

## GROUP INSURANCE BOARD

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## Chapter Grp 2

## STATE LIFE INSURANCE COVERAGE

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Note: Chapter Grp 2 as it existed on August 31, 1978 was repealed and a new chapter Grp 2 was created effective September 1, 1978.

**Grp 2.01 Effective date.** The group life insurance program provided by chapter 512, Laws of 1957, shall be effective as of January 1, 1958.

**History:** Cr. Register, August, 1978, No. 272, eff. 9-1-78.

**Grp 2.02 Waiver of coverage.** (1) Pursuant to s. 40.12 (1), Stats., each employe and officer of the state who is eligible to be covered by insurance shall be insured unless the employe completes and signs a waiver form provided by the director and files it with the employing department:

(a) On or before December 11, 1957 for insurance that would otherwise be in effect on January 1, 1958.

(b) At least 30 days before qualifying for the first time as an employe pursuant to s. 40.11 (2), Stats., for insurance that would otherwise be effective on the date of such qualification.

(c) Within 5 days after resumption of duty for insurance that is effective upon return to active employment after a leave or layoff without earnings.

(d) Within 5 days after resumption of employment for insurance that is effective upon reemployment after a previous termination of employment, or within 5 days after initial employment where the employe is immediately eligible for insurance by reason of previous qualifying employment.

(e) Prior to the end of the ensuing calendar month following the effective date of enactment, repeal, amendment or interpretation of any statute or rule, making any employe initially eligible for group life insurance.

(2) Any waiver may be withdrawn before becoming effective.

(3) Except as provided by s. 40.12 (2m), Stats., if an employe who is rehired or resumes active employment had a waiver of insurance in effect when his or her previous employment by the state terminated, or when the employe became inactive, such waiver shall apply to the new period of employment. Employes who waive the insurance may obtain coverage subject to s. 40.12 (2), Stats.

(4) An employe shall be deemed to have filed a waiver pursuant to s. 40.12 (3), Stats., if during a consecutive 6 month period he or she makes no required contribution toward premium due. Such constructive

waiver may be withdrawn and retroactive premium waived pursuant to s. 40.12 (3), Stats.

**History:** Cr. Register, August, 1978, No. 272, eff. 9-1-78.

**Grp 2.20 Amount of insurance.** (1) Except as provided under subs. (2) and (2a) the total salary or wages paid to an employe by the state during the previous calendar year pursuant to s. 40.11 (5), Stats., shall be the total amount reported by the state for Wisconsin income tax purposes.

(2) For persons covered initially who have not been state 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 returns to active service after an interruption without pay extending 3 consecutive months or more in the preceding calendar year the employer shall estimate the compensation to be received during the ensuing 12 months. Such estimate 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 or her 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 or the state teachers retirement system. An educational institution means only an 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 ss. 40.13 (2), (3), (4), (5), (6), and (7), Stats., shall be made on January 1 in each calendar year if the amount is increased, or on February 1 if the amount is decreased.

(4) (a) Pursuant to s. 40.13 (7), Stats., the amount of coverage for an insured employe under age 65 shall not be reduced in subsequent years of employment unless the insured employe signs and files with his or her employer by January 31 a form provided by the director authorizing coverage to be determined in accordance with s. 40.13 (1), Stats. The employer must submit the signed form to the director not later than March 1 or coverage continues at the higher amount.

(b) The amount of insurance which the insured employe elects to continue under the provisions of this subsection must have been determined originally from earnings paid by the state and 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 sub. (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 or the state teachers retirement system. No election to continue insurance based on an estimate or projection of earnings shall be considered valid.

**History:** Cr. Register, August, 1978, No. 272, eff. 9-1-78.

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**Grp 2.21 Coverage during employment gaps.** (1) Any insured employe may continue to be insured during any period of approved leave of absence not to exceed 3 months while such employe continues to be a state employe but earns no salary from the state, including layoffs not due to the misconduct of the employe.

(2) An insured employe may continue group coverage during such period of interruption of earnings specified in sub. (1) by authorizing a payroll deduction in amount sufficient to pay the required employe premium for the entire period or by otherwise making advance payment therefor.

(3) Such coverage may be extended for any employe beyond the 3 months specified in sub. (1) but not to exceed a total of 36 months. The employe must pay the required employe contribution for the lesser of 3 months or the entire period of interrupted earnings. Such premium must be deducted from the employe's earnings or must be otherwise paid to the employing department not later than 30 days prior to the end of period for which premiums had previously been paid.

(4) 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 group insurance to insurance under an individual policy shall exist during the 31 days following the end of the 60 day period.

