

No. 385, S.]

[Published August 13, 1957.

CHAPTER 512

AN ACT to create 20.005 (2) (a) (lines 256a, b, c, and d, and lines 516a and b); 20.408, 20.551 (14), (15); and 66.919 and to amend 20.280 (73), (84); 20.460 (71), (72); 20.810 (71); 20.840 (71), (81), (91); and 20.890 (71) of the statutes, relating to group insurance for state employes, and making an appropriation.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 20.005 (2) (a) (lines 256a, b, c, and d, and lines 516a and b) of the statutes are created to read:

20.005 (2) (a)	1957-1958	1958-1959
256a. GROUP LIFE INSURANCE BOARD	20.408	
256b. General administration	(1)	S
256c. Payments for Group Life Insurance	(41)	
256d. Dividends or premium refunds	(42)	
516a. Group life insurance board; State employes	20.551 (14)	S
516b. Group life insurance board; Retired state employes	(15)	S

SECTION 2. 20.408 and 20.551 (14) and (15) of the statutes are created to read:

20.408. GROUP LIFE INSURANCE BOARD. There is appropriated from the general fund to the group life insurance board:

(1) GENERAL ADMINISTRATION. Annually beginning July 1, 1957, a sum sufficient for the execution of its functions under s. 66.919.

(41) PAYMENTS FOR GROUP LIFE INSURANCE. All contributions by the state of Wisconsin for group life insurance pursuant to the provisions of ss. 20.551 (14) and (15) and all group life insurance premiums withheld from earnings of insured employes pursuant to the provisions of s. 66.919 for payments by said board to the insurance carrier or carriers.

(42) DIVIDENDS OR PREMIUM REFUNDS. All dividends or premium credits becoming available under the terms of the group life insurance contract or contracts, to be apportioned by said board prior to the close of each fiscal year in the following order:

(a) The general fund shall be reimbursed for the administrative expenses paid from the appropriation made by sub. (1) during the preceding fiscal year; and

(b) Any excess shall be refunded to the respective funds in the ratio in which the contributions provided in ss. 20.551 (14) and (15) were made during the preceding fiscal year. Such excess may be used to reimburse the respective funds for contributions made pursuant to said subsections and any sums remaining shall be applied for the benefit of employes continuing to be insured under the contract or contracts, to the reduction of premium payments in the following contract year, or to the purchase of additional term insurance to be in effect during the following contract year.

**20.551 (14) TRANSFER TO COVER GROUP LIFE INSURANCE; STATE EMPLOYES.** There is transferred to the general fund to the credit of s. 20.408 (41) monthly beginning July 1, 1957, from the respective funds from which the salaries of state employes and state officers are paid such sums as may be necessary to make the contributions to be made for them by the state of Wisconsin pursuant to s. 66.919; except that:

(a) All contributions by the state of Wisconsin pursuant to s. 66.919 for employes and state officers of self-supporting or revolving activities of the general fund shall be charged to such respective self-supporting or revolving appropriations from which such salaries are paid. The contributions by the state of Wisconsin which shall be made for employes of self-supporting or revolving appropriations which are not available for paying such contributions shall be charged to the general fund.

(b) All contributions by the state of Wisconsin pursuant to s. 66.919 for salaries paid from the appropriations in s. 20.420 of the highway fund shall be charged to the respective appropriations from which the salaries are paid.

(c) The contributions by the state of Wisconsin pursuant to s. 66.919 for salaries paid from the appropriations in s. 20.280 of the conservation fund shall be charged to the respective appropriations from which the salaries are paid, except as otherwise provided in s. 20.280.

**20.551 (15) TRANSFER TO COVER GROUP LIFE INSURANCE; RETIRED STATE EMPLOYES.** There is transferred to the general fund to the credit of s. 20.408 (41) monthly beginning July 1, 1957, from the respective funds from which employes' and appointed state officers' salaries are paid, such sums as may be necessary to pay the required premiums for group life insurance covering retired employes and retired state officers whose salaries were normally paid from such respective funds and whose insurance is to be continued without cost to such former employe or state officer pursuant to s. 66.919.

