If eligible, the insured may then be covered under the Basic insurance as provided under the Continuing Coverage Table in Chapter 15, “Maintaining Coverage After You Terminate Employment.”

If the extension of insurance without payment of premiums under this section is terminated because the approved waiver of premium ceases, the employee shall be entitled to the rights and benefits under the section entitled “Conversion Privilege,” together with insurance protection during the thirty-one (31) day period allowed for conversion as if employment had then terminated, unless during that period the insured returns to work, continues to be on an approved leave of absence or qualifies for continuation of insurance as provided in Wis. Stats. § 40.72(4).

When Employee Returns to Work
The employer must notify Securian Financial of the return to work.

The employee may enroll for any new coverage levels that may have been added or that he or she became eligible for while the premiums were being waived.

If the employee returns to work and it still receiving an LTDI benefit under Wis. Stats. § 50.50, the life insurance waiver of premium remains in force until the LTDI benefits are terminated. The employer should not collect premium until the LTDI benefits are terminated.

Chapter 11: Coverage During Periods of No Earnings and Employment Gaps

Coverage During a Leave of Absence

An insured employee may continue insurance coverage during any approved unpaid leave of absence for up to thirty-six (36) months. Insurance coverage may be continued beyond thirty-six (36) months if the approved leave is a military leave or union service leave as provided under Wis. Stats. §40.02 (56) and Wis. Stats. §40.03 (6)(g).

In order to continue the insurance in force during an approved unpaid leave of absence, the employee must contact the employer to make premium payments during the leave of absence. Premium contributions must be paid in advance and each payment must be received by the employer at least thirty-one (31) days prior to the end of the period for which premiums had previously been paid.

The amount of insurance for an employee on an approved unpaid leave of absence shall be the same as that in effect immediately preceding the approved unpaid leave of absence. Initial coverage or increased coverage will not be available during the unpaid leave of absence. Premium may increase due to changes in the employee's age or premium rates during the unpaid leave of absence.

Insurance will lapse for employees who do not wish to continue insurance in force or who do not make arrangements to pay premiums during an unpaid leave of absence. It is recommended that employers obtain in writing the employee's decision to lapse coverage during the unpaid leave of absence.

An employee who returns from a leave of absence, during which time coverage lapsed, as an eligible employee will have thirty (30) days to apply for the plans and amounts in effect prior to the leave of absence except those plans that were canceled.

The employer is responsible for providing the employee with an application to reinstate coverage, *Life Insurance Application/Cancellation/Refusal* (ET-2304). The employee must return a completed application form to the employer within thirty (30) days after the date the employee returns to work. Coverage is effective the first of the month following thirty (30) days after the date the employee returns from an approved leave of absence. For claims purposes, an employee's election date will be the point of reference for providing coverage and paying claims. Election date is the date of online enrollment or the date the paper application is received by the employer, but not earlier than the return to work date. The coverage amount when the employee re-enrolls will continue at the amount in effect prior to the lapse, or the amount that is based on actual prior calendar year earnings, whichever is higher.

Note: **Employees on a leave of absence should *not* be advised to complete a cancellation. If employees do not wish to pay premiums during their leave of absence, they can elect to have their coverage lapse and have the option to reinstate coverage upon their return to work. If coverage is voluntarily canceled, there is no reinstatement option.**

School District Coverage During Summer Months
An insured employee who is employed during a normal school year period shall be considered to be in employee status during summer vacation, and the employee's insurance shall continue in force during that vacation. The premium for each month or portion of a month which falls within that vacation shall be paid either in advance or on a monthly basis by the employer.

Employee status for those on a school summer vacation shall be considered terminated pursuant to ETF 10.08(2) and (3) on the date an application for benefits is received by the Wisconsin Retirement System except that school year employees who are permitted to continue their coverage during summer vacation without renewing their contracts will be deemed to be terminated at the earlier of the effective dates of the retirement annuity or the end of the month for which advance premiums have been paid for the vacation period. The employer may allow a teacher who has not renewed a contract to continue insurance in force and to remit the premiums for the summer vacation period as if the employee had renewed a contract with that employer for the following school year.

Chapter 12:
Coverage While Appealing a Dismissal/Compromise Settlement

Employees may continue their coverage after being involuntarily discharged from employment if:

1. A right of appeal of the removal or discharge is exercised within thirty (30) days after it occurs; and
2. The employee continues to pay premiums to the employer during the appeal process. The first premium payment must be made within thirty-one (31) days of the date of the removal or discharge, and must include both the employee's and employer's share of the premium for a three (3) month period. The employee must continue to pay both parts of the premium in quarterly payments, which are due within thirty-one (31) days of the last date for which premiums have been paid.

There are three (3) insurance coverage scenarios that can occur:

1. Employee is reinstated into participating employment but let coverage lapse while the appeal was in process.
    - An employee whose group life insurance coverage lapsed while the appeal is in process may enroll only for the insurance plans and coverage that were in effect on the date of the discharge or termination of employment, and for any plan or coverage for which the employee is otherwise eligible and that the employer first offered while the appeal was in process.
    - The effective date of the insurance enrollment is determined as if the employee were rehired on the date of the reinstatement. Insurance coverage becomes effective the first of the month following thirty (30) days following the date of reinstatement. Applications must be returned to the employer within thirty (30) days of reinstatement (return to work).
2. Employee is reinstated into participating employment and had continued coverage while the appeal was in process.
    - Coverage can be continued during the appeal process with premium payments submitted through the employer. The employee pays both the employee and employer share of the premium until the employee is reinstated.
    - When the employee is reinstated, the employer will reimburse the employer's share of the premiums to the employee.
    - No application is required since coverage never lapsed.

3. Employee is not reinstated and had continued coverage while the appeal was in process.
    - Insurance is terminated the last day of the month in which the appeal decision and compromise settlement, if any, becomes final.

Retroactive reinstatement of coverage is not provided. Participants who are not reinstated to participating employment cannot obtain coverage resulting from the compromise settlement.

Chapter 13:
Cancellation

Employees may cancel some or all of their coverage at any time by submitting a *Life Insurance Application/Cancellation/Refusal* (ET-2304) form to the employer. Beginning January 1, 2019, coverage will cease at the end of the month in which the employer receives their application to cancel [Wis. Stats. § 40.70 (8)]. Employees may cancel one (1) plan and keep the others, but if they cancel their Basic coverage, all other coverages are automatically canceled.

For example, if a cancellation application is received by the employer on June 15, then coverage will end June 30. The "Date received from employee" field on the application will be the basis for determining the effective date. If the field is not completed the date ETF receives the application will be used.

Employees who cancel coverage will not be able to reinstate coverage. To re-enroll they will need to provide evidence of insurability.

***Note:* Coverage cancellations must be voluntary and requested by the employee. There is no reinstatement option for canceled coverage.**

For Spouse and Dependent coverage only, the effective date of cancellation may be the first of the month following the date the employee no longer has any spouse or dependent to insure (example: cancellation due to death, divorce or loss of eligibility). If cancellation is delayed, a refund of premium is limited to the current year and the immediately preceding calendar year.

Annuitants who wish to cancel coverage should submit a completed *Life Insurance Application/Cancellation/Refusal* (ET-2304) form to ETF.

Note: Employees approaching age sixty-five (65) should be advised that when they retire and reach age sixty-five (65), their Basic life insurance will continue at no cost to them. If they are actively working, their Basic life insurance will continue at no cost to them beginning at age seventy (70).

Cancellations may be withdrawn only by a written and signed request to the employer or ETF which must be received prior to the cancellation effective date.

