

## 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/domestic partner 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, establishment of a domestic partnership as defined in [Wis. Stats. § 40.02\(21d\)](#), 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 cancelled?***

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.