SECTION 3. 66.919 of the statutes is created to read:

**66.919 GROUP LIFE INSURANCE BOARD. (1) PURPOSE.** A program of group life insurance is created for the purpose of providing state employes with group life insurance in amounts based upon their annual earnings under a plan contributed to and conducted by the state through a group life insurance board thereby improving morale and efficiency in state service.

**(2) COMPOSITION AND ORGANIZATION.** The group life insurance board shall consist of the governor, the attorney general, the commissioner of insurance, the director of personnel and 2 members appointed by the governor. One of the appointees shall be a member of the Wisconsin state employe's association. The first appointments shall be made when this section becomes effective for terms to expire on July 1, 1959,

after which date appointments shall be made for terms of 2 years each. The governor shall be the president of said board and a secretary shall be chosen by the board.

(3) **POWERS AND DUTIES.** (a) The board is empowered to take any action deemed advisable and not specifically prohibited, or delegated to some other governmental agency, to carry out the purpose of this section, including, without limitation because of enumeration, rules and actions relating to:

1. Eligibility of active and retired employes to participate, and giving an option not to participate and to withdraw.

2. The payments by employes for such insurance.

3. The time that changes in coverage and payments shall take effect.

4. The terms and conditions of the insurance contract or contracts.

5. The date such program shall be effective.

6. The establishment of standard beneficiary priorities in the event that the employes shall not have designated a beneficiary to receive the insurance at his death, or in the event that such designated beneficiary shall not survive the employe, and the procedure for filing different beneficiary designations.

7. The kind, amount, and conditions pertaining to benefits available to employes as a result of dividends or premium refunds.

(b) The board shall on behalf of the state from time to time enter into a contract or contracts with one or more corporations authorized to transact insurance business in this state. The group life insurance contract or contracts may be of the type which requires payment of premiums which are known to be sufficient to pay losses and expenses incurred in its operation and which very probably will permit return of overcharges as dividends or rate credits, or of a type which requires lower initial premiums with the probability of greatly reduced or non-existent dividends or rate credits.

(4) **DEFINITIONS.** As used in this section, except where the context clearly indicates otherwise, the following words and phrases shall have the following meanings respectively:

(a) "Employe" means any person who meets all of the following conditions:

1. Whose name appears on a regular payroll of the state or any board, commission or other unit controlled by the state, and who:

a. Receives earnings for personal services.

b. Is a participating employe under the Wisconsin retirement fund or has been for 6 months an active member of the state teachers retirement system or is included under the conservation warden pension fund or is a member of the legislature, governor, lieutenant governor, secretary of state, state treasurer, attorney general, chief clerk or sergeant at arms of the senate or assembly.

2. The definition of employe shall not exclude any individual who, while insured for the group life insurance, is retired on an immediate annuity and has then been a state employe for at least 25 years or is 65 years of age or more, or is retired on a disability annuity.

(b) Exceptions. The definition of employe shall not include any officer elected by vote of the people, except those enumerated in par. (a) 1.

(c) "Immediate annuity" means an annuity or pension under the Wisconsin retirement fund or the state teachers retirement system or the conservation warden pension fund which begins to accrue not later than one month after termination of employment.

(d) "Disability annuity" means the same as prescribed in ss. 66.907, 42.242 or 42.49 (9).

(e) "Earnings" means the total salary or wages paid to an employe by the state during the previous calendar year. If employment and compensation are not continuous during such period, the earnings shall be determined by rule.

(f) "Director" means the executive director of the Wisconsin retirement fund.

(5) GROUP LIFE INSURANCE PROVIDED. (a) Each employe shall be insured in accordance with this section, unless such employe executes and files with his employing office a written waiver of such coverage within the time limit fixed by rule, which shall be transmitted forthwith to the director.