Chapter 14:
Termination of Insurance

Active Employees
Insurance for employees will terminate on the earliest of the following dates:

1. The last day of the calendar month in which employment terminates with the State or a participating Local government employer if this occurs before the employee becomes entitled to a disability waiver of premium benefit or before they qualify for continuation of insurance as a retiree.
2. Thirty (30) days after the date of expiration of an authorized leave of absence.
3. The last day of the calendar month in which the employee files a cancellation.
4. The date to which premiums are paid if the employee fails to pay the required premiums for more than thirty (30) days past the date to which premiums are paid, while they are on unpaid leave or while their coverage has continued.
5. The date to which premiums are paid for continuing coverage after the employee has again become employed by a participating employer and enroll for coverage as an eligible employee.
6. The employee's seventieth (70^{th}) birthday for the Supplemental and Spouse and Dependent Plans.
7. The effective date of termination of the group policy by the employer.

Insurance coverage shall be considered lapsed if an employee fails to make the required premium payments during a sixty (60) day period which begins on the day following the last day for which premiums were paid.

Unless canceled or terminated as provided above, Supplemental and Additional Plans shall automatically terminate on the date a retired employee attains age sixty-five (65).

Accidental Death, Dismemberment and Loss of Use coverage will automatically terminate when an insured employee terminates employment or attains age seventy (70), whichever is earlier. For insureds who retire prior to age sixty-five (65), coverage will automatically terminate at age sixty-five (65).

Spouse and Dependent
Insurance on any spouse or dependent shall terminate automatically on the earliest of the following dates:

1. The last day of the calendar month in which the employee terminates employment; or
2. The date the employee meets any of the termination conditions specified in this chapter, or reaches age seventy (70); or
3. For an individual whose premiums are waived under the "Disability Waiver of Premium Benefit," the date the individual reaches age sixty-five (65); or
4. The last day of the calendar month in which the employee files a cancellation.
5. For a dependent, the date of qualification for insurance as an eligible employee under Wis. Stats. § 40.02 (25); or
6. For a spouse, the date a divorce decree is entered; or
7. Ninety (90) days after the death of the employee; or
8. For a dependent other than one described in ten (10) below, upon reaching age 26; or
9. For a dependent incapable of self-support due to a physical or mental disability which can be expected to be of long-continued or indefinite duration who would not otherwise be eligible, the date the disability ceases; or
10. The effective date of termination of the group policy by the employer.

Insurance coverage shall be considered lapsed if an employee fails to make the required premium payments during a sixty (60) day period which begins on the day following the last day for which premiums were paid.

For active employees who reach age seventy (70), Basic coverage automatically continues at the reduced amount and the following coverages end:
- Supplemental
- Spouse and Dependent
- Accidental Death and Dismemberment

For many Local government employees, the final reduced amount is 25% of the employee’s Basic coverage amount at the time the employee reached age seventy (70).

The final reduced amount is 50% of the employee’s Basic coverage for all State employees and those Local government employees whose employers have elected to offer that level of post-retirement coverage.

Premiums for Basic Coverage are no longer due beginning with the month in which the employee turns age seventy (70).

Additional insurance will terminate when the employee terminates employment, cancels coverage, or stops paying premiums, whichever is earliest.

Chapter 15:
Maintaining Coverage After Termination of Employment

Continuation of Group Coverage
An employee may continue group life insurance after terminating employment, provided the following requirements are met:

1. WRS coverage began before January 1, 1990, or they have been covered by the group life insurance plan in five calendar years beginning January 1, 1990; and
2. The employee qualifies under one (1) of the following situations:
   a. The employee is receiving an immediate WRS annuity or meet all of the requirements for receiving an immediate WRS annuity except the filing of an application; or

   b. The sum of the years of their creditable service in the WRS on January 1, 1990 plus their years of group life insurance coverage after 1989 equals twenty (20) years; or

   c. The employee has twenty (20) years of service on payroll with his or her last employer.

If the employee begins a WRS annuity within thirty-one (31) days after coverage terminates, insurance automatically continues. Premiums will be deducted from the employee's annuity.

If the employee does not begin an annuity, he or she must file a *Group Life Insurance Continuation Application* (ET-2154) with ETF within thirty-one (31) days of the date coverage terminates. Securian Financial will bill the employee directly for premiums.

If the employee participates in a private pension plan, he or she may continue the group insurance after terminating employment provided the employee has twenty (20) years of service with his or her last employer.

If an employee who continued coverage returns to work for another WRS employer, the employee cannot have both continued coverage and active employee coverage.

When you become aware that an employee is considering retirement, advise the employee to contact ETF before his or her planned retirement. ETF will assist the employee in evaluating eligibility to continue insurance.

The *Group Life Insurance Continuation Application* is not required if the employee meets the eligibility criteria to continue group life insurance and the employee's WRS annuity effective date is within thirty-one (31) days after the date the insurance coverage ends.

ETF will automatically deduct premiums from the employee's annuity. There is no required employer contribution for an employee who continues coverage after retirement.

If the annuity is insufficient to cover the premium, Securian Financial will bill the annuitant directly.

When coverage is continued, ETF certifies group life insurance coverage. A copy of the *Group Life Insurance Certification of Coverage* (ET-4802) is sent to the employee, employer and Securian.

Termination Before Age 65
Initially, the amount of insurance will be the same as the amount prior to termination or retirement. Premiums are calculated in the same manner as before and will automatically be deducted from the retirement annuity check, or will be billed directly by Securian.

The Basic insurance will continue after age sixty-five (65) without cost to the annuitant, subject to the Continuing Coverage Table below. However, Spouse and Dependent coverage ends at termination, not at age sixty-five (65).

Local government employers wishing to pay all premiums for a retired employee, up to age sixty-five (65), can be billed by Securian. The employer must notify ETF in writing that it agrees to pay the entire premium for *all levels of coverage** until age sixty-five (65). ETF will then certify the employer paid coverage and these retirees will appear as a separate billing unit on the employer's monthly billing.

**If a local government employer does not wish to pay for all levels of continuing coverage then all of the premium for continuing coverage should be deducted from the employee's monthly annuity. The employer will need to reimburse the employee for the coverage levels it wishes to pay for.*

Termination at Age 65 or Later
Basic insurance coverage will continue at a reduced amount for life, without cost to the employee, if retirement occurs at age sixty-five (65) or later.

The amount of Basic insurance is shown on the Continuing Coverage Table below. Supplemental, Spouse & Dependent and Accidental Death and Dismemberment coverages will terminate at the end of the month in which the employee retires, or attains age seventy (70), whichever is earlier. Additional insurance will terminate when employment is terminated, coverage is canceled, or premium payments have stopped, whichever is earliest.

Continuing Coverage Table	
Age	**% of Basic Coverage Continuing**
Before age 65	100%
While age 65	75%
While age 66	50%
While age 67 and after	25%*

** Applies only to employees of local government employers. Local government employers may, however, elect a continuation of 50% of the Basic coverage if they agree to make the increased employer contributions. State employee coverage continues at the 50% rate from age sixty-six (66) and after.*

Conversion to an Individual Policy

If the employee's insurance is terminated under (1) or (2) of Chapter 14, "Termination of Insurance," and the employee is not eligible to continue group coverage, then the employee may apply for an individual policy with Securian. However, the employee must have been insured for the entire six (6) months preceding termination of coverage.

No evidence of insurability is required if the following terms are met:

1. Individual coverage is less than or equal to the amount of group insurance coverage the employee had.
2. The employee applied for the individual policy on a form provided by Securian Financial and paid the first premium within thirty-one (31) days after their group insurance coverage terminated.

Any spouse or dependent who is insured continuously for the entire six (6) months preceding termination of coverage may apply to convert coverage to an individual policy with Securian. The individual policy will be issued without evidence of insurability subject to the terms of the policy. When termination of coverage is due to the death of the insured employee, written application and payment of the first premium must be received by Securian Financial within ninety (90) days of the employee's death.

