

Chapter Grp 10

COVERAGE

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**Grp 10.01 Effective date.** The group life insurance program provided by section 66.919 (15) Wis. Stats., shall be effective as of the ensuing January 1 if the resolution is filed with the director pursuant to section 66.919 (15) (c) Wis. Stats., prior to November 15. If filed between November 16 and December 31, it shall not be effective during the ensuing calendar year but shall be effective on January 1 of the following year.

**History:** Cr. Register, November, 1959, No. 47, eff. 12-1-59; am. Register, April, 1962, No. 76, eff. 5-1-62.

**Grp 10.015 Successor school districts.** (1) (a) Whenever any successor school district qualifies pursuant to section 66.919 (15) (cc), Wis. Stats., such school district shall be included as of the date the school district comes into existence.

(b) Any person covered pursuant to section 66.919 (15), Wis. Stats., on the day preceding the date of creation of the successor school district shall continue to be covered upon the same basis.

(c) If any person as an employe or official of a covered predecessor school district, including cities under the city school plan, shall have filed a waiver, such waiver shall continue to be in effect, subject to the provisions of section 66.919 (5) (b), Wis. Stats.

(d) Any person who is an employe or official of such a successor school district who is immediately eligible for coverage and who has not previously had an opportunity to waive shall be insured in accordance with this paragraph unless such waiver is received by the board as follows:

1. Within 30 days after the creation of the school district if such creation occurs more than 30 days prior to the end of the school term.

2. Within 30 days after the resumption of active employment or service in the next succeeding school term if the creation of the school district occurs between the end of one school term and the beginning of the next school term, or if the creation of the school district occurs less than 30 days prior to the end of the school term.

Coverage shall be effective as of the beginning of the next calendar month commencing after such waiver deadline. The amount of such coverage shall be based upon the aggregate compensation paid by the predecessor school district in the previous calendar year if such employment or service was continued during all of such year without a gap of more than three months, except for normal summer vacation periods.

(e) In determining the coverage for the calendar year subsequent to that in which such successor school district comes into existence, the amount of insurance shall be based upon the aggregate compensation paid by both the predecessor and successor school district in the previous calendar year if such employment or service was continued during all of such year without a gap of more than three months, except for normal summer vacation periods.

**History:** Cr. Register, August, 1961, No. 68, eff. 9-1-61.

**Grp 10.02 Waiver of coverage.** (1) Each employe and officer of the municipality who is eligible to be covered by insurance shall be insured unless a waiver on the form provided by the director is received by the municipal representative specified in Wis. Adm. Code, section Grp 14.02: ✓

(a) On or before December 10 preceding the January 1 specified in Wis. Adm. Code, section Grp 10.01. ✓

(b) At least 30 days before qualifying as an employe pursuant to section 66.919 (4) (a) ✓ Wis. Stats., for the first time for insurance that would otherwise be effective on the date of such qualification.

(c) Within 5 days after return to active employment following a leave or layoff without earnings for persons immediately eligible by reason of previous qualifying employment.

(d) Within 5 days after resumption of employment for insurance that is effective upon reemployment after a previous termination of employment, or after initial employment where the person 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. Coverage in such instances shall be effective as of the beginning of the next calendar month commencing after such waiver deadline.

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

(3) If an employe who is rehired or resumes active employment had a waiver of insurance in effect when his previous employment by that municipality terminated, or when he became inactive, such waiver shall apply to the new period of employment. Such persons may obtain coverage pursuant to section 66.919 (5) (b), Wis. Stats.

**History:** Cr. Register, November, 1959, No. 47, eff. 12-1-59.

**Grp 10.03 Coverage requirement.** The clerk of the municipality shall certify to the director the total number of persons eligible for group life insurance coverage in that municipality on the effective date together with the number of waivers filed pursuant to Wis. Adm. Code section Grp 10.02 (1) (a). Such certification must be received by the director not later than December 15 preceding the effective date specified in section Grp 10.01. ✓

**History:** Cr. Register, November, 1959, No. 47, eff. 12-1-59.

**Grp 10.09 Group life insurance coverage for employes under private pension plan.** (1) ✓ Any municipality included under the provisions of section 66.919 (15) Wis. Stats. may by resolution of the governing body act to extend coverage to municipal employes who are partici-

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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.

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(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 mandatory with respect to teachers who have not renewed a contract in accordance with section 40.41, Wis. Stats., but may be exercised at the discretion of the employer.

**History:** Cr. Register, November, 1959, No. 47, eff. 12-1-59; cr. (8), Register, February, 1961, No. 62, eff. 3-1-61.

**Grp 10.22 Suspension of insurance.** If an employe discontinues contributions for insurance while receiving no municipal 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 employment with that municipality. If insurance is terminated as provided herein and the employe does not resume active municipal employment he may not convert the insurance to an individual policy without evidence of insurability.

**History:** Cr. Register, November, 1959, No. 47, eff. 12-1-59.

**Grp 10.23 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 it appears to the municipal representative that such employe is likely to remain so disabled for an indefinite period of time, the employe and municipal 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, upon request of the company proof of disability shall be submitted to the insurance company. If the proof is approved, 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 section 66.919 (6) (b); Wis. 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 received.

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

(c) If the person had not ceased to be an insured employe at the time earnings stopped the cessation of premiums may apply 90 days retroactively from the date the certification of cessation of premiums is received, if there is good cause for such delay.

(d) The certification of cessation can be accepted from the municipality within 31 days after the termination of employment provided that this 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, and the certification is made within 90 days.

**History:** Cr. Register, November, 1959, No. 47, eff. 12-1-59; renun. to be (1); cr. (2), Register, May, 1960, No. 53, eff. 6-1-60; am. (2) (a), Register, April, 1962, No. 76, eff. 5-1-62.

**Grp 10.30 Coverage of annuitants.** Any annuitant under age 65 eligible to be insured shall continue to be insured only if within 60 days after the filing of the application for such annuity or within 60 days after the effective date of the annuity, whichever is later, the retirement system receives from such person a completed form, as prescribed by the director of the group insurance board, authorizing the retirement system to deduct premiums for group life insurance. Such form shall be filed in duplicate and one copy shall be transmitted

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forthwith to the director. The employing municipality shall file with the retirement system and 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, November, 1959, No. 47, eff. 12-1-59; am. Register, February, 1961, No. 62, eff. 3-1-61; am. Register, April, 1963, No. 33, eff. 5-1-63.

### Grp 10.50 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 position or office, or who within 30 days of such removal or discharge, or of appointment to any position or office, becomes a party to legal proceedings to obtain judicial review of the legality of his 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 municipal representative or the director of the group insurance board the initial payment to keep the insurance in force. The initial payment shall cover the established contribution for a three month period, but may be for a greater period at the option of the employe. If no determination has been reached at the end of any period for which contributions were paid, an additional payment shall be made within 15 days after the end of such period in such amount as the director of the group insurance board may require.

(b) 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.

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

**History:** Emergency rule, eff. 11-1-63; cr. Register, February, 1964, No. 98, eff. 3-1-64.