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

**History:** Cr. Register, August, 1978, No. 272, eff. 9-1-78.

**Grp 2.22 Suspension of insurance.** If an employe discontinues contributions for insurance while receiving no state earnings, the insurance shall terminate on the date to which the contributions are paid. The insurance shall automatically be effective again on the date the employe resumes active state employment. If insurance is terminated as provided herein and the employe does not resume active state employment he or she may not convert the insurance to an individual policy.

**History:** Cr. Register, August, 1978, No. 272, eff. 9-1-78.

**Grp 2.23 Coverage during disability.** (1) If an insured employe is totally disabled before age 65 as a result of bodily injury or disease so as to be wholly prevented from performing any work or engaging in any occupation for remuneration or profit, and appears to the head of his or her employing department likely to remain so disabled for an indefinite period of time, the employe and state contributions for the insurance may be discontinued for 9 months, or until any earlier time that the employe is able to return to work. The insurance shall remain in force while such contributions are discontinued. After contributions have been discontinued for 9 months the insurance company may request the employe to furnish proof of total disability. If the proof of total disability is accepted, the insurance will remain in force as long as the disability continues, subject to new proof of disability being submitted each year if required by the insurance company. The amount of insurance will reduce at attainment of age 65 according to the schedule in s. 40.13 (2), Stats.

(2) Cessation of premiums during such disability shall be in effect under the following conditions:

(a) Such cessation shall not begin while any earnings are being received.

(b) The employer may certify to such cessation while earnings are being received, to be effective when the earnings cease.

(c) If the employe had not ceased to be insured at the time earnings stopped the cessation of premiums may apply a maximum of 90 days retroactively from the date the certification of cessation of premiums is received, but may not apply prior to the actual date of such cessation of earnings.

(d) The certification of cessation will be accepted from the employer within 31 days after the termination of employment provided that the disability was the cause of the termination and no other employment has intervened. Failure to give the certification within 31 days will not invalidate a certification if it is established that such was given as soon as reasonably possible. Unless the existence of total disability can otherwise be documented no certification will be accepted by the bureau unless submitted within 90 days following the employe's termination of employment.

**History:** Cr. Register, August, 1978, No. 272, eff. 9-1-78.

**Grp. 2.24 Service included.** The 20 year period specified in ss. 40.11 (2) (b), 40.13 (3) and 40.19 (1), Stats., shall comprise only service for which compensation is paid by the state, except that an aggregate of creditable service under the state teachers retirement system shall also satisfy the service requirement.

**History:** Cr. Register, August, 1978, No. 272, eff. 9-1-78.

**Grp 2.30 Coverage of annuitants.** The insurance will be continued for any employe who has either attained normal retirement age or has satisfied the service requirement in s. 40.19, Stats., and Grp 2.24, and retires on an immediate annuity. The group insurance bureau assumes the responsibility for making the arrangements for the employe for payment of any necessary premium by annuity deductions or by direct payment to the insurance company if annuity deductions are not possible. The employing department shall file with the director immediately following the termination of employment of any such person a form, as prescribed by the director, certifying the data pertaining to insurance coverage.

**History:** Cr. Register, August, 1978, No. 272, eff. 9-1-78.

**Grp 2.50 Coverage during appeal from removal or discharge. (1)**  
 (a) An insured employe or officer, whether in the classified or unclassified service, who has exercised a statutory right of appeal from removal or discharge from his or her position or office, or who within 30 days of such removal or discharge from or appointment to any position or office, becomes a party to legal proceedings to obtain judicial review of the legality of his or her removal or discharge or appointment may continue to be insured from the date of the contested removal or discharge or appointment until a final decision has been reached, provided that within 30 days of the date of removal or discharge or appointment such employe pays to the departmental representative or the director of the group insurance bureau the initial payment to keep the insurance in

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force. The initial payment shall cover the established contribution for a 3 month period, but may be for a greater period at the option of the employe. Additional payments for at least 3 months or longer may be made not later than 30 days prior to the end of the period for which premiums had previously been paid until a final determination is reached.

(b) The payments or contributions referred to in this section shall be the gross amount paid to the insurance company for the particular coverage, and the employe or officer shall be required to pay any amounts normally considered the state contribution.

(c) If the final decision is adverse to the employe or officer, the date of termination of employment shall, for purposes of insurance coverage, be the end of the month in which such decision becomes final by expiration without appeal of the time within which an appeal might have been perfected, or by final affirmation on appeal. Any contributions which have been paid for any period subsequent to the month in which a final decision is reached shall be refunded.

(d) If the right of the employe or officer to such position is sustained, an adjustment shall be made for any amounts paid in excess of the normal employe contribution.

**History:** Cr. Register, August, 1978, No. 272, eff. 9-1-78.