Insurance under the individual policy shall become effective at the end of the thirty-one (31) day period during which application for the individual insurance may be made, provided the above terms are met. If the insured dies during that thirty-one (31) day period, Securian Financial will pay the insured's beneficiary the maximum amount of insurance for which the individual policy could have been issued, regardless of whether or not an application for conversion was filed or the first premium was paid.

The individual policy is a type currently issued by Securian Financial but cannot be term insurance. This policy will not include a Waiver of Premium or Accidental Death and Dismemberment benefit. The application form and rate table for this conversion, *Conversion of Group Life Insurance Enrollment* (ET-2306) are available from ETF (http://etf.wi.gov), or Securian. Failure to obtain an application for conversion does not extend the conversion period. Questions concerning conversion should be directed to Securian.

Employer Responsibilities When an Employee Terminates Employment

1. Identify when the last premium payment is due and refund any overpayments.
2. Inform the employee of the date life insurance coverage will end.
3. Inform the employee of options for continuing or converting life insurance coverage. Provide the proper application form.

The following are some examples of when conversion or continuation may be used and which forms should be provided to employees:

Employee Conditions at Termination	Conversion or Continuation	Forms
1. Employee qualifies for continuation of group coverage	Continuation	ET-2154
2. Employee had been insured for six or more continuous months at the time coverage ends, and **does not** qualify for continuation of group coverage	Conversion	ET-2306
3. Employee is under age 70 and has had Spouse & Dependent coverage in force for at least six months prior to termination	Conversion (Spouse & Dependent Coverage)	ET-2306
4. Employee does not qualify to retire, but has 20 years of service with their employer	Continuation	ET-2154
5. Employee chooses to defer retirement benefits, but qualifies for continuation of group coverage	Continuation	ET-2154

EVENT	Occurrence Date	Last Premium Due for	Coverage Ends	Continuation or Conversion Application Due	Last Spouse & Dependent Premium Due for	Spouse & Dependent Coverage Ends	Spouse & Dependent Conversion Application Due
Termination of Employment Under age 65 and no immediate annuity	June 10	June	June 30	July 31	June	June 30	July 31
Retirement: Under age 65	June 10	June	N/A*	N/A*	June	June 30	July 31
Retirement: Age 65-69	June 10	June	June 30**	N/A	June	June 30	July 31
Retirement: Age 70 or older with Additional Coverage	June 10	June	June 10	N/A	N/A	N/A	N/A
Active Employee Turns Age 70***	June 10	May	June 10	N/A	May	June 10	July 11
Appealing a Dismissal/Compromise Settlement	June 10	June	June 30	Coverage may continue after an involuntary discharge if the discharge is appealed within 30 days after it occurs. Employee pays both the employee and employer share during the appeal.			
Leave of Absence/Layoff/ Military Leave	June 10	June	June 30	Coverage may continue for up to 36 months. Premium must be paid in advance and each payment must be received by the employer at least 31 days prior to the end of the period for which premiums had previously been paid. Coverage may continue beyond 36 months if it is an approved union service or military leave. If the employee wants coverage to lapse while on leave, premium payments should be discontinued. Coverage can then be resumed upon return from leave. Do not have the employee file a cancellation application to cancel coverage. If a cancellation is filed, the employee can only obtain coverage through evidence of insurability upon their return.			
Death	June 10	June	N/A	N/A	June	Sept 8	Sept 8
Cancellation (date employer received form)	June 10	June	June 30	N/A	June	June 30	N/A
Cancellation before coverage is effective	Before effective date	No premium due	N/A	N/A	N/A	N/A	N/A
Disability Premium Waiver Approval (last day paid)	June 10	June	N/A	N/A	June	N/A	N/A

**Coverage does not end, and no application is required for continuation of coverage if the employee qualifies for continuation and will begin a WRS annuity by the date the continuation applications would otherwise be due. ETF automatically arranges for continuation of premium deductions. A cancellation form must be filed if the annuitant wishes to discontinue any or all coverage.*

*** Basic coverage does not end, and will continue at a reduced amount for life, without cost to the employee. Supplemental, Additional and Spouse & Dependent coverage ends at the end of the month of retirement.*

****Supplemental and Spouse & Dependent coverage end on the date an active employee turns age 70. Basic coverage remains at the final reduced amount. If the employee has Additional coverage, the coverage continues until the employee terminates, retires or cancels coverage. The employee's spouse and/or dependent may convert.*

Chapter 16:
How Group Term Life Insurance Benefits Are Taxed

Important Disclosure

Securian Financial and ETF are not tax experts and cannot provide legal advice regarding compliance with the IRS requirements. The information in this section should not be construed as tax advice. Should you need advice regarding imputed income, we urge you to seek assistance from a qualified tax professional.

Imputed Income

In most cases, the cost of up to $50,000 of group-term life insurance coverage (as determined by IRS rules) that is provided to an employee by an employer for a taxable year is not included in an employee's income. However, an employee generally must include in income the IRS cost of employer-provided insurance provided for the year that is more than the cost of $50,000 of coverage (as determined by IRS rules) reduced by any amount the employee pays toward the purchase of the insurance. This is commonly referred to as imputed income.

1. **IRS Publications**
   The following IRS publications may assist you in determining whether or not you need to report imputed income.
   - IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits
     www.irs.gov/pub/irs-pdf/p15b.pdf
   - Federal, State and Local Governments Fact Sheets
     www.irs.gov/government-entities/federal-state-local-governments/group-term-life-insurance

2. **Employee Communication**
   As you develop information about imputed income for your employees, it may be helpful to let them know how FICA tax will be deducted and how the imputed income will be reported.

3. **Sample Calculation**
   We have provided a sample calculation for your reference. The sample calculation is based upon the example given in IRS Publication 15-B referenced above. Please note that the sample calculation includes both the employer-paid and employee-paid coverage.

4. How is imputed income calculated?

Example:

- Employee's age on December 31 is 37.
- Employee has Basic Term Life Insurance equal to $55,000 paid for by the employer.
- Employee pays for Supplemental Term Life Insurance equal to $55,000.
- Employee pays for three units of Additional Term Insurance equal to $165,000.
- (Please note that not all local government employers provide all five levels of coverage. For illustrative purposes, this example assumes the employee has all five levels of coverage.)

Step 1:

Subtract $50,000 from amount of employee's insurance coverage.

Total Amount of Life Insurance:	$275,000
Less IRS Exclusion:	- 50,000
Excess Insurance:	$225,000

Step 2:

Determine the IRS cost of excess insurance.

IRS Monthly Rate (see IRS table below):	$ .09
Excess Insurance in Thousands (from Step 1):	x 225
IRS Cost of Excess Insurance for 1 Month:	$20.25

Step 3:

Multiply the cost of excess insurance for 1 month times the number of coverage months.

IRS Cost of Excess Insurance for 1 Month (from Step 2):	$ 20.25
Times Number of Months of Coverage:	x 12
Total Cost for Coverage Months:	$243.00

Step 4:

Subtract the amount the employee paid for insurance.

Annual Cost of Excess Insurance (from Step 3):	$243.00
Cost of Insurance Paid by Employee for the Calendar Year:	-184.80*
Annual Reportable Imputed Income:	$ 58.20**

**In this example, the employer pays for the Basic and the employee pays for Supplemental and Additional. The annual cost is arrived at by adding up the total payroll deductions for the year for Supplemental and Additional insurance. Local government premium rates were used in this example. Not all employees elect Supplemental and Additional insurance.*

***This amount is reported on your W-2 statement as "other" income. The tax you pay on "other" income will depend on your tax bracket.*

5. IRS Table I Rates - Uniform Premiums for $1,000 of Group Life Insurance

Rates were effective July 1, 1999. Check IRS Publication 15B annually for the current IRS Table I rates. The rate is the cost per $1,000 of Life Insurance for one (1) month period.

