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# The Wisconsin Public Employers Group Life Insurance Program

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Department of Employee Trust Funds  
Wisconsin Retirement System  
P.O. Box 7931  
Madison, Wisconsin 53707-7931

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This Brochure is Your Certificate of Participation.

Read this brochure carefully. It provides a description of your group term life insurance protection and is your certificate of participation, provided that a valid enrollment form is on file with the Department of Employee Trust Funds and premiums are being paid. You are responsible for reviewing your payroll records and statements of fringe benefits regularly to be sure that premiums are being properly deducted. Discrepancies should be reported to your employer immediately. Coverage may lapse if the required premiums go unpaid for 60 days.

Whenever the insurance program is modified substantially, revised copies of this brochure will be made available. Keep this brochure in a safe place with your other important papers.

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# 1

## **INTRODUCTION**

The Wisconsin Public Employers Group Life Insurance Program is authorized under Wis. Stats. §40.70 and §40.72. It is offered to employees of the State of Wisconsin and participating local government employers. A “participating” local government employer is one that has filed a resolution with the Department of Employee Trust Funds (ETF) to participate in the Basic group life insurance plan and all or some of the other group life insurance plans. Each local government employer is a separate employer. The State of Wisconsin, including all agencies, is one employer.

The Program offers the following benefits:

- Basic coverage based on your prior year’s annual earnings. (Section 4)
- Optional Supplemental coverage for you equal to 1 times your prior year’s earnings. (Section 4)
- Optional Additional coverage for you equal to 1, 2, or 3 times your prior year’s earnings. (Section 4)
- Waiver of Premiums during periods of total disability. (Section 9)
- Optional coverage for your spouse\* and dependents. (Section 7)
- Accidental Death, Dismemberment, and Loss of Use coverage. (Section 6)
- Living Benefits in cases of terminal illness. (Section 8)
- Insurance without further premiums for eligible retired employees. (Section 5)
- Optional conversion of post-retirement coverage to pay premiums for ETF-sponsored health insurance or long-term care insurance. (Section 8)

\*Note that all references to “spouse” in this booklet shall also include “domestic partner.” A domestic partner is a person who meets the definition of domestic partner in Wis. Stats. §40.02(21d) with an employee insured under this life insurance program and for whom the employee has submitted an *Affidavit for Domestic Partnership* form (ET-2371) with the Department of Employee Trust Funds.

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## **ELIGIBILITY**

You may enroll if your employer participates in the program and you have been participating in the Wisconsin Retirement System (WRS) (whether you are part-time or full-time) for six months, not including any periods of leave of absence without pay. You may enroll if you are included under any private retirement system with a participating local

government employer.

Any blind employee qualifying under Wis. Stats. §40.02 (25) (a) (3), is eligible as of the beginning of the calendar month following completion of 1,000 hours of service.

Employees who reach age 70 before becoming eligible for the coverage may be insured under the Additional Plan only, subject to evidence of insurability, and only if the employer offers the coverage.

Rehired annuitants who have continued coverage during retirement, who subsequently return to WRS-covered employment and elect to participate in the WRS, may choose between retaining the annuitant coverage or enrolling for active coverage, based on their age and the plans their employer offers.

## **3**

### ***ENROLLMENT***

#### **A. Open Enrollment**

If you are under age 70, you may obtain coverage by completing an application provided by your employer and submitting it to your employer. You may submit your application anytime after your date of hire but it must be received before the deadline for applications. The deadline for applications is within 30 days of:

- a. Your hire, if you are immediately eligible or if you have previously served six months under the WRS and have not withdrawn your retirement money.
- b. The first of the month following the date you complete six months under the WRS if you are a new employee or previously withdrew your retirement money.
- c. Your return to employment after a leave without earnings if, during that absence, insurance coverage was discontinued. In this case you may not elect any plan which you previously declined or cancelled.

If you have a change in employment class that requires your employer to provide you with 100% employer-paid coverage under its employment contract for an entire employment class, you will be eligible for an open enrollment only for the plans that are 100% employer paid. You will have 30 days to enroll from the date you become eligible for 100% employer-paid coverage. If you do not enroll within 30 days, you may apply later but you will need to provide evidence of insurability.