(b) Any employe who has filed a waiver pursuant to the foregoing paragraph, or any employe whose insurance terminates pursuant to paragraph (8) (a) by reason of filing such a waiver, shall not thereafter become insured unless prior to his attainment of age 50 and after at least one year has elapsed since the effective date of such waiver, he furnishes evidence of insurability satisfactory to the insurer, at his own expense. If such evidence is approved, such employe shall become insured from the date of such approval.

(6) AMOUNT OF INSURANCE. (a) Except as provided in par. (b), the amount of group life insurance of an employe shall be \$1,000 of insurance for each \$1,000 or part thereof of his earnings, but not in excess of any limitation of amount that may otherwise be provided by law.

(b) The amount of life insurance for any employe who is 65 years of age or over is the lesser of the following:

1. If he is then insured, the amount of insurance at the age of 65 as computed under par. (a) reduced by 25 per cent of said amount for each year commencing with his sixty-fifth birthday, with a maximum reduction of 75 per cent.

2. If he is 65 years of age or over when he first becomes insured, the amount as computed under par. (a) reduced by 25 per cent of said amount for each year commencing with his sixty-fifth birthday, with a maximum reduction of 75 per cent.

(c) The amount of insurance of an employe who retires on immediate annuity who has been a state employe for not less than 25 years or who has attained age 65 shall be the same as if he had not retired and his earnings had continued as at the time of his retirement.

(d) The amount of insurance of an employe who retires on disability annuity shall be the same as if he had not retired and his earnings had continued as at the time of his retirement.

(e) For purposes of this section a person on more than one state payroll shall be included only as an employe of the agency from which he receives the greater portion of his earnings, and the premium for the combined salary shall be deducted by that agency.

(7) PAYMENT OF PREMIUMS. (a) There shall be withheld from the earnings payment of each insured employe under the age of 65 the sum approved by the group life insurance board, which shall not exceed 60 cents for each \$1,000 of his group life insurance under this section, based upon the last amount of insurance in force during the month for which such earnings are paid. The equivalent premium may be fixed by the group life insurance board if the annual compensation is paid in other than 12 monthly installments. Such withholdings shall be remitted to the director by the respective boards, departments or other units in which such employes are employed within the time limit fixed by rule. All money received by the director pursuant to this section shall be deposited with the state treasurer to the credit of s. 20.408 (41).

(b) Beginning with the month in which an insured employe reaches his sixty-fifth birthday, no withholdings from his earnings shall be made under this subsection. Withholdings shall not be made from the earnings of an insured employe during a period of disability in which premiums are waived under the terms of the insurance contract.

(c) Beginning with the month in which an insured employe is retired on an immediate annuity and who has then been a state employe for not less than 25 years or who is then age 65, or is retired on a disability annuity, no further withholdings from his earnings shall be made under this subsection and the cost of insurance for such employe pursuant to subsection (6) shall be paid by the state.

(d) The state shall contribute toward the payment of premiums under this section an amount, which together with the employe's contribution, will equal the gross monthly premium for such employe's insurance. Any contribution which may be required from the state shall be made in accordance with ss. 20.551 (14) and (15).

(e) The full amount of the premium shall be remitted to the insurance carrier or carriers substantially in accordance with s. 20.939.

(8) CANCELLATION AND TERMINATION OF INSURANCE.

(a) An insured employe may at any time cancel his insurance by filing with his employing office a waiver of such coverage, which shall be transmitted forthwith to the director. Such waiver shall be effective and such employe's insurance shall cease at the end of the pay period which begins after the waiver is received in the employing office.

(b) The insurance of an insured employe shall cease on the date he ceases to be an employe as defined herein, subject to extension of his life insurance coverage for a period of 31 days thereafter.

(c) During the 31 days extension of life insurance coverage under par. (b), an individual may, upon application and without medical examination, convert all or any part of his group life insurance to an individual policy of life insurance at rates applicable to his attained age and class of risk.

(d) The group life insurance board may provide for the continuance or suspension of insurance coverage during any month in which no earnings are received and during any leave of absence or period of disability as defined by the board.

