

CR 82-169

CERTIFICATE

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Bureau

STATE OF WISCONSIN)
)
DEPARTMENT OF EMPLOYE TRUST FUNDS) SS

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Gary I. Gates, Secretary of the Department of Employee Trust Funds, and custodian of the official records do hereby certify that the annexed rules and repeal of rules relating to definitions, survivor benefits under the Wisconsin Retirement System and group life insurance plans administered by the department were duly approved by the Employee Trust Funds, Teachers Retirement, and Wisconsin Retirement Boards and adopted by this department on January 7, 1983.

I further certify that this copy has been compared by me with the original on file in this department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at 201 East Washington Avenue, in the City of Madison, this 10 day of Jan, 1983.

Gary I. Gates
Gary I. Gates, Secretary
Department of Employee Trust Funds

ORDER OF THE DEPARTMENT OF
EMPLOYEE TRUST FUNDS
REPEALING AND ADOPTING RULES

To repeal chapters Grp 2 to 14; to create s. ETF 10.01; and to create chapter ETF 60, relating to definitions, survivor benefits under the Wisconsin Retirement System and group life insurance plans administered by the department of Employee Trust Funds.

Analysis Prepared by the Department of Employee Trust Funds

Eventually, all of the definitions contained in s. ETF 1.01 will be incorporated into the newly proposed ch. ETF 10 which is being created by the promulgation of another rule prior to these rules. The definitions adopted in this order are only those needed for the life insurance program.

This order repeals chapters Grp 2, 3, 5, 6, 7, 10, 11, 13 and 14 and by creating ch. ETF 60 incorporates all of the necessary provisions of these repealed chapters. It also eliminates rules which duplicate the statutes. New provisions are added to extend the voluntary group life insurance plan for the spouse and dependents of state employees to eligible employees of local units of government.

These rules interpret ss. 40.02 (20), 40.03 (6) and 40.70, Stats., as created by ch. 96, Laws of 1981.

Pursuant to the authority vested in the Department of Employee Trust Funds by s. 40.03 (2) (i), Stats., as created by ch. 96, Laws of 1981, the Department of Employee Trust Funds hereby repeals and adopts rules interpreting ss. 40.02 (20), 40.03 (6) and 40.70, Stats., as created by ch. 96, Laws of 1981, as follows:

SECTION 1. Chapters Grp 2 to 14 are repealed.

SECTION 2. ETF 10.01 is created to read:

ETF 10.01 DEFINITIONS. The following are definitions for words, phrases, and terms used in Chapters ETF 2 to 60, Grp 20 to 26, Ret 1 to 7 and TR 3 to 13:

(1) "Contract" means, for life insurance purposes, the contract for group life insurance and for spouse and dependent life insurance entered into with an insurer pursuant to s. 40.03 (6) (a) 1 and (b), Stats.

(2) "Dependent" means, for life insurance purposes, an employe's spouse, unmarried child, including stepchild and adopted child, who is dependent upon the employe for support and maintenance and who is:

(a) More than 14 days of age, but under the age of 19,

(b) Between the ages of 19 and 25 if a full-time student, or

(c) Age 19 or older and incapable of self-support on account of a physical or mental disability which can be expected to be of long-continued or indefinite duration.

(3) "Employe", for spouse and dependent life insurance purposes, means an employe as set forth in s. 40.02 (26) who is insured in the group life insurance plan under s. 40.70, Stats., and the rules of the department.

(4) "School System" includes, for life insurance purposes, any public entity whose primary purpose is education.

(5) "Student" means, for insurance purposes, a person, who is enrolled in an institution which provides a schedule of courses or classes and, whose principal activity is the procurement of an education. Full-time student status shall be defined by the institution in which the student is enrolled and shall include any usual vacation period if the child was a full-time student at the end of the previous term.

(6) "Summer Vacation" means the time 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 that system.

SECTION 3. Chapter ETF 60 is created to read:

Chapter ETF 60

SURVIVOR BENEFITS

Subchapter 1

GENERAL PROVISIONS

ETF 60.01 PREMIUM. The amount of life insurance premium shall be specified in the contract and the employe portion shall be deducted from earnings except as otherwise provided in this chapter or s. 40.05 (6), Stats.