Your insurance becomes effective on the date that you become eligible for life insurance if your application is received by your employer on or before the eligibility date. If you submit your application after your eligibility date, but within 30 days of that date, then your coverage will become effective on the first of the following month. For information on eligibility see the section above. Insurance can not be effective before you are eligible nor can it be in effect for part of a month. Please note that insurance eligibility date and insurance effective date will always be the first day of a month.

For Spouse and Dependent coverage, you must submit your application within 30 days of your eligibility date if you have a spouse/domestic partner or dependent child to insure. If you do not initially have a spouse/domestic partner or dependent child to insure, then you must submit an application within 30 days of the date you **first** have a spouse/domestic partner, or dependent child to insure.

#### **B. Enrollment Due to Family Status Change Event**

You may enroll for one level of employee coverage or increase your employee coverage by one level if you have a qualifying family status change event. The event can be due to marriage, establishment of a domestic partnership as defined Wis. Stats. §40.02(21d) or the birth, adoption, placement for adoption, or award of legal guardianship of a dependent child. An application must be submitted to your employer within 30 days of the family status change event. Enrollment is subject to the plan maximum (5 levels of coverage) or, if employed by a local government, is subject to the plans that are made available by your employer.

#### **C. Enrollment Under Evidence Of Insurability**

If you do not enroll for all available coverage during your open enrollment period, or within 30 days of a family status change event as described above, you may obtain coverage by providing the insurer, Minnesota Life, with satisfactory evidence of insurability at your own expense. The *Evidence of Insurability Application* form (ET-2305) must be received by Minnesota Life prior to your 70th birthday for Basic, and Supplemental coverages. Employees of any age may apply for the Additional Plan. Evidence of insurability is required in order to add or increase your Spouse and Dependent coverage from one unit of coverage to two units of coverage.

The *Evidence of Insurability Application* form (ET-2305) is available from your employer and on ETF's Internet site at <http://etf.wi.gov>. You and your employer will receive written notice when the coverage becomes effective or if it is denied. Minnesota Life may contest payment of any benefit for up to two years after coverage begins.

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### **AMOUNT OF LIFE INSURANCE DURING ACTIVE EMPLOYMENT**

When you first become insured through your current employer, your amount of insurance is an estimate determined by your employer. The estimate is based on the employer's projection of your earnings for the next twelve months rounded to the next higher \$1,000 if not already an even \$1,000. On the January 1 that immediately follows the date you became insured, the amount of insurance is based on the higher of the estimated earnings or the actual earnings in the previous calendar year. On each January 1 thereafter your insurance amount will be based on your highest prior calendar year's actual earnings with your current employer.

"Earnings" means the total salary or wages paid to you by your employer during the previous calendar year. This includes deferred compensation, tax shelter arrangements and allowances provided for you in lieu of money. For employers that provide employees a private pension plan, "earnings" has the same meaning as above and are reported by your employer to Minnesota Life.

Each local government employer is a separate employer and the State of Wisconsin is considered one employer for life insurance purposes.

If your earnings increase above the current level of coverage, your insurance coverage will increase January 1 of the following year. If your earnings decrease, your insurance coverage will not decrease unless you request a reduction of insurance in writing or unless your calendar year earnings after one full year of employment are less than the coverage amount that was based on the prior year's estimate.

#### **Basic Plan**

Except as provided above, under the Basic Plan you will have insurance equal to the earnings paid to you by your employer during the previous calendar year rounded to the next higher \$1,000.

If you are employed when you reach age 70, your premiums will be discontinued and the amount of your Basic insurance will be adjusted as shown in the Continuing Coverage Table in Section 12A. The adjustments shown in the Continuing Coverage Table do not apply to employees under age 70.

#### **Supplemental Plan**

You must have Basic coverage to be eligible for the Supplemental Plan. This plan provides life insurance coverage in addition to the Basic Plan at one times your previous year's earnings, rounded to the next higher \$1,000. If you are employed when you reach age 70, your premiums will stop and your Supplemental insurance coverage will terminate.

### **Additional Plan**

You must have Basic coverage to be eligible for the Additional Plan. This plan provides life insurance coverage in addition to the Basic Plan at up to three times your prior year's earnings. If you are employed when you reach age 70, your coverage will continue until you terminate employment, cancel coverage or stop paying premiums, whichever is earliest. The plan does not include waiver of premium or accidental death and dismemberment benefits for insureds age 70 and over.