(9) RETIRED EMPLOYEES. To be eligible for continuance of life insurance as a retired employe, an insured employe must (a) be entitled to a disability annuity or (b) have then been a state employe for at least 25 years or have attained age 65 and be entitled to an immediate annuity and must meet all requirements for annuity including filing of application where necessary, whether or not final administrative action has been taken.

(10) ADMINISTRATION. The group life insurance provided under this section shall be administered by the director in conformity with the rules prescribed by the group life insurance board.

SECTION 4. 20.280 (73) and (84) are amended to read:

20.280 (73) RETIREMENT CONTRIBUTIONS, ETC. A sum sufficient to pay the conservation fund state's share to the public employes social security fund including the amount required under s. 23.14 (17) (c), the Wisconsin retirement fund, the conservation warden pension fund, and to pay for *group life insurance*, workmen's compensation and unemployment compensation, except that such contributions for forestry purposes under sub. (81) shall be paid from sub. (84) and such contributions under sub. (82) shall be paid from sub. (82).

20.280 (84) RETIREMENT CONTRIBUTIONS, ETC. Annually, beginning July 1, 1955, a sum sufficient to pay the conservation fund forestry state's share to the public employes social security fund, the Wisconsin retirement fund, and to pay for forestry, *group life insurance*, workmen's compensation and unemployment compensation, except that such payments applying to sub. (82) shall be paid from sub. (82).

SECTION 5. 20.460 (71) and (72) are amended to read:

20.460 (71) STATE INSURANCE FUND; ADMINISTRATION AND OPERATIONS. All moneys paid into the state insurance fund under the provisions of ss. 210.02 and 210.04 are appropriated to the commissioner of insurance to carry out the purposes of the creation of said fund and to be used as provided in ch. 210. Of this appropriation there is allotted for administration as follows:

1957-1958 1958-1959

Personal services -----  
Materials and expense -----  
Capital outlay -----

For the purposes of this subsection the allotments made above shall not include payments to the Wisconsin retirement fund pursuant to s. 20.551 (9), payments to the public employes social security fund pursuant to s. 20.551 (11), payments to the state deposit fund pursuant to s. 20.551 (7), payments to the state of Wisconsin investment board pursuant to s. 20.480 (1), \* \* \* payments to the general fund pursuant to s. 200.17 (4) \* \* \* and payments for *group life insurance* pursuant to ss. 20.551 (14) and (15).

20.460 (72) STATE LIFE FUND; ADMINISTRATION AND OPERATIONS. All moneys paid into the state life fund under the provisions of s. 210.05 are appropriated to the commissioner of insurance to carry out the purposes of the creation of said fund and to be used as provided in said section. Of this appropriation there is allotted for administration as follows:

1957-1958 1958-1959

Personal services -----  
Materials and expense -----  
Capital outlay -----

For the purposes of this subsection the allotments made above shall not include payments to the Wisconsin retirement fund pursuant to s. 20.551 (9), payments to the public employes social security fund pursuant to s. 20.551 (11), payments to the state deposit fund pursuant to s. 20.551 (7), \* \* \* payments to the state of Wisconsin investment board pursuant to s. 20.480 (1) \* \* \* and payments for *group life insurance* pursuant to ss. 20.551 (14) and (15).

SECTION 6. 20.810 (71) is amended to read:

20.810 (71) GENERAL ADMINISTRATION. On July 1, 1955, \$87,225, and annually, beginning July 1, 1956, \$84,425 for the administration of ss. 42.20 to 42.54. Of this appropriation there is allotted for the following purposes for the respective fiscal years:

1957-1958 1958-1959

Personal services -----  
Materials and expense -----  
Capital outlay -----

For the purposes of this subsection the allotments made above shall not include payments to the Wisconsin retirement fund pursuant to s. 20.551

(9), payments to the public employes social security fund pursuant to s. 20.551 (11), payments to the state deposit fund pursuant to s. 20.551 (7), \* \* \* payments to the state of Wisconsin investment board pursuant to s. 20.480 (1) \* \* \* and payments for group life insurance pursuant to ss. 20.551 (14) and (15).

