Chapter Grp 2

COVERAGE

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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: Emergency rules, eff. 11-30-57; cr. Register, January, 1958, No. 25, eff. 2-1-58.

Grp 2.02 Waiver of coverage. (1) Each employe and officer of the state 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 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 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 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 after initial employment where the person is immediately eligible for insurance.

(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(2) Any waiver may be withdrawn before becoming effective.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 the state terminated, or when he became inactive, such waiver shall apply to the new period of employment.

History: Emergency rules, eff. 11-30-57; cr. Register, January, 1958, No. 25, eff. 2-1-58; cr. (1) (e), Register, September, 1959, No. 45, eff. 10-1-59.

Grp 2.03 History: Emergency rules, eff. 11-30-57; cr. Register, January, 1958, No. 25, eff. 2-1-58; r. Register, September, 1959, No. 45, eff. 10-1-59.

Grp 2.20 Amount of insurance. (1) Except as provided under subsection (2) and (2a) the total salary or wages paid to an employe

by the state during the previous calendar year pursuant to section 66.919 (4) (e), Wis. 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 who did not receive state compensation for all of the entire preceding calendar year resumes state service or returns to active service after an interruption without pay extending 3 consecutive months or more, then the departmental 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 section 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 February 1 if the amount is decreased.

(3a) The provisions of subsection (3), specifying that changes in 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 4 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 insured employe.

2. The election to continue the same amount of life insurance in the calendar year 1964 as was in effect during 1963 must be filed in duplicate with the department by which the insured individual is employed and must be received by such department on or before March 31, 1964 to be effective for the period beginning April 1, 1964 and ending on January 31, 1965.

3. Except as provided in paragraph 2, the election to continue the amount of insurance in effect in the previous year must be filed in

duplicate with the department by which the insured individual is employed, and must be received by such department 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.

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

(b) One copy of each election filed by an insured employe shall be transmitted to the director by the employing department 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 subsection.

(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 federal income tax purposes as shown on the form W-2 filed for the year on which such insurance coverage was based, on the amount reported for Wisconsin income tax purposes, or on the amount reported for purposes of employe contribution to the Wisconsin Retirement fund, the state teachers retirement system or the conservation wardens pension fund, whichever applies as the result of the amendment in 1965 of subsection (1) or the creation in 1966 of subsection (2a). 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: Emergency rules, eff. 11–30–57; cr. Register, January, 1958, No. 25, eff. 2–1–58; renum. from Grp 2.11, Register, September, 1959, No. 45, eff. 10–1–59; am. (2), Register, November, 1959, No. 47, eff. 12–1–59; (4) (a) emerg. eff. 1–27–64; cr. (4) (a), Register, April, 1964, No. 100, eff. 5–1–64; am. (1), cr. (3a), am. (4) (c), emergency rules, eff. 1–9–65; am. (1), cr. (3a) and am. (4) (c), Register, April, 1965, No. 112, eff. 5–1–65; am. (1), cr. (2a), am. (4) (c), Register, December, 1966, No. 132, eff. 1–1–67.

Grp 2.21 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 the state, including layoffs not due to the misconduct of the employe.

(2) Coverage may be continued during such period if the employe has authorized a payroll deduction prior to such interruption of his earnings in amount sufficient to pay his contribution for the lesser of: (a) the entire period of interruption of earnings or (b) 6 months, or if the employe remits the full payment to his department within 30 days after the beginning of such period.

(3) Seasonal employes who are not entitled to earnings on January 1, 1958, but who are otherwise eligible to be insured, shall be insured as of January 1, 1958 if within 30 days thereafter the employing department receives a remittance in full payment for the employe contribution for the entire period of absence from the payroll after December 31, 1957.

(4) Employes who are not entitled to earnings on January 1, 1958 shall be entitled to become insured upon return to active service in accordance with Wis. Adm. Code section Grp 3.01.

(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.

History: Emergency rules, eff. 11–30–57; cr. Register, January, 1958, No. 25, eff. 2–1–58.

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 may not convert the insurance to an individual policy without evidence of insurability.

History: Emergency rules, eff. 11–30–57; cr. Register, January, 1958, No. 25, eff. 2–1–58.

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 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 nine 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 being received.

(b) The department 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 department 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: Emergency rules, eff. 11–30–57; cr. Register, January, 1958, No. 25, eff. 2–1–58; renum. to be (1); cr. (2), Register, May, 1960, No. 53, eff. 6–1–60; am. Register, April, 1962, No. 76, eff. 5–1–62.

Grp 2.24 Service included. The 20 year period specified in section 66.919 (4) (a) 2., (6) (c), (8) (cc) and (12), Wis. Stats., shall comprise only service for which compensation is paid by the state, except as provided by section 16.276 (1) (a), Wis. Stats., 1959, together with service specified in section 66.902 (3) (f), Wis. Stats., 1955.

History: Emergency rules, eff. 11–30–57; cr. Register, January, 1958, No. 25, eff. 2–1–58; am. Register, May, 1960, No. 53, eff. 6–1–60; am. Register, April, 1962, No. 76, eff. 5–1–62.

Grp 2.30 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 forthwith to the director. The employing department 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: Emergency rule, eff. 9–11–59; 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. 88, eff. 5–1–63.

Grp 2.35 Extended coverage. Any person qualifying under section 12a of chapter 461, laws of 1961 who was insured when last eligible and who has never waived coverage shall automatically be covered as to group life insurance pursuant to the provisions of section 66.919, Wis. Stats., upon receipt by the board of advice of insurance without employe contributions from the employing department.

History: Cr. Register, December, 1961, No. 72, eff. 1–1–62.

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 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 departmental 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 state 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.