## **5** **COST OF INSURANCE**

### **Cost To You**

Your monthly premiums are determined as of April 1 of each year if you are a state employee and as of July 1 of each year if you are a local government employee, based on your age on that date and your amount of insurance. The monthly rates for Basic, Supplemental and Additional insurance are available from your employer, ETF or Minnesota Life. Rates could change annually. You can also find current premium rates (ET-2164) on ETF's Internet site at <http://etf.wi.gov>.

Premiums are due for each month or part of a month during which your group coverage is in force. For employees under age 65, this includes the month following the month in which employment terminates. When an insured retiree turns age 65 no premiums will be deducted from the insured's annuity. If you are between age 65 and age 69 when you retire, your last premium is due for the month in which you retire.

### **Cost To Your Employer**

#### ***Basic Plan***

If you are a state employee, your employer pays an additional 65.25 percent of the employee Basic premium. If you are a local government employee whose employer has chosen to provide continued post-retirement coverage at the 50 percent-of-Basic level, your employer pays an additional 40 percent of the employee Basic rate. All other employers pay an additional 20 percent of the employee Basic rate. This provides post-retirement coverage at the 25 percent-of-Basic level. The employer's cost is authorized by the Group Insurance Board and is subject to change.

#### ***Supplemental Plan***

If you are a state employee, your employer pays an additional 37.25 percent of the employee Supplemental rate. No employer contribution is required of local government employers.

***Additional and Spouse and Dependent Plans***

No employer contribution is required. Employees pay the full cost of coverage.

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***ACCIDENTAL DEATH, DISMEMBERMENT  
AND LOSS OF USE INSURANCE***

**A. Benefits**

The amount of Accidental Death, Dismemberment, and Loss of Use (AD&D) coverage is equal to the total amount of your insurance under the Basic, Supplemental and Additional coverages. This amount of coverage is also referred to as the "Principal Sum." Payment of benefits under the Accidental Death, Dismemberment and Loss of Use coverage is in addition to any payment under the Basic, Supplemental and Additional coverages. If you suffer more than one of the losses listed below in Coverages A and B because of any one accident, payment will be made only for the loss for which the largest amount is payable, but not more than the Principal Sum. If you receive payment for a loss under this policy and later incur another loss, payment will be made for that loss regardless of any previous loss. However, under no circumstances will more than one payment be made for the loss or loss of use of the same limb(s), or part thereof, or member(s).

This coverage continues while your insurance is in force and you are:

- employed and under age 70, or
- retired and under age 65, or
- on a disability waiver of premium.

**Coverage A – Loss Of Life, Limb Or Sight**

<b>Loss</b>	<b>Benefit Payment</b>
Life	Principal sum
Two or more members	Principal sum
One member	One-half of principal sum
Thumb and index finger on same hand	One-fourth of principal sum

“Member” means hand, foot or eye. Loss of hand or foot means actual severance through or above the wrist or ankle joint. Loss of sight means the entire and irrecoverable loss of sight. Loss of thumb and index finger means actual severance through or above the metacarpophalangeal (close to the palm of the hand) joint. Above the wrist and metacarpophalangeal joints means towards the elbow; above the ankle joint means towards the knee.

Benefits for loss of life will be paid to your beneficiary. Benefits for any other loss will be paid to you.

### **Coverage B – Permanent And Total Loss Of Use**

<b>Loss</b>	<b>Benefit Payment</b>
Each hand or foot from wrist or ankle	One-fourth of principal sum
Each arm or leg from shoulder or hip.	One-half of principal sum

Permanent and total loss of use means the permanent and total loss of the ability to function because of incurable paralysis or stiffening. The requirements of your occupation or profession are not considered when determining your right to this benefit. Permanent and total loss of use of arm or leg means the permanent and total loss of use to the entire arm or leg, including loss of use of the attached hand or foot.

#### **B. Requirements**

For payment of AD&D benefits under Coverages A and B, your injury and loss must:

1. Result from a bodily injury which was unintended, unexpected and unforeseen, as shown by a visible contusion or wound on the exterior of the body (except in the case of drowning).
2. Be suffered through external, violent and accidental means.
3. Be the direct result of that injury.
4. Be independent of all other causes.
5. Occur within one year of the date of the accident.
6. Occur while your coverage is in force.

