**Appendix 5**

**Schedule of Benefits**

The Contractor shall provide all of the current Program benefits specified in The Wisconsin Public Employers Group Life Insurance Program Brochure available at <https://etf.wi.gov/publications/et2101/direct> and summarized below:

**I. Overview of State Plan and Local Plan Insurance Coverage**

**A. Basic Plan Coverage**

1. The Basic Plan, as governed by Wis. Stat. § 40.72(1) is equal to an Employee's annual earnings for the prior calendar year rounded to the next highest thousand ($1,000) dollars.

2. Coverage under the Basic Plan is offered to all State Employees and to local government Employees whose Employers have elected to participate in the Program. Employees can choose whether or not to participate in the Program.

3. An Employee must elect the Basic Plan to be eligible for any other coverage.

4. Wis. Stat. § 40.05(6)(a) limits the monthly premium rate for an Employee to no more than sixty cents ($0.60) for each one thousand dollars ($1,000) of insurance. (See FORM I – Cost Proposal Workbook for premium rates.)

5. Active Employees who reach age seventy (70) will have premiums discontinued and the amount of their Basic Insurance will be adjusted as shown in Section II.A. below.

6. Waiver of premium for disability benefits for Basic Plan Coverage is available while the insured Employee is under age seventy (70).

**B. Supplemental Plan Insurance**

1. Supplemental Plan insurance, as governed by Wis. Stat. § 40.72(10) is equal to an Employee's annual earnings for the prior calendar year rounded to the next highest thousand ($1,000) dollars. If earnings decrease, insurance coverage will not decrease unless a written request is made by the Employee.

2. Supplemental Plan insurance coverage is offered to all State Employees and to local Employees whose Employers choose to offer it.

3. Wis. Stat. § 40.05(6)(a) limits the monthly premium rate for an Employee to no more than sixty cents ($0.60) for each one thousand dollars ($1,000) of insurance.

1. State Employees and the State share the cost of the Supplemental Plan insurance.

b. Local Employers are not required to contribute toward the premiums for Supplemental Plan insurance.

4. There is no Post-Retirement Insurance benefits under the Supplemental Plan.

5. Supplemental Plan insurance coverage may not be continued beyond the Employee's 70th birthday.

6. Waiver of premium for disability benefits for Supplemental Plan Insurance is available while the insured Employee is under age seventy (70).

**C. Additional Insurance**

1. Up to three levels of Additional Insurance are available to State Employees and to Local Government Employees whose Employers file a governing body authorizing resolution. Each level is equal to an Employee's annual earnings for the prior calendar year rounded to the next highest thousand dollars ($1,000). If earnings decrease, insurance coverage will not decrease unless a written request is made by the Employee.

2. Additional coverage is offered to all State Employees and to Local Government Employees whose Employers choose to offer it.

3. There are no statutory limits on premium rates for this insurance and Employees must pay the entire premium.

4. There is no Post-Retirement Additional Insurance benefit.

5. Employees who reach age seventy (70) can obtain Additional Insurance coverage under the following conditions:

a. Active Employees who have Additional Insurance coverage when they turn age seventy (70) may add levels of Additional Insurance without evidence of insurability by filing an application within thirty (30) Calendar Days before their 70th birthday.

b. All other active Employees who are over age seventy (70) may apply for coverage must provide evidence of insurability.

c. Basic Plan coverage is a prerequisite.

6. Waiver of premium for disability benefits for Additional Insurance is available while the insured Employee is under age seventy (70).

**D. Spouse and Dependent Insurance Plan Coverage**

1. This plan is offered to all eligible State Employees. Any local government Employer offering the Basic Plan may also elect to offer the Spouse and Dependent Insurance Plan.

2. The Employee must be covered under the Basic Plan and may elect either one or two units of coverage. Each unit provides benefits according to the following schedule:

1. Spouse $10,000

b. Dependent $5,000

3. Waiver of premium for disability benefits for Spouse and Dependent insurance is available while the insured Employee is under age seventy (70).

4. Children are eligible from live birth (stillborn and unborn children are not eligible) to the attainment of age twenty-six (26). A child who is age twenty-six (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.

5. The conversion privilege is available to any Spouse or Dependent who loses coverage and was insured continuously for the entire six (6) months preceding termination. (See Section II.F below.)

6. There is no Post-Retirement Spouse and Dependent Plan insurance benefit.

7. There are no statutory limits on premiums for this coverage. Employer contributions are not required.

**II.**  **Special Benefits of the State and Local Government Plans**

**A. Post-Retirement Insurance Coverage**

Post-Retirement Insurance coverage, calculated as a percentage of the Employee’s Pre-Retirement Insurance Basic Insurance amount, commences at the Insurance Reduction Age according to the following schedule.