Age*	Rate	Age*	Rate
Under 25	0.05	45 to 49	0.15
25 to 29	0.06	50 to 54	0.23
30 to 34	0.08	55 to 59	0.43
35 to 39	0.09	60 to 64	0.66
40 to 44	0.10	65 to 69	1.27
		70+	2.06

**Employee's attained age on the last day of the calendar year for which imputed income is being calculated*.

Death Benefits

Death benefits paid by life insurance are not taxable by the State of Wisconsin. For federal tax purposes, beneficiaries should consult with a tax advisor.

Life insurance proceeds that an employee receives as a result of the death of a spouse or dependent are not taxable to the employee and are not included in the deceased person's estate.

For more information about tax treatment of group term life insurance and death benefits, please consult with a tax professional.

Chapter 17:
Premium Reporting and Remittance

This section addresses the most common invoice process for the Wisconsin Public Employers Group Life plan. Some State employers may have alternative processes that have been established for premium reconciliation and remittance.

A life insurance bill is sent to employers on paper via USPS. The bill includes a detailed participant listing of all covered employees, including their coverage amount, and the premium amount for each coverage level that the employee has elected.

The premium billing and detailed participant listing can also be accessed online through LifeBenefitsExtra. Contact Securian Financial to find out how you can access this information online.

Premium Billing

The billing received by the employer will include the following:

1. Premium Remittance Statement
2. Monthly Adjustments Form
3. Alphabetical Listing of Insured Employees
    - If an employee has a name change please indicate the employee's new name on the Monthly Adjustments form. Please report all name changes to ETF as well.
    - Back charges, credits, and comments are listed under the names of employees who the adjustment or comment applies to.

Billing Cycle

1. Premiums are due for the coverage month indicated on the Premium Remittance Statement.
2. The employer will receive the billing one month in advance of the coverage month. For example, a billing received during the first week of July is for the coverage month of August.
3. The due date appears at the bottom of the Premium Remittance Statement. Premiums are due on the 24th of the month prior to the coverage month, or the next business day if the 24th of the month falls on a weekend or holiday. Late charges may be assessed by ETF if payment is not received by the due date*.

**Late Interest Charge: An interest charge is assessed on all remittances or portions of remittances received after the due date.* Wis. Admin. Code ETF 10.64 (3). *ETF does not have the statutory authority to waive late interest charges. The interest rate is 0.04% of the total remittance due for each day from the due date to the day received with a minimum charge of $3.00.*[Wis. Stats. § 40.06 (3)]. *An Interest Due Notice is sent to the employer by ETF. Employers must return a copy of the Interest Due Notice with their payment to ETF.*

Billing Reconciliation

1. Review the alphabetical listing of insured employees for accuracy.
2. If errors or omissions are found in the list, complete the appropriate sections on the Monthly Adjustments Form.

Adjustments—Additions

1. Normally, upon receipt of an enrollment application or approved evidence of insurability form, Securian Financial will add the employee to the bill.
2. If Securian Financial adds the person to the bill after the insurance became effective Securian Financial will back charge for the premium due.
3. If the employer is expecting Securian Financial to add someone to the bill and that person is not on the bill, Securian Financial may not have received the application or the WRS enrollment is still pending. Please contact Securian Financial to discuss any questions so that any missing applications can be researched.

Adjustments—Deletions

1. Deletions need to be reported each month and include employee termination, retirement, death or leave of absence.
2. Termination of Employment – premiums are due through the month of termination.
3. Retirement – premiums are due through the month of termination.

Adjustments—Cancellations

1. Employees who wish to cancel coverage (or portion of coverage) must file *a* *Life Insurance Application/Cancellation/Refusal* (ET-2304) form. Coverage cannot be removed from the billing without a cancellation application filed.
2. Coverage will cease on the last day of the month the employer receives the cancellation form.
3. Securian Financial will cancel coverage upon receipt of the cancellation application and make premium adjustments accordingly. Any adjustments will be included on the next premium billing you receive.

Adjustments—Leave without Pay

1. Employees may choose to continue coverage for up to thirty-six (36) months during an approved leave.
2. During the leave of absence the insured employee may choose one of the following:
    a. continue paying premiums to the employer who will remit them on the bill.
    b. discontinue paying premiums during the leave.

3. Employees who continue paying premiums during the leave may pre-pay premiums to his or her employer. The employer can then remit those premiums to Securian Financial on the monthly billing.
4. If the employee discontinues paying the premiums during the leave, coverage will lapse at the end of the month for which the last premium payment was made.
5. Employees who discontinue premiums during the leave may apply for insurance upon return to work. The employee will have thirty (30) days after the date of return to submit an application.

Adjustments—Disability
1. Without Disability Premium Waiver – treat like an ordinary unpaid leave
2. With Disability Premium Waiver - Continue to pay premiums until notified that the Disability Premium Waiver is accepted and premiums have been waived. The effective date of the premium waiver will be the first of the month following the date the disability began, or the date the employee is no longer receiving earnings or other earned income from any gainful occupation (last date paid), or the date of the LTDI or disability annuity approval, whichever is later. If the premium waiver is approved, Securian Financial will refund any overpayment of premiums.

Adjustments—Death
1. Report employee and spouse and dependent deaths to Securian.
2. Premiums are due through the month in which death occurs.

Remit Payment and Adjustments
1. Complete the Premium Remittance Statement
2. Make a copy of the Premium Remittance Statement page and Monthly Adjustments report for your records.
3. Employers who do not have any adjustments should issue a check payable to Securian Financial for the total amount listed on your Premium Remittance Statement page.
4. Employers who do have adjustments:
    a. Submit total amount listed on the Premium Remittance Statement and list Adjustments on the Monthly adjustments form. Securian Financial will credit/backcharge premiums accordingly which will appear on your next Monthly bill, OR
    b. Issue a check payable to Securian Financial with the adjusted total amount that was calculated on the Premium Remittance Statement.
5. Send the check along with the Premium Remittance Statement and the Monthly Adjustments report (if any) to Securian.
6. Employers may also arrange to have payments made via ACH. Contact Securian Financial to make arrangements.

Chapter 18:
Local Government Resolutions

Joining Plan or Adding Coverage

In order to participate or increase coverage in the Program, the governing body of the employer must adopt a resolution, *Resolution for Inclusion Under Group Life Insurance* (ET-1303), to provide employees with one or more of the plans available under the Program.

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. For example, a resolution received by ETF in February will result in a resolution effective date of June 1. Completed resolutions should be sent to ETF.

After a resolution is filed, ETF and Securian Financial will provide the employer with enrollment materials. During the enrollment period, all active employees under age seventy (70) participating in the retirement system are eligible to elect the coverage(s) provided in the resolution without evidence of insurability. Basic coverage is a prerequisite for all other coverages; Supplemental, Additional and Spouse & Dependent enrollment is limited to employees participating in the Basic plan.

During an employer's initial enrollment period, employees over age seventy (70) may elect Basic coverage at the final reduced amount without evidence of insurability and no premiums will be due. They are required to provide Evidence of Insurability in order to enroll in Additional coverage. Supplemental and Spouse & Dependent coverage are not available to those over age seventy (70).

Increasing Post-Retirement Benefits

The standard post-retirement benefit for local government employers provides qualified retirees with a final reduced Basic amount of insurance equal to 25% of the amount in effect just prior to retirement. Employers pay 20% of the employee Basic premium to prefund this post-retirement benefit for its employees.

Local government employers may elect to increase the amount of post-retirement insurance from 25% to 50%. Offering a 50% post-retirement benefit requires local government employers to pay 40% of the employee Basic premium. The governing body of the employer must adopt a resolution, *Resolution for Inclusion Under Group Life Insurance* (ET-1303) to increase the post-retirement benefit for employees who have not attained age seventy (70) on or before the date of the resolution.