ETF 60.02 ADJUSTMENTS. Except as provided by the group life insurance contract, whenever the proper life insurance premium is not paid by an insured employe in any month, the deficiency shall be deducted by the employer or from the monthly annuity beginning with the following payroll after discovery of nonpayment or improper payment. An insured employe who is making premium payments directly to the insurer will be billed by the insurer for any premium deficiency. If an excess deduction of life insurance premium has been made for any employe the excess shall be adjusted by reducing subsequent life insurance premiums for that employe, or if there is no later payroll payment then a refund shall be issued to the person making the overpayment.

ETF 60.03 DUE DATES. A certification required in the administration of the group life insurance plan, or a written request to cancel an application under this chapter, which is due on a Saturday, Sunday or holiday when the state offices are closed shall be timely if received in the department the next working day.

Subchapter 2

GROUP LIFE INSURANCE

FOR STATE AND LOCAL EMPLOYEES

ETF 60.31 GROUP LIFE INSURANCE COVERAGE REQUIREMENT. (1) An employer who resolves to offer a group life insurance plan in accordance with s. 40.70 (1) (a), Stats., shall certify to the department the total number of employees eligible for group life insurance coverage on the effective date of the resolution together with the number of employees who have completed an application for coverage. The resolution shall be effective on January 1 if the certification is received by the department no later than the preceding December 15.

(2) The department shall annually review a participating employer's level of employee participation in the group life insurance plan. If employee participation decreases below the level established under s. 40.70 (2), Stats., the department shall prepare a list of those employers for submission to the group insurance board. The group insurance board shall determine which resolutions will be terminated, effective after the end of the third full month following the date the board elects to terminate coverage.

ETF 60.32 GROUP LIFE INSURANCE COVERAGE FOR EMPLOYEES UNDER A PRIVATE PENSION PLAN. (1) Upon approval of the resolution filed as required in s. 40.70 (1) (a), Stats., group life insurance coverage shall be effective for all persons who have enrolled for group life insurance coverage and are employees of the employer on the effective date of the resolution.

(2) Any insured employee who becomes an annuitant under a private pension plan and who retires before attaining age 65 but who has 20 years of service for the employer, may continue to be insured under the group life insurance plan if:

(a) The employee requests the continuation of the insurance by filing a form provided by the department with the employer within 60 days after termination of employment from the employer and agrees to pay the required premiums until reaching age 65; and

(b) The employer provides confirmation, to the department, of 20 years service.

ETF 60.33 SUCCESSOR EMPLOYERS. (1) Whenever any employer is created, the territory of which includes more than one-half of the assessed valuation of an employer which was at the time of creation a participating employer, and the newly created employer assumes the functions and responsibilities of the previous employer, the newly created employer shall be a participating employer under the group life insurance program from the inception of the employer.

(2) Any person covered on the day preceding the date of creation of the successor employer shall continue to be covered under the group life insurance program on the same basis.

(3) Any person who first becomes eligible for group life insurance coverage as a result of the consolidation of employers and who desires to enroll shall apply for coverage in accordance with the contract.

(4) The amount of group life insurance coverage for an insured employee of a successor employer shall be based on the aggregate of earnings from both the predecessor and successor employers in the previous calendar year.

Subchapter 4

SPOUSE AND DEPENDENT LIFE

INSURANCE FOR STATE AND

LOCAL EMPLOYEES

ETF 60.71 EFFECTIVE DATE. (1) The group life insurance plan for the dependents of state employes became available January 1, 1981.

(2) The group life insurance plan for the dependents of employes of local units of government shall be available beginning January 1, 1983, subject to the following conditions:

(a) The local unit of government shall be a participating employer under the basic group life insurance program as provided in s. 40.70 (1) (a), Stats.

(b) The governing body of the employer shall adopt a resolution for coverage under this subchapter in the form prescribed by the department.

(c) A certified copy of the resolution in par. (b) shall be received in the department by November 15 for coverage to be available the following January 1.

