

## Chapter Grp 10

### LOCAL EMPLOYES LIFE INSURANCE COVERAGE

Grp 10.01	Effective date	Grp 10.21	Coverage during employment gaps
Grp 10.015	Successor school districts	Grp 10.22	Suspension of insurance
Grp 10.02	Waiver of coverage	Grp 10.23	Coverage during disability
Grp 10.03	Coverage requirement	Grp 10.24	Service included
Grp 10.04	Group life insurance coverage for employes under private pension plan	Grp 10.30	Coverage of annuitants
Grp 10.20	Amount of insurance	Grp 10.50	Coverage during appeal from removal or discharge

**Note:** Chapter Grp 10 as it existed on August 31, 1978 was repealed and a new chapter Grp 10 was created effective September 1, 1978.

**Grp 10.01 Effective date.** The group life insurance program provided by s. 40.20, Stats., shall be effective as of the ensuing January 1 if the resolution is filed with the director pursuant to s. 40.20 (4), Stats., on or before 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, August, 1978, No. 272, eff. 9-1-78.

**Grp 10.015 Successor school districts.** (1) (a) Whenever any successor school district qualifies pursuant to s. 40.20 (5), Stats., such school district shall be included as of the date the school district comes into existence.

(b) Any person covered pursuant to s. 40.20, 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 s. 40.12 (2), Stats.

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

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.

(e) If a waiver is not submitted the amount of 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 3 months, except for normal summer vacation periods.

(f) 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 3 months, except for normal summer vacation periods.

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

**Grp 10.02 Waiver of coverage.** (1) Each employe and officer 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 employer:

(a) On or before December 10 preceding the January 1 specified in s. 40.20 (4), Stats. and section Grp 10.01 Wis. Adm. Code.

(b) At least 30 days before qualifying for the first time as an employe pursuant to s. 40.20 (6), Stats., 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 if 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 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 the 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 that employer terminated, or when the employe became inactive, such waiver shall apply to the new period of employment. Such employes who waive insurance may obtain coverage pursuant 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 the employe makes no required contribution toward premium due. Such 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 10.03 Coverage requirement.** (1) The employer shall certify to the director the total number of employes eligible for group life insurance coverage on the effective date together with the number of employes who have signed waivers filed pursuant to section Grp 10.02 (1) Wis. Adm. Code. Such certification must be received by the director not later than December 15 preceding the effective date specified in section Grp 10.01 Wis. Adm. Code.

(2) If the director determines that the certification complies with the requirements of s. 40.20 (8), Stats., the effective date of coverage shall be established in accordance with s. 40.20 (4), Stats., and Grp. 10.01 Wis. Adm. Code.

(3) Annually the director shall review the census records for each participating employer. If employe participation should decrease substantially below the level established under s. 40.20 (8), Stats., the director shall prepare a listing for submission to the board no later than April 1 of those participating employers whose resolutions will be terminated at the end of the calendar year. Any employer so affected may request a hearing pursuant to ch. 227, Stats.

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

**Grp 10.04 Group life insurance coverage for employes under private pension plan.** (1) Any employer included under the provisions of s. 40.20 (2), Stats., may by resolution of the governing body act to extend coverage to employes who are participants in a pension or retirement plan established by such employer but underwritten by a private insurance company. Such resolution shall include a list of the eligible employes.

(2) Such coverage shall be effective according to section Grp 10.01 Wis. Adm. Code for all persons listed in such resolution who are still employes on the effective date, unless a waiver has been filed by any such person.

(3) Any such person becoming an annuitant under such private pension plan who retires before attaining age 65 but who has 20 years of service for such employer may continue to be insured only if within 60 days after final separation from the employer payroll the person files with the employer 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 employer shall certify as to the 20 years service and shall forthwith file a copy of the application with the director.

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

**Grp 10.20 Amount of insurance.** (1) Except as provided under subs. (2) and (2a) the total salary or wages paid to an employe by that employer during the previous calendar year pursuant to s. 40.11 (5) Stats., shall be the total amount reported for Wisconsin income tax purposes.

(2) For persons covered initially who have not been public 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 resumes service with that employer or returns to active service after an interruption without pay extending 3 consecutive months or more in the preceding calendar year, 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 March 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 70 shall not be reduced in subsequent years of employment unless the 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 employer 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 may be considered valid.

**History:** Cr. Register, August, 1978, No. 272, eff. 9-1-78; am. (4) (a), Register, June, 1980, No. 294, eff. 7-1-80.

**Grp 10.21 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 an employe but earns no salary from that employer including layoffs not due to the misconduct of the employe.

(2) An insured employe may continue group coverage during such period of approved leave by authorizing a payroll deduction in amount sufficient to pay employe contributions for the entire period of interruption of earnings 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 may not 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 employer not later than 30 days prior to the end of the period for which premiums had previously been paid.

(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 Wis. Adm. Code.

(5) 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.

(6) 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.

(7) For the purposes of insurance coverage under s. 40.20, Stats., 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 Wis. Adm. Code. "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 continuing insurance and remitting contributions are not mandatory with respect to teachers who have not renewed a contract in accordance with s. 118.21, Stats., but may be exercised at the discretion of the employer.

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

**Grp 10.22 Suspension of insurance.** If an employe discontinues contributions for insurance while receiving no earnings from the employer, 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 employer. If insurance is terminated as provided herein and the employe does not resume active employment with the same employer, he or she may not convert the insurance to an individual policy.

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

**Grp 10.23 Coverage during disability.** (1) If an insured employe is totally disabled before age 70 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 employer that such employe is likely to remain so disabled for an indefinite period of time, the employe and employer 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. For employes between the ages of 65 and 70, the amount of insurance will reduce according to the schedule in s. 40.13 (2), Stats., upon attainment of age 70 or termination of em-

ployment, whichever shall first occur. For the purpose of this subsection, termination of employment shall also include but is not limited to filing for and receiving an annuity from a state retirement system.

(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 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 be otherwise documented no certification will be accepted by the bureau unless submitted within 90 days following the employe's termination of employment.

(3) If an employer withdraws from the group life insurance program pursuant to s. 40.20 (10), Stats., a totally disabled employe of that employer shall continue to be insured and shall be entitled to a cessation of premiums under this section providing:

(a) The disability commenced before the employer's participation under s. 40.20, Stats., terminates.

(b) The employer certifies the disability pursuant to (1) and (2) of this section.

(c) The employer remits the necessary employer and employe premium payments until earnings cease.

**History:** Cr. Register, August, 1978, No. 272, eff. 9-1-78; am. (1), Register, June, 1980, No. 294, eff. 7-1-80.

**Grp 10.24 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 that employer except that an aggregate of creditable service under the state teachers retirement system shall also satisfy the requirement.

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

**Grp 10.30 Coverage of annuitants.** Except as provided under section Grp 10.04 Wis. Adm. Code 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 section Grp 10.24 Wis. Adm. Code 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 employer shall file with the director immediately

following the termination of employment of any such employe 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 10.50 Coverage during appeal from removal or discharge.**

(1) (a) An insured employe or officer, 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 employer or the director of the group insurance bureau the initial payment to keep the insurance in 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 employer 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 or office is sustained, an adjustment shall be made for any amounts paid in excess of the normal employe contributions.

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