The resolution must be certified by the WRS agent for that employer or, for non-WRS pension plans only, by the authorized employer representative. Increased post-retirement benefits will be effective on the first day of the fourth month following receipt of the certified resolution at ETF. Employees who have already retired and those with an approved Disability Waiver of Premium would not be affected by this change.

Election to Pay 100% of the Premium

Local government employers may elect to pay 100% of the premium for one or more levels of coverage, which will apply to all eligible employees. The governing body of the employer must adopt a resolution, *Employer Resolution to Pay Entire Premium* (ET-1301). This resolution applies to all eligible employees and cannot be limited to a particular department, employee classification or bargaining group.

The resolution must be certified by the WRS agent for that employer or, for non-WRS pension plans only, by the authorized employer representative. At the employer's option, the resolution will take effect either on the first of the month following the date the resolution is received by ETF, or the first day of the second month following the date the resolution is received by ETF. The employer needs to make an election for the effective date on the resolution form, which asks the employer to indicate its choice. Premiums will be due beginning on the effective date that the employer elects.

All eligible employees who had previously declined or canceled coverage may now apply for the employer paid coverage. They may only enroll in the levels of coverage that are now being paid by the employer. If the employer files a resolution to pay the total premium for coverage other than Basic coverage, only employees who are currently enrolled in Basic coverage will be eligible to apply for the other employer paid coverages. The resolution will not apply to any participating employee who has attained age seventy (70) prior to the resolution effective date. ETF and Securian Financial will provide the employer with enrollment materials.

Local government employers who wish to pay all or part of the employee premium for some of their employees but not for all of their employees, do not need to file a resolution. In this situation, applications filed by employees declining or canceling coverage remain in effect.

Termination of Participation/Withdrawal from Plan

The group life insurance plans are optional. Participating employers may withdraw from any plan or may rescind paying 100% of premium for any level of coverage at any time by obtaining and filing the form *Resolution to Withdraw from the Wisconsin Public Employer's Group Life Insurance Program(s)* (ET-1307) with ETF.

Resolutions may be filed with ETF at any time during the year and will take effect on the first day of the fourth (4th) month following receipt by ETF.

When an employer withdraws from the program, insurance remains in force for the following employees:

1. Any employee who terminated or retired prior to the effective date of withdrawal and who qualified for continuation of insurance.
2. Any employee for whom a Disability Waiver of Premium is in effect prior to the effective date of withdrawal.

   In no instance will the insurance provided by this plan continue for an employee who is actively employed by the employer after the employer's effective date of the withdrawal.

The resolution to withdraw from the program, or any individual coverage plan, may be rescinded before it goes into effect. To rescind a resolution, the governing body must submit a certified copy of the nullifying resolution to ETF [Wis. Stats. § 40.70 (4) (3)]. The head of the governing body must sign the nullifying resolution.

A local government employer's participation in the Group Life Insurance program may be terminated by ETF or the Group Insurance Board as provided in Wis. Admin. Code ETF § 60.31 (2) under the following circumstances:

1. Participation has declined to zero (0).
   If employee participation in the Basic plan has declined to zero (0), so that no employee is currently covered by any plan and the employer confirms this fact, ETF may terminate the resolution.

2. Participation has fallen below the 50% minimum.
   If ETF determines that employee participation has fallen below the 50% minimum required by Wis. Stats. §40.70 (2), the matter may be referred to the Group Insurance Board, which may terminate the resolution.

Local Government Employer Rejoining after Withdrawal

An employer previously covered under group life insurance that withdrew by resolution or was terminated may re-enter the plan at a later date, subject to the provisions currently in effect. ETF may accept or reject the new resolution to participate at its discretion and may charge the employer an assessment for any post-retirement insurance liability [Wis. Stats. § 40.70 (5)].

Chapter 19:
Employer Error Corrections

Statutory and Insurance Policy Provisions

If an employee misses the open enrollment for Group Life Insurance coverage or later loses coverage due to an error made by the employer, Wis. Stats. § 40.70(7m) permits coverage to be reinstated without requiring that the employee provide evidence of insurability in certain circumstances.

As provided in the group life insurance policy, an application shall be approved beyond the thirty (30) day period after the employee becomes eligible without providing evidence of insurability if all of the following conditions are met:

1. The employer furnishes sufficient information to the Department of Employee Trust Funds (ETF) indicating the employer did not advise the employee of eligibility, provide an application form, submit premium payments, or perform other enrollment requirements;
2. The employee files a new *Life Insurance Application/ Cancellation/Refusal* (ET- 2304) provided by ETF which must be received by the employer within thirty (30) days after the employee first becomes aware of the employer error; and
3. ETF finds that the employee was denied coverage as a result of employer error as specified in Wis. Stats. § 40.70 (7m).

If the application is approved, coverage will become effective the first day of the calendar month on or after the date the employer received the application from the employee.

If the error cannot be corrected under the employer error provisions, the employee can apply for coverage by providing evidence of insurability and submitting an *Evidence of Insurability Application* (ET-2305).

The group life insurance policy also provides that an employee who receives from the employer a written statement of fringe benefits indicating that the correct amount of coverage is not in effect or the correct premium deduction is not in effect is presumed to be aware of the error unless other evidence shows that the employee could not reasonably discover the error by inspecting the statement.

The employee is required to review his or her payroll deductions for life insurance premiums and bring payroll deductions errors to the attention of the Department. In instances where the employee filed an application with the employer during the eligibility period and due to a clerical error by the employer the premiums were not payroll deducted, premiums are due from the date that the application took effect as provided in the policy.

In instances where premium payment was instituted but a properly completed application was not received by the employer within thirty (30) days after the employee's eligibility date and filed with ETF, the employee's premiums will be refunded since there is no coverage.

Types of Employer Errors That Can Be Corrected

The following chart illustrates some of the more common errors made by employers and provides tips on how to avoid these types of errors. While this chart provides examples of employer errors, it is not all-inclusive.

Types of Employer Errors:	**How to Avoid These Types of Errors:**
Failure to provide life insurance information or an application to the employee within 30 days after the employee becomes eligible for coverage.	Employers are encouraged to use the *New Employee Benefit checklist* (ET-2572), to help verify that all benefit information and applications were provided to an employee. Employers should receive a completed *Life Insurance Application/Cancellation/Refusal* (ET-2304) form from all eligible employees, even if the employee is electing to decline coverage.
Excludes employee based on misinterpretation of eligibility or systematically excludes groups of employees. (Employee includes full-time, part-time, limited term, temporary, project, seasonal, non-represented, substitute teachers, library aides, etc., irrespective of bargaining unit agreements.)	Employers *must* offer life insurance coverage to all employees provided the employee: • Is covered by the WRS (or the employer's qualified private pension plan for non-WRS employers) ***and*** • Is under age seventy (70) on the date that coverage becomes effective.
Unaware of WRS eligibility date, and reports WRS enrollment late.	Employers should continually monitor an employee's work hours when the employee is determined not to be initially eligible for WRS. (Refer to the *WRS Admin Manual* (ET-1127)). **Note:** All WRS eligible employees *must* be offered life insurance coverage. The employee must apply within thirty (30) days after insurance eligibility.

In instances where the employee filed an application with the employer during the eligibility period and due to a clerical error by the employer the premiums were not payroll deducted or the application was not submitted to ETF, premiums are due from the date that the application took effect as provided in the policy. It is not necessary to obtain a new application or send an employer error letter to ETF in this situation. The initial application received by the employer during the eligibility period should be submitted to ETF.

How to Correct an Employer Error
When the employer becomes aware that an employee does not have coverage due to employer error, the employer must:

1. Immediately notify the employee of the error in writing and provide the employee with a new *Life Insurance Application/Cancellation/Refusal* (ET-2304) form. The employee must return the application to the employer within thirty (30) days after being informed of the error. Once coverage has lapsed, a new application is always required to reinstate coverage.

