

**Department of Employee Trust Funds
Local Health Insurance Administration Manual**

Chapter 3 — Eligibility

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301 Employee, Annuitant and Continuant Eligibility

All Wisconsin Retirement System (WRS) eligible employees, including part-time employees, are eligible for group health insurance and must be offered coverage if the employer elects to provide coverage under the Wisconsin Public Employers Group Health Insurance Program. This includes:

- Active WRS participating employees.
- Retired employees receiving a WRS annuity (including a lump sum or disability annuity) who were participants in the employer's preceding group health insurance plan.
- Insured employees terminating employment after age 55 (age 50 for protective category employees) having 20 years of WRS creditable service who defer the annuity. Insured employees who terminate employment (for reasons other than gross misconduct) and fail to meet the above age and service requirements, must be offered continuation coverage (refer to Chapter 7).
- Rehired WRS annuitants who elect to return to active WRS coverage.

No employer contribution is required for retirees. Premiums are billed to retirees through the Department of Employee Trust Funds (ETF) and are not the responsibility of individual employers. Employers may choose to contribute toward retirees' premium (employer paid annuitant). Employers participating in the WPE Group Health Insurance Program are responsible for notifying retired employees of the type and availability of coverage. Retired employees may remain covered as long as their former employer participates in the WPE Group Health Insurance Program and they pay the applicable premium.

Former employees on COBRA continuation may remain covered until their eligibility for COBRA ends, they cease to pay the premium or their former employer withdraws from the WPE Health Insurance Program, whichever occurs first. In addition, any retired or covered dependent eligible for Medicare must enroll when first eligible and must notify ETF.

If you have questions about whether an employee or group of employees are eligible for health insurance coverage, contact the Employer Communication Center toll free at 1-877-533-5020 or locally at 608-266-3285.

Employers may not provide payments to employees in lieu of coverage under the WPE Group Health Insurance Program.

Employers may decide whether married employees who work for the same employer may each select single or family coverage or if they are eligible only for family coverage through one of the spouses.

302 Dependent Coverage Eligibility

Single contracts cover only the eligible employee. Family contracts cover all eligible, listed dependents. A subscriber/employee cannot choose to exclude any eligible dependent from family coverage. Eligible dependents for family coverage include:

- Spouse (must be legally recognized in the State of Wisconsin).
- Domestic Partner, if elected.
- Children who include:
 - Natural children.
 - Stepchildren or children of the domestic partner's insured on the contract/policy.
 - Adopted children and pre-adoption placements. Coverage will be effective on the date that a court makes a final order granting adoption by the subscriber or covered domestic partner) or on the date the child is placed in the custody of the subscriber, whichever occurs first. These dates are defined by Wis. Stat. § 632.896. If the adoption of a child is not finalized, the insurer may terminate coverage of the child when the adoptive placement ends.
 - Legal wards that become the subscriber's permanent ward before age 19. Coverage will be effective on the date that a court awards permanent guardianship to either the subscriber/employee or spouse/domestic partner.
 - Grandchild if the parent is a dependent child and under the age of 18. The grandchild ceases to be a dependent at the end of the month in which the dependent child (parent) turns 18.

Note: Children, stepchildren, and legal wards may be covered until the end of the month in which they attain age 26. Their spouse and/or dependents are not eligible. Upon the child's loss of eligibility, the child may be eligible for COBRA Continuation.

Note: Pertaining to divorce - if a court orders the subscriber/employee to insure an ex-spouse, the order does not create eligibility for the ex-spouse to remain insured under the subscriber/employee. Ex-spouse eligibility is under COBRA Continuation (refer to Chapter 9). Contact ETF for review of individual situations.

303 Employer Premium Contribution Eligibility

Employer contributions must begin no later than the first of the month following the employee's completion of six months of qualified employment with the present employer or at an earlier date, if mutually agreed upon by the employer and employee. Employer premium contributions must be in line with one of the three health insurance premium contribution structures described in Chapter 2 (subchapter 204) of this manual.

As of January 1, 2014, in order to avoid penalties that may be assessed if coverage is found to be 'unaffordable' under federal health care reform, you may want employer contributions to begin no later than the first of the month preceding the employee's completion of 90 days of qualified employment.

304 Determining Effective Dates for the Employer Premium Contribution

Employees wishing immediate coverage upon becoming WRS eligible may submit a *Health Insurance Application/Change Form* (ET-2301) within 30 days of their hire date. Coverage is effective the first of the month following receipt of the application and the employee is responsible for the entire premium amount until such time as they are determined to be eligible for the employer contribution. Employer share of premium must commence no later than 6 months after hire. However, as of January 1, 2014, in order to avoid penalties that may be assessed if coverage is found to be 'unaffordable' under federal health care reform, you may want employer contributions to begin no later than the first of the month preceding the employee's completion of 90 days of qualified employment.

Employees wishing to wait until they are eligible for the employer contribution toward the health insurance premium must submit a *Health Insurance Application/Change Form*, or apply online, prior to the date they become eligible for the employer contribution. Coverage will be effective the first of the month on or following the date the employee becomes eligible for the employer contribution toward the premium.

Coverage effective dates for teachers (employment category 40) are based on the date WRS employment begins and the date a completed *Health Insurance Application/Change Form* is received by the employer. Health insurance coverage is effective the first of the month in which WRS employment begins if the application is received on, or prior to, the first of that month. For applications received after the first of the month in which WRS employment begins, coverage is effective the first of the following month as long as the application is submitted within 30 days of WRS eligibility.

Example: A teacher is hired (signs a contract) on June 27 and begins employment on August 29 (WRS begin date). In the event the employer receives the completed *Health Insurance Application/Change Form* on or prior to August 1, the coverage effective date is August 1. Should the employer receive the completed *Health*

Insurance Application/Change Form after August 1 and on or prior to September 1, the coverage effective date is September 1.

Note: Employees failing to enroll when first eligible must wait until the next annual It's Your Choice enrollment period to enroll unless they experience a HIPAA qualifying event prior to that period. (Refer to Chapter 5 for other enrollment opportunities.)

Employers have the option, when both spouses are employed by the same employer and both are eligible for coverage, of offering the following:

- Both employees may elect single coverage.
- One employee may elect family coverage.
- One employee may elect family coverage while the spouse elects single coverage, if permitted by the employer.
- Both employees may elect family coverage, if permitted by the employer.

305 WRS Previous Service Check

A WRS previous service check must be performed for each employee applying for health insurance to determine the appropriate employer premium contribution and effective date of the employer premium contribution.

ETF provides two methods for employers to use in determining whether an employee has previous WPE, state, and/or University of Wisconsin service:

- Access the Previous Service Benefit Inquiry application on ETF's Online Network for Employers (ONE) site at: <http://etfonline.wi.gov/etf/internet/employer/one.html>.
Note: This is a password-protected site. To obtain access refer to Chapter 8, subchapter 801, of the *WRS Administration Manual* (ET-1127).
- Call the Employer Communication Center toll-free at 1-877-533-5020 or 1-608-266-3285 and request a previous service check.