

Chapter 11

Coverage During Periods of No Earnings and Employment Gaps

A. 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 cancelled.

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 cancelled, there is no reinstatement option.

B. 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.