2. Send the application to ETF accompanied by a letter explaining the error.

   The letter should answer the following questions:
   1. What is the exact nature of the error?
   2. What evidence exists to show that the employer, not the employee, was responsible?
   3. Did special circumstances cause the error to be made?
   4. How and when was the error discovered?
   5. What was done once the error was discovered?
   6. What corrective action has the employer put in place to ensure that this type of error does not reoccur?

   Employers may initiate premium deductions when an application is filed under employer error. Although premiums may be deducted from an employee's salary, coverage is not guaranteed until ETF approves it. Premiums will not be included in your life insurance bill until coverage is approved by ETF.

   ETF will notify both the employer of approval or denial of the coverage. If approved, coverage will become effective the first day of the calendar month on or after the date the employer received the application from the employee. The employer must refund any premium deductions made if coverage is not approved.

Errors Not Eligible for Correction

The employer error provisions do not apply to errors primarily due to the employee's action or inaction. Examples of such situations include:

- Employee is given application materials but forgets to submit completed application.
- Employee receives written notice of fringe benefits coverage from the employer but fails to report coverage discrepancies to the employer.
- Employee cancels coverage or inadvertently cancels more coverage than was intended. (A cancellation can be rescinded only before the effective date of the cancellation.)
- Employee terminates employment and fails to apply for continuation of coverage within thirty-one (31) days after active coverage ends.

Note: In no event can coverage be reinstated after the employee terminates employment or dies.

If the error cannot be corrected under the employer error provisions, the employee can only obtain coverage by furnishing satisfactory evidence of insurability prior to reaching age seventy (70).

Deadline for Reporting Employer Error

Errors are resolved individually and there is no single deadline that applies in all circumstances. Employers must use the annual renewal census to verify all employee coverages. Many employees receive an annual benefits statement showing insurance coverage. Employees should promptly report any discrepancy to the employer. If the error is not discovered at the time of the next renewal census or annual benefits statement, the employer must explain any special circumstances that prevented prompt detection of the error.

Chapter 20: Frequently Asked Questions

How much coverage is available?
Employers may offer up the following plans up to the maximum of five (5) times an employee's annual earnings:

- Basic Plan = 1 times annual earnings
- Supplemental Plan = 1 times annual earnings
- Additional Plan = 1, 2, or 3 times annual earnings
- Spouse & Dependent Plan = 1 or 2 units, each unit provides $10,000 of coverage for a spouse and $5,000 for each dependent child

Coverage on the life of an employee includes an Accidental Death, Dismemberment and Loss of Use benefit.

How are earnings determined?
Earnings are wages and salary paid by an employer who participates in this life insurance program as provided in Wis. Stats. § 40.02 (22). For employees covered by a private pension plan, earnings are equal to the employee's taxable compensation as reported to the Internal Revenue Service.

What are the requirements for coverage to be in effect?
There are two (2) requirements for coverage to be in effect:

1) a valid application must be on file with the ETF; and

2) premiums must be paid when due.

Who should an employee contact to find out how much coverage they have?
Insured employees should contact their employer to find out how much coverage they have. This information is included on the monthly premium billing and is available to the employer online through Life Benefits Extra. Employees are responsible for checking their payroll deductions and statements of benefits to be sure that appropriate premiums are being deducted. Inactive or retired employees may contact ETF with questions regarding coverage or premiums.

How does an employee find out who their beneficiary is?
Employees should contact ETF for beneficiary information or to obtain a *Beneficiary Designation* (ET-2320) form.

How can an employee add more coverage?

If the employee does not enroll for all available coverage when they were eligible, they can apply for any of the remaining coverage offered by the employer by submitting an *Evidence of Insurability* (ET-2305) form.

Does the policy build cash value?

This is term insurance that does not accumulate cash value. Persons with terminal medical conditions may qualify for Living Benefits. Retired employees who have an ETF-sponsored health insurance plan may convert the value of their life insurance coverage to pay premiums for health insurance. Retired state employees may convert the value of their life insurance coverage to pay for ETF-sponsored long-term care insurance.

Can an employee increase coverage if they have a family status change?

Employees may enroll for Basic coverage, increase their employee coverage by one (1) level, or enroll in one (1) or two (2) units of Spouse and Dependent coverage (subject to the plans that are made available by their employer) if they have a qualifying family status change due to marriage, birth, adoption, placement for adoption or award of legal guardianship of a dependent child.

What if an employee takes a leave of absence without pay?

Employees may continue their coverage during an approved leave of absence by paying premiums to the employer in advance. Otherwise, coverage will lapse and the employees will only be eligible to reapply for coverage if and when they return to work. Upon return to work, employees may enroll without evidence of insurability for the plans and coverage amounts that were in place prior to their leave, if they apply within thirty (30) days of their return to work.

Can an employee reinstate coverage or re-enroll in coverage that they canceled?

If an employee cancels coverage, they will not be able to reinstate or re-enroll without evidence of insurability. There are no exceptions.

What if an employee becomes disabled?

If an employee is on unpaid medical leave or terminates employment due to a disability which is total and permanent or of unknown duration, the employer should file a claim to continue their coverage without making premium payments. The employer should submit a *Request for Disability Premium Waiver* (ET-5306) form.

What if an employee receives a pay increase mid-year? When will this be reflected in their coverage amount?

Coverage amounts are based on an employee's highest prior year earnings and are updated annually (on April 1 for State employees and July 1 for Local employees). An employee's increased earnings will be reflected in their coverage amount in the year following their pay increase.

When will the policy pay benefits?

Death benefits for Basic, Supplemental and Additional Plans are payable to the insured's beneficiary upon the insured's death if coverage is in force on the date of death.

Death benefits from the Spouse and Dependent Plan are payable to the employee upon the death of the person insured under the Spouse and Dependent Plan.

Accidental Death, Dismemberment and Loss of Use benefits apply to the Basic, Supplemental and Additional Plans during employment. They are payable upon the employee's accidental death or covered accident. Some exclusions may apply.

Living Benefits may be available for the Basic, Supplemental, Additional Plans and Spouse & Dependent plans if the insured person has been diagnosed with a terminal condition caused by illness or injury and has a life expectancy of twelve (12) months or less.

Back to Top

Chapter 21:
Quick Reference Guide

Eligibility and Applications

General Eligibility

Eligibility for life insurance is provided on page 1 of *The Wisconsin Public Employers Life Insurance Program* (ET-2101) brochure. It states the following:

> You may enroll if your employer participates in the Program [Wisconsin Public Employers Group Life Insurance], you are an eligible employee in accordance with the Wis.Stats. § 40.02 (25)(a) or (c), **whether full time or part time**, and you are under age 70. You may enroll if you are included under a private pension plan with a participating local government employer.

Please note that eligibility is not determined by full-time or part-time employment status. When an employee qualifies for WRS, whether a part-time or full-time employee, that employee must be offered life insurance.

Eligibility for New Hires

A new employee who is under age 70, may obtain coverage by completing an application. Provide the employee with a *Life Insurance Application/Cancellation/Refusal* (ET-2304) form and *The Wisconsin Public Employers Life Insurance Program* (ET-2101) brochure. Applications must be submitted within thirty (30) days after hire.

Coverage Effective Date

The employee has thirty (30) days to enroll after the date of hire. The insurance becomes effective on the first day of the month following thirty (30) days after the date of hire. For claim purposes, an employee's election date will be the point of reference for providing coverage and paying claims. Election date is the date the application is received by the employer.

Note: The "Date Received From Employee" box is critical information on the application for determining whether the employee submitted the application within the thirty (30) day enrollment period. If this box is incomplete the ETF date stamp (date received by ETF) will be used to determine timeliness.