(d) The governing body may subsequently terminate coverage for all insured employes by adopting a resolution in the form prescribed by the department.

(e) A certified copy of the resolution in par. (d) shall be received in the department by October 1 for termination to be effective the following January 1.

NOTE: Chapter ETF 60 requires a new form. This form is available at no charge by contacting the department of employe trust funds.

Chapters 40, 41 and 42, Stats., as they existed on 12/31/81 were repealed and a new chapter 40 was created effective 1/1/82 by chapter 96, Laws of 1981.

The rules contained in this order shall take effect as provided in s. 227.026 (1) (intro.), Stats.

Jan. 10, 1983
Date

Gary I. Gates
Gary I. Gates, Secretary
Department of Employe Trust Funds

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No. (Adm. Rule No.)
S. ETF 10.01, Chs.
ETF 60 & Grp 2 to 14
Amendment No. if Applicable

Subject Definitions, survivor benefits and group life insurance plans administered by the Department of Employee Trust Funds.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs - May Be Possible to Absorb Within Agency's Budget Yes No
 Decrease Costs

Local: No local government costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

The voluntary spouse and dependent life insurance program, which is currently available to eligible state employes and is being extended to eligible employes of local units of government, will for the most part be administered by the current carrier of the regular life insurance program. It is anticipated that there will be some administrative workload assumed by the the department, primarily in the areas of enrollment and coverage but this increase will be absorbed by the department.

While it is expected that there will be brochures and forms needed for the spouse and dependent life insurance program, any costs associated with this will be charged back against the program.

The balance of the changes contained in this order are housekeeping in nature to eliminate provisions which are now contained in ch. 40, Stats., as created by ch. 96, Laws of 1981, or the life insurance contract.

We estimate that there will be no net fiscal effect to the state from the adoption of these rules.

Long-Range Fiscal Implications

None

Agency

Department of Employee Trust Funds

Authorized Signature/Telephone No.

Shane M. Bass

266-5804

Date

8/20/82

FISCAL ESTIMATE WORKSHEET

1981 Session

Detailed Estimate of Annual Fiscal Effect
AD-MBA-22 (Rev. 11/80)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
S. Eff 10.01 & Chs.
ETF 60 & Grp 2 to 14.

Amendment No.

Subject **Definitions, survivor benefits and group life insurance plans administered by the Department of Employee Trust Funds.**

I. One-time Costs or Revenue Fluctuations for State and/or Local Government (do not include in annualized fiscal effect):

None

II. Annualized Costs: Note: Treat fiscal costs like a "checkbook"; increased costs reduce available funds (-); decreased costs increase available funds (+). **Annualized fiscal impact on State funds from:**

A. State Costs by Category	Increased Costs	Decreased Costs
	Salaries and Fringes	\$ -
Staff Support Costs	-	+
Other State Costs	-	+
Local Assistance	-	+
Aids to Individuals or Organizations	-	+
TOTAL State Costs by Category	\$ - 0	\$ + 0

B. State Costs by Source of Funds	Increased Costs	Decreased Costs
	GPR	\$ -
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	-	+

C. FTE Position Changes	Increased Pos. + (0)	Decreased Pos. - (0)

III. State Revenues-Complete this only when proposal will increase or decrease state revenues, such as taxes, license fees, etc.	Decreased Rev.	Increased Rev.
	GPR Taxes	\$ -
GPR Earned	-	+
FED	-	+
PRO/PRS	-	+
SEG/SEG-S	-	+
TOTAL State Revenues	\$ - 0	\$ + 0

Net Annualized Fiscal Impact on State & Local Funds

State	Annual Increases	Annual Decreases	Local	Annual Increases	Annual Decreases
Total Costs	\$ -	\$ +	Total Costs	\$ -	\$ +
Total Revenues	+	-	Total Revenues	+	-
NET Impact on State Funds	\$ (+) or (-)	None	NET Impact on Local Funds	\$ (+) or (-)	None

Agency
Department of Employee Trust Funds

Authorized Signature/Telephone No.
Liannet Bass 266-5804

Date
8-20-82