#### **C. Limitations**

In no event will the AD&D benefit be paid where the loss is caused directly or indirectly by, results from, or there is contribution from, any of the following:

1. Self-inflicted injury or self-destruction, whether sane or insane.

2. Suicide or attempted suicide, whether sane or insane.
3. Participation in or attempt to commit a crime, assault, or felony.
4. Bodily or mental infirmity, illness or disease.
5. The use of alcohol, drugs, medications, poisons, gases, fumes or other substances taken, absorbed, inhaled, ingested or injected, unless taken upon the advice of a licensed physician in the verifiable prescribed manner and dosage.
6. Motor vehicle collision or accident where the employee is the operator of the motor vehicle and the employee's blood alcohol level meets or exceeds the level at which intoxication is defined in the state where the collision or accident occurred, regardless of the outcome of any legal proceedings connected thereto.
7. Infection, other than infection occurring simultaneously with, and as a direct result of, the accidental injury.
8. Medical or surgical treatment or diagnostic procedures or any resulting complications.
9. Travel in or descent from any aircraft, except as a fare-paying passenger on a regularly scheduled commercial flight on a licensed passenger aircraft carrier, or except for an employee who is a pilot, crew member or passenger on an aircraft owned, operated or leased by a state or local government employer and being used for business of that employer.
10. War or any act of war, whether declared or undeclared.

#### **D. Notice And Proof Of Injury**

A claim form for *Accidental Dismemberment or Loss of Use of Limbs or Eyes* (ET-6302) should be requested directly from Minnesota Life.

This form or written notice of an injury on which a claim may be based, must be given to Minnesota Life within 30 days after the accident causing the loss unless it is shown not to have been reasonably possible to give such notice prior to the date it is presented. Instructions for filing a proof of loss will accompany the claim form. Minnesota Life may require a claimant to be examined at the company's expense while a claim is pending.

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### ***SPOUSE AND DEPENDENT COVERAGE***

#### **Definitions**

"Spouse" means your lawful husband or wife.

"Domestic Partner" means a person who meets the definition of domestic partner in Wis. Stats. §40.02(21d) with an employee insured under this life insurance program and for whom the employee has submitted an *Affidavit for Domestic Partnership* form (ET-2371) with the Department of Employee Trust Funds.

“Dependent” means your unmarried children (including legally adopted children, children in adoptive placement under Wis. Stats. §48.837(1), stepchildren, children of your domestic partner and legal wards) who are dependent upon you for at least 50 percent of their support and maintenance, and who are:

1. More than 14 days of age, but not older than the last day of the calendar year the dependent turns age 19 (or 25 if a full time student); or
2. Between the ages of 19 and 25 if a full-time student; or
3. Age 19 or older and incapable of self-support due to a physical or mental disability which is expected to be of long-continued or indefinite duration.

Any person who was previously insured as a dependent under (1) through (3) above, who subsequently ceased to be a dependent, and who later again qualifies may again become insured as a dependent.

### **Eligibility**

You must have the Basic Plan or file an application for Basic coverage at the same time you apply for the Spouse and Dependent coverage. Also, you must be an eligible employee under age 70 and your employer must offer this plan as part of its benefits program.

### **Enrollment**

Your open enrollment opportunity for Spouse and Dependent coverage occurs when you are initially eligible to enroll for coverage on yourself, if you have a spouse/domestic partner, or dependent child to insure at that time. If you have no spouse/domestic partner, or dependent child to insure when you are first eligible, you may later obtain the Spouse and Dependent coverage by filing an application within 30 days of the date you marry, the effective date of an *Affidavit for Domestic Partnership* form (ET-2371), or the date you have a dependent child, whichever is earliest. Remarriage or a new domestic partnership does not provide you an open enrollment opportunity if you already have a dependent child whom you did not insure when **first eligible**. Similarly, the birth or adoption of a new dependent child does not provide you an open enrollment opportunity if you already have a spouse/domestic partner, or dependent child whom you did not insure when **first eligible**. If you are enrolled for this coverage, you do not need to file a new application when you marry, file an *Affidavit for Domestic Partnership* form (ET-2371) with ETF, or add a new dependent child to your family; coverage for these individuals is automatic.

### **Evidence of Insurability for Spouse and Dependent**

Evidence of insurability is required if you enroll after your open enrollment period ends or if you wish to increase coverage from 1 Unit to 2 Units.