Enrollment Due to Family Status Change Event

An eligible employee may enroll in, or increase coverage by, one level of employee coverage(100% of the employee's previous calendar year earnings rounded to the next higher $1,000) and/or either one (1) or two (2) levels of spouse and dependent coverage without the need to provide satisfactory evidence of insurability if application is made within thirty (30) days after gaining a dependent as defined in ETF 10.01(2) due to one of the following: (a) the date of the employee's marriage; or (b) the date of birth, adoption, placement for adoption or award of legal guardianship of a dependent child.

Enrollment is subject to the plan maximum, and if employed by a local government, is subject to the plans that are made available by the employee's employer.

Late Enrollments

If an employee files a *Life Insurance Application/Cancellation/Refusal* (ET-2304) form after the initial enrollment period expires, the application will be considered untimely and will not be accepted. However, an employee may apply for insurance by completing an *Evidence of Insurability* (ET-2305) application.

Premium Billing and Adjustments

The bill is currently being sent to employers on paper via USPS, except for those employers who have an alternative premium reconciliation process in place. Employers can also access the information online through LifeBenefitsExtra. Contact Securian Financial for more information or to obtain access to LifeBenefitsExtra.

Premium Billing

The billing received by the employer will include the following:

1. Premium Remittance Statement
2. Monthly Adjustments Form
3. Alphabetical Listing of Insured Employees

Billing Cycle

1. Premiums are due for the coverage month indicated on the Premium Remittance Statement.
2. The employer will receive the billing one month in advance of the coverage month. For example, a billing received during the first week of July is for the coverage month of August.
3. The due date appears at the bottom of the Premium Remittance Statement. Premiums are due on the 24^{th} of the month prior to the coverage month.

Billing Reconciliation

1. Review the alphabetical listing of insured employees for accuracy.
2. If errors or omissions are found in the list, complete the appropriate sections on the Monthly Adjustments Form.

Adjustments—Additions

1. Normally, upon receipt of an enrollment application or approved evidence of insurability form, Securian Financial will add the employee to the bill.
2. If Securian Financial adds the person to the bill after the insurance became effective Securian Financial will back charge for the premium due.

3. If the employer is expecting Securian Financial to add someone to the bill and that person is not on the bill, Securian Financial may not have received the application or the WRS enrollment is still pending. Please contact Securian Financial to discuss any questions so that any missing applications can be researched.

Adjustments—Deletions

1. Deletions need to be reported each month and includes employee termination, retirement, death or leave of absence.
2. Termination of Employment – premiums are due through the month of termination
3. Retirement—premiums are due through the month of termination

Adjustments—Cancellations

1. Employees who wish to cancel coverage (or portion of coverage) must file a *Life Insurance Application/Cancellation/Refusal* (ET-2304) form. Coverage cannot be removed from the billing without a cancellation application filed.
2. Coverage will cease on the last day of the month the employer receives the cancellation form.
3. Securian Financial will cancel coverage upon receipt of the cancellation application and make premium adjustments accordingly. Any adjustments will be included on the next premium billing you receive.

Adjustments—Leave Without Pay

1. Employees may choose to continue coverage for up to thirty-six (36) months during an approved leave.
2. During the leave of absence the insured employee may choose one of the following:
    a. continue paying premiums to the employer who will remit them on the bill
    b. discontinue paying premiums during the leave.
3. Employees who continue paying premiums during the leave may pre-pay premiums to their employer. The employer can then remit those premiums to Securian Financial on the monthly billing.
4. If the employee discontinues paying the premiums during the leave, coverage will lapse at the end of the month for which the last premium payment was made.
5. Employees who discontinue premiums during the leave may apply for insurance upon return to work. The employee will have thirty (30) days from the date of return to make application.

Remit Payment and Adjustments

1. Complete the Premium Remittance Statement.
2. Make a copy of the Premium Remittance Statement page and Monthly Adjustments report for your records.
3. Employers that do not have any adjustments, should issue a check payable to Securian Financial for the total amount listed on the Premium Remittance Statement page.
4. Employers who do have adjustments:
    a. Submit total amount listed on the Premium Remittance Statement and list Adjustments on the Monthly adjustments form. Securian Financial will credit/back charge premiums accordingly which will appear on the next Monthly bill; or
    b. Issue a check payable to Securian Financial with the adjusted total amount that was calculated on the Premium Remittance Statement.
5. Send the check along with the Premium Remittance Statement and the Monthly Adjustments report (if any) to Securian.
6. Employers may also arrange to have payments made via ACH. Contact Securian Financial to make arrangements.

Insurance Options When Taking a Leave of Absence

Paid Leave of Absence

Since the employee is still on the payroll, continue to deduct premiums for the employee and remit them with the monthly bill.

Unpaid Leave of Absence

The employee may make one of two (2) choices. **It is critically important the employer discuss the options with the employee and document the decision that was made, especially if the employee is going on military leave.**

1. The employee may elect to continue the insurance and may do so for up to thirty-six (36) months while on an approved leave of absence.
    - The employer and employee must make arrangements for the employee to remit payments to the employer during the leave.
    - The employer remits the premium on the monthly billing and notes on the Monthly Adjustments page that the employee is on an unpaid leave.
    - When the employee returns from the approved leave, begin payroll deductions and note that the employee has returned from leave on the Monthly Adjustments report of the billing.

2. The employee may elect to let coverage lapse during the leave.
    - If the employee does not make arrangements to continue the insurance and pay the required premium, the insurance will lapse and there will be no coverage during the leave. It is recommended that employers obtain the employee's written decision to lapse coverage during the unpaid leave of absence.
    - When the employee returns from the approved leave, the employer must provide an application to the employee.
    - The employee may only reapply for the coverage he or she had at the time the leave began. The employee may also apply for any new coverage first offered by the employer during the employee's leave and any coverage the employee is eligible for due to a qualified family status change during the leave.
    - If the employee reapplies within thirty (30) days after return, the employee will not need to provide evidence of insurability.

Note: Do not tell the employee to cancel coverage unless that is the express desire of the employee. Once an employee cancels coverage, the only way to reapply is by providing evidence of insurability**.**

Insurance Options When Retiring or Terminating Employment

Retiring

1. Retirement for employees under age sixty-five (65):
    a. When an insured employee retires, he or she will get in contact with ETF. ETF will assist the employee with retirement benefits and will discuss continuation of life insurance.
    b. If the employee qualifies (see qualifications below) for an immediate annuity, continuation of life insurance will occur automatically.
    c. Monthly premiums are automatically deducted from the monthly retirement annuity. Premium deductions from the monthly annuity will continue until age sixty-five (65). At age sixty-five (65), the Basic plan will continue at a reduced benefit. The Supplemental and Additional plans will end.
    d. If an employee qualifies for a WRS annuity but defers filing for one, elects a lump sum rather than a monthly annuity, or the monthly annuity is not sufficient to deduct monthly life insurance premiums, then Securian Financial will directly bill the employee until age sixty-five (65). The

employer needs to give the employee a *Group Life Insurance Continuation Application* (ET-2154) if the employee is not electing a monthly annuity. At age sixty-five (65), the Basic plan will continue at a reduced benefit. The Supplemental and Additional plans will end.

Note: An employee should not cancel coverage unless that is the express desire of the employee. Once an employee who is terminating employment cancels coverage, the employee loses the ability to continue coverage and may not reinstate coverage.

2. Retirement for employees age sixty-five (65) or older:
   At age sixty-five (65) and later the Basic plan will continue at a reduced benefit. The Supplemental and Additional plans will end.

Terminating

When an insured employee terminates employment but does not retire, the employee may qualify (see qualifications below) to continue coverage.

If the employee qualifies to continue insurance, the employer is responsible for providing the employee with a *Group Life Insurance Continuation Application* (ET-2154).

