

pants in a pension or retirement plan established by such municipality but underwritten by a private insurance company. Such resolution shall list the eligible individuals.

(2) Such coverage shall be effective at the beginning of the calendar month which begins not less than 30 days after the receipt by the board of a certified copy of such resolution for all persons listed in such resolution who are still municipal employes on the effective date, unless at least 15 days prior thereto a waiver has been filed by any such person with the municipal representative.

(3) Any such person becoming an annuitant under the municipal pension or retirement plan underwritten by the private insurance company who retires before attaining age 65 but with 20 years of service for such municipality may continue to be insured only if within 60 days after final separation from the municipal payroll the person files with the municipal representative in duplicate a completed form prescribed by the director applying for the continuation of such insurance and agreeing to the remittance of the required premiums until the attainment of age 65. The municipal representative shall certify as to the 20 years service and shall forthwith file one of the applications with the director.

History: Cr. Register, April, 1962, No. 76, eff. 5-1-62.

Grp 10.20 Amount of insurance. (1) Except as provided under subsection (2) and (2a) the total salary or wages paid to an employe by that municipality during the previous calendar year pursuant to section 66.919 (4) (e), Wis. Stats., shall be the total amount reported for Wisconsin income tax purposes.

(2) For persons covered initially who have not been municipal employes for the full previous calendar year the earnings shall be a projection on an annual basis of the compensation at the time of coverage, which shall continue until there is coverage for a full calendar year. Whenever an eligible employe previously covered in that municipality who did not receive compensation for all of the entire preceding calendar year resumes service in that municipality or returns to active service after an interruption without pay extending 3 consecutive months or more, then the municipal representative designated by rule shall estimate the compensation to be received during the ensuing 12 months and such shall be the annual basis of compensation for purposes of coverage until coverage has continued for a full calendar year, provided that for regular seasonal employes the projection shall not continue after such status has continued for a full calendar year.

(2a) For an employe of an educational institution, who has entered into an agreement with his employer for the purpose of providing a tax deferred annuity pursuant to section 403 (b), Internal Revenue Code of 1954 as amended, such salary or wages shall be the total amount reported by the employer for purposes of employe contribution to the Wisconsin retirement fund, the state teachers retirement system or the conservation wardens pension fund. An educational institution means only an educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where educational activities are carried on.

(3) Changes in amount of insurance, except as provided by subsection 66.919 (6) (b), (c) and (d), Wis. Stats., shall be made on

January 1 in each calendar year if the amount is increased, or on March 1 if the amount is decreased.

(3a) The provisions of subsection (3), specifying that changes in the amount of insurance shall be effective on January 1 in each calendar year if the amount is increased, are deferred for January, 1965 in those cases where the amendment in 1965 of subsection (1) results in a different amount of insurance from that which would have otherwise applied, and increases in such cases shall be effective upon the date the amendment of subsection (1) is effective.

(4) (a) Pursuant to section 66.919 (6) (e), Wis. Stats., an insured employe under age 65 may elect that the amount of insurance in effect during the previous calendar year shall continue during the subsequent year if the applicable requirements of paragraphs 1 through 3 below have been met:

1. The election must be on a form provided or approved by the director and properly completed and signed by the employe.

2. The election to continue the amount of insurance in effect in the previous year must be filed in duplicate with the municipality by which the insured individual is employed, and must be received by such municipality on or before January 31 of the year to which the election applies. All elections under this paragraph become effective on February 1 of the year for which the election is made, and terminate on January 31 of the ensuing year.

3. An election filed with respect to any particular year shall be effective only for such year, and a new election for each subsequent period must be filed as provided by paragraph 2.

(b) One copy of election filed by an insured employe shall be transmitted to the director by the municipality within a reasonable period of time. Any election received by the director more than 60 days after the date thereof shall be invalid for the purposes of this section.

(c) The amount of insurance which the insured employe elects to continue under the provisions of this subsection must have been determined originally from earnings reported for Wisconsin income tax purposes for the year on which such insurance coverage was based, except for an employe of an educational institution as defined in (2a), the amount of insurance shall have been determined from the total amount reported by the employer for purposes of employe contribution to the Wisconsin retirement fund, the state teachers retirement system or the conservation wardens pension fund. No election to continue insurance based on an estimate or projection of earnings may be considered valid.

Note: Copies of United States Code, title 26, Internal Revenue Code of 1954, as amended to Nov. 30, 1966, section 403 (b), are available for inspection at the office of the Group Insurance Board, the Secretary of State, and the Revisor of Statutes, or the code may be procured for personal use from the U. S. Government Printing Office, Washington, D. C.

History: Cr. Register, November, 1959, No. 47, eff. 12-1-59; am. (1) and cr. (3a), emergency rules eff. 1-9-65; am. (1) and cr. (3a), Register, April, 1965, No. 112, eff. 5-1-65; am. (1), cr. (2a), (4) (a) 1, 2, 3, (b) and (c), Register, December, 1966, No. 132, eff. 1-1-67.

Grp 10.21 Coverage during employment gaps. (1) Any insured employe may continue to be insured during any period of not to exceed 2 years while such employe receives no earnings from that municipality, including layoffs not due to the misconduct of the employe.

(2) An employe may continue his insurance coverage during such period of interruption of earnings specified in subsection (1) if he has authorized a payroll deduction in an amount sufficient to pay his contribution for the lesser of (a) 6 months, or (b) the entire period of interruption of earnings. Such employe may also continue his insurance coverage if he remits to his municipality within 30 days after the beginning of such period of interruption of earnings an amount sufficient to pay his contribution for the lesser of (a) 6 months, or (b) the entire period of interruption of earnings.

(3) Seasonal employes who are not entitled to earnings on the date specified under Wis. Adm. Code, section Grp 10.01, but who are otherwise eligible to be insured, shall be insured as of that date if within 30 days thereafter the municipality receives a remittance in full payment for the employe contribution for the entire period of absence from the payroll after that date.

(4) Employes who are not entitled to earnings on the effective date specified in section Grp 10.01 shall be entitled to become insured upon return to active service in accordance with section Grp 11.01.

(5) If any absence from the payroll is extended beyond the original period contemplated, or if payment has not been made for the full period, the employe's contribution for such additional period shall be paid within 30 days after the end of the period for which the previous contribution had been paid.

(6) Coverage may not be continued for more than 60 days during leave to serve in the military forces of any nation at war, declared or undeclared. The fact of war shall be determined by the board. The right to convert the insurance to insurance under an individual policy shall exist during the 31 days following the end of the 60 day leave.

(7) The amount of insurance and of employe contributions during a period of interruption of earnings shall be the same as in effect immediately preceding the interruption.

(8) For the purposes of insurance coverage under section 66.919, Wis. Stats., a person who is an insured employe of a school system at the end of a school year is deemed to have employe status during summer vacation and shall continue to be insured during such vacation. The employe and employer contributions for each month, any part of which falls within such vacation, shall be transmitted either in advance or on the monthly basis provided by section Grp. 12.01. "School system" as used herein includes a school district, school board, board of education, special school board, county superintendent's office and any other similar public school agency. "Summer vacation" as used herein means the time in the summer months between the end of the regular school term of the school system in which the employe was last employed and the beginning of the next regular school term of such system. Such employe status during a summer vacation shall be deemed to terminate upon the date an application by such employe for retirement benefits is received by the applicable retirement system. The provisions of this section relating to continuance of insurance and remitting contributions are not man-