If you cancel your coverage because you no longer have an eligible spouse/domestic partner or dependent, you may re-enroll without evidence of insurability within 30 days of the date you remarry, the effective date of an *Affidavit for Domestic Partnership* form (ET-2371), the date you gain a dependent, or your previously insured dependents return to dependent status, whichever is earliest.

#### **Amount of Coverage**

If you meet eligibility requirements, you may apply for one or two units of Spouse and Dependent term life insurance. You may not elect more than two units of coverage even if you are employed by more than one participating employer. However, you and your spouse (or domestic partner) may both elect Spouse and Dependent coverage if both employers offer it. There is no Accidental Death, Dismemberment or Loss of Use coverage in the Spouse and Dependent Plan. The amounts of coverage under each unit may be subject to changes made by the Group Insurance Board.

1 Unit	Spouse	\$10,000
	Each Dependent Child	5,000
2 Units	Spouse	\$20,000
	Each Dependent Child	10,000

#### **Cost of insurance**

The monthly cost for **each unit** of Spouse and Dependent life insurance is a set dollar amount. The cost is the same for each unit of coverage regardless of the age or number of family members you have to insure. If you take two units of coverage your cost would be double. Contact ETF, your employer, or Minnesota Life for current premium information. You can also find current premium information on the *Life Insurance Rates* form (ET-2164) on ETF's Internet site at <http://etf.wi.gov>.

#### **Coverage During Disability**

If you become disabled as explained in Section 9, "Continuation of Insurance," you can continue Spouse and Dependent life insurance coverage until age 65 without premium payments, as long as your disability continues and you continue to be covered under the Basic Plan.

#### **Coverage During An Approved Leave Of Absence, Layoff, Or While Appealing A Discharge**

Spouse and Dependent coverage may be continued during any approved leave of absence or layoff, or while employee is appealing a dismissal, subject to the conditions specified in Section 9, "Continuation of Insurance."

### **Conversion To An Individual Policy**

When coverage on your insured spouse/domestic partner or dependent child terminates, he or she may convert to an individual policy. The application for conversion and first premium payment must be received by Minnesota Life within 31 days after the insured is no longer eligible for coverage under the group policy. Failure to obtain an application for conversion does not extend the conversion period. In the event of your death, your spouse and dependent(s) will have 90 days from the date of your death to convert. Spouse and Dependent coverage must have been in effect for the entire six-month period preceding termination of coverage. You may obtain the conversion application (ET-2306) from your employer, ETF, Minnesota Life, or ETF's Internet site at <http://etf.wi.gov>. Completed applications for conversion should be sent to Minnesota Life.

### **Termination Of Coverage**

Spouse and Dependent insurance will terminate at the earliest of:

- a. The date you (the employee) attain age 70, if employed.
- b. The end of the calendar month **following the month** in which you terminate employment or retire. (Insureds covered by waiver of premium are considered retired at age 65).
- c. Ninety days after the date of your death.
- d. For your spouse – date of a divorce.
- e. For your domestic partner – the date your domestic partnership terminates in accordance with Chapter 40. (ETF determines the date of termination of the domestic partnership.)
- f. For your children – the end of the year they no longer meet the definition of dependent child or the end of the month in which they are married, whichever is earlier.

### **Cancellation Of Coverage**

You should cancel your Spouse and Dependent coverage as soon as you no longer have a spouse or eligible dependent to insure by filing a *Life Insurance Application/Cancellation/Refusal* form (ET-2304) with your employer. If you delay filing a cancellation, a refund of your premiums is limited to the current year and the immediately preceding calendar year.

### **Beneficiary**

You (the employee) are the beneficiary in the event of the death of your spouse/domestic partner or dependent. In the case of simultaneous deaths of you and your spouse/domestic partner or dependent child, payment will be made to your estate.

### **Payment Of Benefits At Death**

Upon the death of an insured spouse/domestic partner or dependent, contact your employer's payroll and benefits office to report the death. They will assist you in completing the proper form for payment of the benefit and will submit it to ETF.

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### ***BENEFITS PAYABLE DURING YOUR LIFETIME***

#### **Living Benefits**

If you are an insured person, employee, annuitant, spouse/domestic partner, or dependent, you may apply to receive all or part of the value of your life insurance coverage while still living, provided you are diagnosed with a terminal condition caused by illness or injury and have a life expectancy of 12 months or less.