If the employee does not qualify to continue insurance, then the employee may choose to convert the insurance to an individual life insurance policy with Securian. The employer is responsible for providing the employee with a conversion packet that includes the *Conversion of Group Life Insurance Enrollment* form (ET-2306) form.

Qualifications for Continuing Insurance

1. Employee's WRS coverage began before January 1, 1990 or employee was covered in the life insurance plan in five (5) calendar years beginning January 1, 1990 and later
2. Employee must also meet one of the following:

   Employee is receiving an immediate WRS annuity or meets all the requirements for receiving a WRS immediate annuity except the filing of an application, or

   The sum of the employee's years of creditable service in the WRS on January 1, 1990 plus the years of group life insurance coverage on or after January 1, 1990 equals twenty (20) years, or

   the employee has twenty (20) years of service on payroll with the current employer.

Spouse and Dependent Coverage

Spouse and Dependent coverage may not be continued when an employee retirees or terminates employment. The spouse and dependent children may elect to convert the insurance to an individual life insurance policy with Securian.

Continuation of Coverage

The following is an explanation of continuation of insurance coverage for employees that retire prior to age sixty-five (65).

Qualifications:

See the section called "Maintaining Coverage After You Terminate Employment" found in *The Wisconsin Public Employers Group Life Insurance Program* (ET-2101) brochure.

An employee may continue group life insurance after terminating employment, provided the employee meets the following requirements.

1. WRS coverage began before January 1, 1990, or the employee was covered in the group life insurance plan in five (5) calendar years beginning January 1, 1990; and
2. The employee qualifies under one of the following:
    a. The employee is receiving an immediate WRS annuity or meet all the requirements for receiving an immediate WRS annuity except the filing of an application; or
    b. The sum of the employee's years of creditable service in the WRS on January 1, 1990 plus the number of years of group life insurance coverage after 1989 equals twenty (20) years; or
    c. The employee has had twenty (20) years of service on the payroll of the last employer worked for.

Coverage:

1. The Basic, Supplemental, and Additional insurance will be the same amount as prior to termination or retirement.
2. Spouse and Dependent insurance will terminate but may be converted to an individual policy.

Premium:

1. Premiums rates are the same as the rates for employees.
2. Premiums will be deducted automatically from monthly retirement annuity check if the insured is taking a monthly annuity.
3. If the insured is not receiving a monthly annuity check, the insured will be billed directly by Securian.
4. The following are reasons why an employee would be billed directly:

a. Monthly annuity check is too small to deduct premiums from.
b. Employee does not yet qualify for an annuity but meets other qualifications for continuation of coverage.
c. Employee qualifies for monthly annuity but does not file an application for an annuity.
d. Employee takes a lump sum benefit from the WRS rather than a monthly annuity.

When Insured Reaches Age 65:

1. Premium payments end.
2. Basic insurance will remain in effect at a reduced amount.
3. Reduction Schedule

AGE	% of Basic Coverage Continuing
Before age 65	100%
While age 65	75%
While age 66	50%
While age 67 and after	25%*

**Applies only to employees of local government employers. Local government employers may, however, elect a continuation of 50 percent of the Basic coverage if they agree to make the increased employer contributions. State employee coverage continues at the 50 percent rate from age sixty-six (66) and after.*

4. Supplemental and Additional coverage end.

Continuation Procedure:

1. The employer does not need to do anything if the insured employee will be applying to receive a WRS annuity. The Department of Employee Trust Funds will automatically continue coverage and establish premium deductions from the monthly annuity check.
2. The employer needs to give the employee a *Group Life Insurance Continuation Application* (ET-2154) if the insured wishes to continue coverage but is not applying for a WRS annuity.

Disability Premium Waiver Claims

Qualifications

An employee is eligible for a Disability Premium Waiver provided the employee meets the following requirements:

1. The insured employee becomes totally disabled while under age seventy (70) and actively employed or on an approved leave of absence with pay.
2. The disability must result from injury or disease.
3. The disability must prevent the insured employee from performing any work for remuneration or profit.
4. The disability is expected to remain for an indefinite period of time.

Insurance Coverage

1. The insured employee's insurance coverage as well as the insurance for spouse and dependents will continue without any premiums required while the disability is approved.
2. Coverage must remain in force during the claim evaluation period.

Premiums

1. The employer should not stop paying premiums until notification is received from Securian Financial that the claim has been approved.
2. Any premiums deducted by the employer following the claim approval will be refunded by the employer.
3. Any premiums billed by Securian Financial following the claim approval will be refunded to the employer.

Claim Process and Medical Certification

1. The employer completes and files *Request for Disability Premium Waiver* form (ET-5306) with Securian.
2. Securian Financial will send medical forms to the insured. The employer will be notified of any decision made on the claim.
3. Medical certification of continuing disability will be required on an annual basis until age sixty-five (65).
4. For insured employees receiving a disability annuity from the WRS or a long-term disability benefit from ETF, the Disability Premium Waiver request is automatically approved.

5. In the event a disability annuity or long-term disability benefit is canceled, immediate medical certification of the disability will be requested by Securian Financial unless the employee returned to work, then the claim is closed.

Canceling/Closing the Disability Premium Waiver

1. If an employee returns to work, the premium waiver may be canceled. Premium payments will resume beginning with the first of the month after returning to work.
2. If the employee returns to work and employment was terminated during the disability, a new application is required.
3. If an employee reaches age sixty-five (65) while on a Disability Premium Waiver, the waiver is canceled and coverage reduces as if the employee had retired.
4. If the employee does not provide the requested medical certification or the medical certification does not support the disability, the waiver is closed.
    a. If the employee has terminated employment coverage ends.
    b. If the employee is on an approved leave of absence, coverage can be continued for up to thirty-six (36) months as long as premiums continue to be paid.

Death Claims

Death Benefit Claim Process

In the event of the death of a retired or past employee, please call either Securian Financial or ETF to initiate a claim.

In the event of the death of an active employee, spouse or dependent, please do the following:

1. Call either Securian Financial or the Department of Employee Trust Funds to initiate the processing of death benefits.
2. Complete the proper notice of death form and mail it to Securian.
    a. For an active employee death, complete a *Notice of Death* (ET-6301) form.
    b. For a spouse death or dependent child death, please complete a *Notice of Death for Spouse or Dependent Child* (ET-6303) form.
3. Attach an obituary if available.
4. Attach a certified death certificate if available. If the certified death certificate is not available Securian Financial will request it from a beneficiary.
5. Indicate a family contact, if known, on the notice of death form.
6. Securian Financial will work directly with the beneficiary to settle claims. The employer will not be informed about who the beneficiary is or the amount of the claim.

7. Any questions or concerns regarding claims can be forwarded to Securian.

For an employee death, note:
On the *Notice of Death* (ET-6301) form, under the "Amount of Insurance In Force" section, please indicate the year of highest earnings and the amount of earnings for that year. Also, please provide the most recent year's earnings.

Premiums

Premiums are payable through the month of death. Premiums paid in advance for any period after the month of death will be refunded.

Chapter 22: Contact Information

Department of Employee Trust Funds
etf.wi.gov Find ETF-administered benefits information, forms, brochures, benefit calculators, educational offerings and other online resources. Stay connected with: ETF E-Mail Updates @wi_etf
1-877-533-5020 or **608-266-3285 (local Madison)** 7:00 a.m. to 5:00 p.m. (CST), Monday-Friday Benefit specialists are available to answer questions. Wisconsin Relay: 711
P.O. Box 7931 **Madison, WI 53707-7931** Write ETF or return forms.

	Securian
Madison Branch Office:	Securian 2920 Marketplace Dr., Suite 201 Fitchburg, WI 53719-5306
Mailing Address:	Securian P.O. Box 259708 Madison, WI 53725-9708
Phone:	1-866-295-8690
Fax:	608-277-8665
Email:	MadisonBranch@securian.com