**Attained Age**

|  |  |
| --- | --- |
| **Attained Age**  **(Final Insurance Reduction Age)** | **Post-Retirement Insurance as a Percent of Pre-Retirement Basic Insurance** |
| 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 elect a continuation of 50% of the Basic Insurance coverage if they agree to make the increased Employer contributions. State Employee coverage continues at the 50% rate from age 66 and after. | |

**B. Accidental Death & Dismemberment (AD&D) Insurance Coverage**

AD&D Insurance coverage is equal to the total amount of life insurance in effect before the Insurance Reduction Age. AD&D Insurance terminates upon attainment of the Insurance Reduction Age.

|  |  |
| --- | --- |
| **Coverage A – Loss of Life, Life or Sight** | |
| **Loss** | **Benefit Payment** |
| Life | Principal Sum |
| Two or more of the following: hand, foot, eye | Principal Sum |
| One of the following: hand, foot, eye | One-half of principal sum |
| Thumb and index finger on the same hand | One-fourth of principal sum |

|  |  |
| --- | --- |
| **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-fourth of principal sum |

**C. Waiver of Premium for Disabled Employees**

1. Waiver of premium for disability is available to all Employees who become disabled under age seventy (70).

2. An Employee who is considered disabled under Wis. Stat. § 40.63 automatically qualifies for waiver of premium benefits under the Program.

3 Employees who become disabled and are approved for waiver of premium benefits at age sixty-five (65) or later are assumed to be retired, and they continue their insurance at the amounts shown in Section II.A. above.

**D. Living Benefit**

1. Insured Employees, Annuitants, Spouses and Dependents may receive all or part of the value of their life insurance benefit (Living Benefit) while living if they:

a. Are diagnosed with a terminal condition caused by illness or injury and have life expectancy of twelve (12) months or less; and

b. Are enrolled in a certified hospice care program; or

c. Have been confined for medical reasons to a skilled, intermediate or custodial care facility for six continuous months and are expected to be confined until death.

2. The minimum benefit is $5,000 or the whole value of the insurance, if less.

3. Any remaining value at death will be paid to the beneficiary(ies).

**E. Converting Life Insurance to Pay Health or Long-Term Care Insurance Premiums**

1. An Employee who has health or long-term care insurance through the Department, and whose Basic Life Insurance has been reduced to its final amount under the Post-Retirement Insurance Coverage schedule shown above, may elect to convert the present value of life insurance to pay premiums for health or long-term care insurance offered through the Department.

2. The Employee must be at their final Insurance Reduction Age (see the table in Section II.A above) and the life insurance must be reduced to its final amount.

3. State Employees must exhaust their accumulated sick leave before paying for health insurance premiums through the conversion program.

4. The election is permanent; it cannot be withdrawn.

**F. Conversion Privilege**

1. [Wis. Stat. § 40.70(9)](https://docs.legis.wisconsin.gov/statutes/statutes/40/VI/70/9) provides that the life insurance shall terminate as provided in the Contract.

2. Contractor’s policy shall provide an option for the Employee to convert life insurance coverage to an individual whole life insurance policy upon termination of employment if the Employee was covered under the Program during the entire six months preceding termination.

3. A Local Government Employee may secure an earlier right to conversion if insured under the Local Plan from the effective date of the plan to the date of Employee termination and, if employed for at least six (6) months with the Local Government Employer.

4. The premium for the converted policy must be on a uni-sex rate basis.

5. The waiver of premium benefit and AD&D Insurance are not convertible.

6. No conversion privilege is offered to Employees whose insurance decreases because they have reached age sixty-five (65) (if retired) or age seventy (70) (if actively employed).

**G. Continuation of Life Insurance Coverage**

Employees who meet the following requirements may continue coverage after terminating employment:

1. The Employee was covered under the WRS beginning before January 1, 1990 or was covered under the Program in five calendar years beginning on or after January 1, 1990; and

2. One of the following situations applies:

a. The Employee is receiving an immediate WRS annuity or the Employee qualifies for an immediate WRS annuity; or

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

c. The Employee has twenty (20) or more years of service on payroll with their last employer.

3. Until a Retired Employee reaches age sixty-five (65), the amount of insurance is the same as prior to termination or retirement. Premiums will cease at the beginning of the month in which the Employee reaches age sixty-five (65).

**III. Special Benefits of the State Government Plan**

1. Legal, Financial and Grief Resources
2. Travel Assistance
3. Legacy Planning Resources

4. Beneficiary Financial Counseling

For additional information regarding the above special benefits, see [Lifestyle Benefits.](https://etf.wi.gov/media/5176/direct)