The benefit amount must be equal to an amount provided under a plan of insurance or a multiple of plans. You may request a Living Benefit more than once, provided you have not exhausted all your coverage. In no event are you allowed to claim more benefits than the amount for which you are insured. Any value remaining at death will be paid to your beneficiary(ies), or to you if the coverage is the Spouse and Dependent Plan. **Living Benefits may be taxable to the recipient as regular income in the year of payment.**

Payment will be made to the insured person. If the insured person is a child under age 18 or is deemed incompetent, a legal guardian must sign the application.

For more information about Living Benefits, contact ETF for a *Living Benefits* brochure (ET-2327) and an *Application for Living Benefits* (ET-2322). Information can also be found on ETF's Internet site at <http://etf.wi.gov>. Medical evidence will be requested after you file the application.

#### **Conversion To Pay Health or Long-Term Care Insurance Premiums**

If you have health or long-term care insurance through ETF and your life insurance has been reduced to its final amount, you may elect to use the present value of your life insurance to pay premiums for your health or long-term care insurance. **Note:** Long term care coverage through ETF is available to State employees only. To be eligible, you must be at your final insurance reduction age as shown in the Continuing Coverage table in Section 12A. If you are a state employee you must also exhaust your accumulated sick leave before converting your life insurance to pay for health insurance premiums through the conversion program.

In exchange for payment of health or long-term care insurance premiums, you give up the death benefit that would otherwise be payable to your beneficiaries. You also give up the difference between the face value and present value of your life insurance coverage. The election is permanent and cannot be withdrawn.

Contact ETF to receive a brochure (ET-2325) about the program. You may also obtain one on ETF's Internet site at <http://etf.wi.gov>. If you are eligible for conversion now, or will be eligible within the next 12 months, you may request an application (ET-2324). You will receive an estimate of the amount available to you under the conversion program along with your application form.

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### ***CONTINUATION OF INSURANCE DURING ABSENCES FROM WORK***

#### **A. During An Approved Leave of Absence**

You may continue coverage during any approved leave of absence (including military leave) for up to 36 months. Coverage during a union service leave may be extended beyond 36 months. To continue coverage, you must contact your employer and make arrangements to pay your premiums directly to your employer during your leave. Those payments must be received by your employer within 31 days of the last date for which premiums have been paid. **Initial or increased coverage will not be available during unpaid leaves.** Your premiums may increase due to changes in your age or in premium rates while you are on leave.

#### **B. During Disability**

You may file a *Request For Disability Premium Waiver* (ET-5306) to continue your life insurance if you become totally disabled while your insurance is in force, you are under age 70, and you are employed or on an approved leave of absence. A claim must be submitted within 36 months of the onset of the disability. The disability must result from injury or disease and prevent you from performing **any** work or engaging in **any** occupation for remuneration or profit, and you are likely to remain totally disabled for an indefinite time. You are ineligible for a waiver of premium if employment was terminated for reasons other than disability.

Contact your employer for more information about submitting a *Request For Disability Premium Waiver* form (ET-5306). You must provide medical evidence showing the date of diagnosis or onset of the disability. Minnesota Life will send medical forms to be completed by you and your attending physician. Minnesota Life will review your claim and notify you of their decision.

**Do not stop paying premiums until you are notified that premiums are being waived during your disability.**

If your waiver of premium is approved and you are no longer receiving earnings from your employer, the insurance coverage you have as an employee, including Spouse and Dependent coverage, will remain in effect without any premiums being required. As long as you remain disabled, and provide proof of continuing disability, the waiver will continue until you reach retirement age.

For most people, retirement age for premium waiver purposes is assumed to be age 65. However, if you are employed after age 65, your retirement age is assumed to be the date you terminate employment or your 70th birthday, whichever is earlier. If you are still disabled when you reach your retirement age, your coverage will automatically continue at a reduced amount for your lifetime as shown in the Continuing Coverage Table in Section 12A.

You will be required to submit proof of your disability periodically. If you are receiving a disability annuity from the Wisconsin Retirement System under Wis. Stats. §40.63, or a long-term disability benefit under s. ETF 50.50, Wisconsin Admin. Code, ETF is responsible for requesting proof of disability and for terminating the benefit if the disability has ceased. Your premium waiver may cease if your disability benefit through ETF is terminated. If you return to work for a participating employer after a 30 day break in service and while you are receiving a disability waiver of premium benefit, you may not enroll for coverage as a new employee until your disability waiver of premium benefit ends. Upon termination of the disability waiver premium benefit, you will have 30 days to enroll for coverage without evidence of insurability if you are again employed by a participating employer.

