



STATE OF WISCONSIN  
Department of Employee Trust Funds

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**CORRESPONDENCE MEMORANDUM**

**DATE:** May 13, 2004  
**TO:** Group Insurance Board  
**FROM:** Audrey Koehn, Director  
Disability Programs Bureau  
**SUBJECT:** Long-Term Disability Insurance (LTDI) Election Schedule Extension

**Recommendation**

Staff recommends that the Board adopts a motion extending the deadline for the election for LTDI or §40.63 benefits be extended to January 3, 2007 (first business day after the end of the extension year).

**Discussion**

The current LTDI plan election is scheduled to occur by January 3, 2005. This election is required under 50.46 (2) (d), Wis. Admin. Code, which provides that each employee who is eligible for coverage under the LTDI plan and the disability retirement provisions under §40.63, shall elect coverage under only one of these programs.

The Board has historically delayed the deadline for the general election process as long as the potential adverse selection inherent in a point of application election does not significantly impact either program. Allowing our members to delay this election until the point at which they apply for a disability benefit enables us to provide better information on the advantages or disadvantages of each program personalized to the applicant's specific situation. The actuary has determined that extending the election for LTDI or §40.63 benefits would not pose a financial risk to the plan, so staff recommends approval of this extension.

attachment

Reviewed and approved by Tom Korpady, Division of Insurance Services.

Signature \_\_\_\_\_

Date \_\_\_\_\_

Board	Mtg Date	Item #
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