

# 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; (b) the date that the employee establishes a domestic partnership for Wis. Stat. [Chapter 40](#) benefit purposes; or (c) 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.

If an employee established a domestic partnership in accordance with item (b) above and subsequently marries the person to whom the employee had established a domestic partnership, the marriage will not be considered a family status change for the purposes of this section.

### **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 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<sup>th</sup> 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 will add the employee to the bill.
2. If Securian adds the person to the bill after the insurance became effective Securian will back charge for the premium due.
3. If the employer is expecting Securian to add someone to the bill and that person is not on the bill, Securian may not have received the application or the WRS enrollment is still pending. Please contact Securian 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 following the month the employer receives the cancellation form.

3. Securian 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 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 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 will credit/back charge premiums accordingly which will appear on the next Monthly bill; or
  - b. Issue a check payable to Securian 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 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.

### *Un-Paid 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.
  - a. The employer and employee must make arrangements for the employee to remit payments to the employer during the leave.
  - b. The employer remits the premium on the monthly billing and notes on the Monthly Adjustments page that the employee is on an unpaid leave.
  - c. 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.
  - a. 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.
  - b. When the employee returns from the approved leave, the employer must provide an application to the employee.
  - c. 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.
  - d. 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 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:
  - a. 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
  - b. 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
  - c. 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 retires 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.

#### *Do's and Don'ts*

1. Do terminate the employee from your billing.
  - a. Termination – An employee who terminates, quits or is fired, owes premiums for the month in which the termination occurs.
  - b. Retirement – An employee owes premiums for the month in which the retirement occurs.
2. Do **not** request a terminating or retiring employee to complete a [Life Insurance Application/Cancellation/Refusal form \(ET-2304\)](#). Cancellation forms are only used when an employee in active pay status or on a leave of absence, wishes to cancel insurance coverage.

## **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 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 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 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 cancelled, immediate medical certification of the disability will be requested by Securian 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 cancelled. 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 cancelled 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 or ETF to initiate a claim.

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

1. Call either Securian 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 will request it from a beneficiary.
5. Indicate a family contact, if known, on the notice of death form.
6. Securian 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.