If you are not receiving one of the benefits listed above, Minnesota Life will send you the proper medical forms to recertify your disability. If your proof of disability is accepted by the insurer, your premium waiver will remain in effect. If you refuse to be examined or do not furnish proof of continued disability when requested by the insurer, your premium waiver under this group plan will cease immediately.

If your premium waiver is terminated before your retirement age because you recovered or failed to provide necessary medical evidence, you will be eligible for continuation of coverage as explained below. You can continue your coverage by:

1. Returning to work for a participating employer. A new application is required if your coverage lapsed or you terminated employment during your disability. Otherwise, you need only resume premium payments, beginning with the month after the month in which your premium waiver was terminated.

2. Remaining on an approved leave of absence from your employer and resuming your premium payments. Leaves of absence are limited to 36 months. See Section 9A for information on prepayment of premiums.

If you qualify to continue your insurance as listed above, you may later qualify for continuation of group coverage after termination of employment. The requirements for continuation are explained in Section 12A. If you are under age 65, you must apply for continuation and pay the required premiums. No application or premiums are required if you are age 65 or older; however, your coverage will be reduced as shown in the Continuing Coverage Table in Section 12A.

If you are not eligible to continue group coverage, you may apply for conversion to an individual policy within 31 days after your premium waiver ceases. See Section 12B.

### **C. While Appealing a Dismissal**

You may continue your coverage after being involuntarily discharged from your employment if you:

1. Exercise a right of appeal of your removal or discharge within 30 days after it occurs; and
2. Pay premiums to your employer during the appeal process. The first premium payment must be made within 31 days of the date of the removal or discharge, and must include both the employee's and the employer's share of the premium for a three-month period. You must continue to pay both parts of the premium in quarterly payments, which are due within 31 days of the last date for which premiums have been paid.

If your appeal is successful, your employer will refund the payments you made for the employer's share of the premium. If the appeal determination is adverse to you, coverage will terminate on the last day of the month in which the determination becomes final. Any premiums you paid for coverage after that date will be refunded to you.

## 10 **CANCELLATION**

You may cancel your coverage at any time by submitting a *Life Insurance Application/Cancellation/Refusal* form (ET-2304) to your employer. Coverage will cease at the end of the month **following the month** in which your employer receives your application to cancel. You may cancel one plan and keep the others, but if you cancel your Basic coverage, all other coverages are automatically canceled.

Annuitants who wish to cancel coverage should contact ETF to obtain a *Life Insurance Application/Cancellation/Refusal* form (ET-2304). The form is also available on ETF's Internet site at <http://etf.wi.gov>.

## 11 **TERMINATION OF YOUR INSURANCE**

Your insurance will terminate on the earliest of the following dates:

1. The last day of the calendar month following the month in which you terminate employment with the state or a participating employer if this occurs before you become entitled to insurance as provided in Section 9B or before you qualify for continuation of insurance as a retired employee as provided in Section 12A.
2. Thirty days after the date of expiration of an authorized leave of absence for the period permitted in Section 9A of this booklet.
3. The last day of the calendar month **following the month** in which you file a cancellation of insurance with your employer, or with ETF if you are an annuitant.
4. The date to which your premiums are paid if you fail to pay the required premiums within 30 days of such date while you are on unpaid leave or while your coverage has continued as provided in Section 12.
5. The date to which premiums are paid for continuing coverage provided in Section 12 after you have again become employed by a participating employer and enroll for coverage as an eligible employee.
6. Your 70<sup>th</sup> birthday for Supplemental insurance
7. The effective date of termination of the group policy by your employer.

Insurance coverage shall be considered lapsed if you fail to make the required premium payments during a 60-day period which begins on the day following the last day for which premiums were paid.

# 12

## ***MAINTAINING COVERAGE AFTER YOU TERMINATE EMPLOYMENT***

### **A. Continuation Of Group Coverage**

You may continue your group life insurance after terminating employment, provided you meet the following requirements:

1. Your WRS coverage began before January 1, 1990, or you have been covered by the group life insurance plan in five calendar years beginning January 1, 1990; and
2. You qualify under one of the following situations:
  - a. You are receiving an immediate WRS annuity or meet all of the requirements for receiving an immediate WRS annuity except the filing of an application; or
  - b. The sum of the years of your creditable service in the WRS on January 1, 1990 plus your years of group life insurance coverage after 1989 equals 20 years; or
  - c. You have 20 years of service on payroll with your last employer.