SECTION 7. 20.840 (71), (81) and (91) are amended to read:

20.840 (71) SOLDIERS POSTWAR REHABILITATION TRUST FUND, ADMINISTRATION. From the postwar rehabilitation trust fund on July 1, 1955, \$159,550 and on July 1, 1956, \$160,175 for the execution of its administrative functions. Of this appropriation there is allotted for the following purposes:

	1957-1958	1958-1959
Personal services -----		
Materials and expense -----		
Capital outlay -----		

For the purposes of this subsection the allotments made above shall not include payments to the Wisconsin retirement fund pursuant to s. 20.551 (9), payments to the public employes social security fund pursuant to s. 20.551 (11), payments to the state deposit fund pursuant to s. 20.551 (7), \* \* \* payments to the state of Wisconsin investment board pursuant to s. 20.481 (1) \* \* \* and payments for group life insurance pursuant to ss. 20.551 (14) and (15).

20.840 (81) SOLDIERS' REHABILITATION FUND, ADMINISTRATION. Annually, beginning July 1, 1955, \$10,260 from the soldiers' rehabilitation fund for necessary administrative expense. For the purposes of this subsection the term administrative expense shall not include payments to the Wisconsin retirement fund pursuant to s. 20.551 (9), payments to the public employes social security fund pursuant to s. 20.551 (11), payments to the state deposit fund pursuant to s. 20.551 (7), \* \* \* payments to the state of Wisconsin investment board pursuant to s. 20.480 (1) \* \* \* and payments for group life insurance pursuant to ss. 20.551 (14) and (15). Of this appropriation there is allotted for the following purposes:

	1957-1958	1958-1959
Personal services -----		
Materials and expense -----		
Capital outlay -----		

20.840 (91) VETERANS' HOUSING TRUST FUND ADMINISTRATION. From the veterans' housing trust fund [created by s. 25.36] on July 1, 1955, \$85,950, and on July 1, 1956, \$89,350 for the execution of the functions of the department under ss. 45.35 (14), 45.352, 45.353, and 66.39 (1), (11), and (13). Of this appropriation there is allotted for the following purposes:

	1957-1958	1958-1959
Personal services -----		
Materials and expense -----		
Capital outlay -----		

For the purposes of this subsection the allotments made above shall not include payments to the Wisconsin retirement fund pursuant to s. 20.551 (9), payments to the public employes social security fund pursuant to s. 20.551 (11), payments to the state deposit fund pursuant to s. 20.551 (7), \* \* \* payments to the state of Wisconsin investment board pursuant to s. 20.480 (1) \* \* \* and payments for group life insurance pursuant to ss. 20.551 (14) and (15).

SECTION 8. 20.890 (71) is amended to read:

20.890 (71) GENERAL ADMINISTRATION; OPERATIONS. All moneys paid into the Wisconsin retirement fund under the provisions of ss. 66.90 to 66.918 are appropriated to the board of trustees which administers said fund, for the execution of its functions including, without excluding because of enumeration, payment of expenses of operation, administration and investment and the payment of all kinds of annuities, death benefits and separation benefits provided for in said sections, and payment of amounts necessary pursuant to s. 20.890 (72) and (73) to complete the integration of the Wisconsin retirement fund with the federal old-age and survivors insurance system as contemplated by s. 66.99 (3). Of this appropriation there is allotted for administration as follows:

	1957-1958	1958-1959
Personal services -----		
Materials and expense -----		
Capital outlay -----		

For the purposes of this subsection the allotments made above shall not include payments to the Wisconsin retirement fund pursuant to s. 20.551 (9), payments to the public employes social security fund pursuant to s. 20.551 (11), payments to the state deposit fund pursuant to s. 20.551 (7), \* \* \* payments to the state of Wisconsin investment board pursuant to s. 20.480 (1) \* \* \* and payments for group life insurance pursuant to ss. 20.551 (14) and (15).

Approved August 5, 1957.