If you begin a WRS annuity within 31 days after your coverage terminates, your insurance will be continued for you automatically. Premiums will be deducted from your annuity or billed directly to you by Minnesota Life. If you do not begin an annuity, you must file a *Continuation Application* (ET-2154) with ETF within 31 days of the date coverage terminates.

If you participate in your employer's private pension plan, you may continue your group insurance after terminating employment provided you have 20 years of service on payroll with your last employer.

### ***If You Terminate Before Age 65***

The amount of your insurance will be the same as prior to termination or retirement. Premiums are calculated in the same manner as before and will automatically be deducted from your retirement annuity check, or you will be billed directly by Minnesota Life.

The Basic insurance will continue after age 65 without cost to you, subject to the Continuing Coverage Table below. However, the Accidental Death, Dismemberment and Loss of Use coverage as well as any Supplemental and Additional insurance coverage will terminate at age 65.

### ***If You Terminate At Age 65 Or Later***

Your Basic insurance coverage will continue in a reduced amount for life, without cost to you, if you retire at age 65 or later.

The amount of Basic insurance is shown on the Continuing Coverage table below. Your Supplemental, and Spouse & Dependent coverages will terminate at the end of the month in which you retire, or attain age 70, whichever is earlier. Your Additional insurance will

terminate when you terminate employment, cancel coverage, or stop paying premiums, whichever is earliest.

### Continuing Coverage Table

Age	Percent of Basic Coverage Continuing
Before age 65	100%
While age 65	75%
While age 66	50%
While age 67 and after	25%*

\* Applies only to employees of local government employers. Local government employers may, however, elect a continuation of 50 percent of the Basic coverage if they agree to make the increased employer contributions. State employee coverage continues at the 50 percent rate from age 66 and after.

#### B. Conversion To An Individual Policy

If your insurance is terminated under (1) or (2) of Section 11, "Termination Of Your Insurance," and you are not eligible to continue group coverage, you may apply for an individual policy with Minnesota Life. However, you must have been insured for the entire six months preceding termination of coverage. You are not eligible for conversion if you terminate employment at age 65 or later. Your Supplemental, and Spouse & Dependent coverages terminate immediately upon retirement or age 70, if earlier. Your Additional insurance will terminate when you terminate employment, cancel coverage, or stop paying premiums, whichever is earliest.

No evidence of insurability is required if the following terms are met:

1. You apply for individual coverage that is less than or equal to the amount of group insurance coverage you had.
2. You apply for the individual policy on a form provided by Minnesota Life and pay the first premium within 31 days after your group insurance coverage terminates.

Insurance under the individual policy shall become effective at the end of the 31-day period during which application for the individual insurance may be made, provided the above terms are met. If you die during that 31-day period, the insurer will pay your beneficiary the maximum amount of insurance for which the individual policy could have been issued, regardless of whether or not you actually applied for conversion or paid the first premium.

The individual policy is a type currently issued by Minnesota Life but cannot be term insurance. This policy will not include a Waiver of Premium or Accidental Death and Dismemberment benefit. Application forms for this conversion (ET-2306) may be obtained from your employer, ETF, or Minnesota Life. Failure to obtain an application for conversion does not extend the conversion period.

## **13**

### ***BENEFICIARY***

Beneficiaries shall be determined in accordance with Wisconsin Statutes §40.02(8) and §40.74. You may designate a beneficiary or change your beneficiary at any time by completing a form provided by ETF. Separate *Beneficiary Designation* forms (ET-2320) may be filed for WRS retirement and life insurance benefits. Benefits will be paid according to the last *Beneficiary Designation* on file with ETF at the time of your death. It is important to keep a copy of your *Beneficiary Designation* form and review it periodically. It is your responsibility to maintain a current and accurate *Beneficiary Designation* on file with ETF. If you do not designate a beneficiary or if the designated beneficiaries are not living at the time of your death, the sequence of beneficiaries will be as follows:

1. Surviving spouse or surviving domestic partner.
2. Children of the deceased participant, employee, or annuitant, in equal shares, with the share of any deceased child payable to the issue of the child or, if there is no surviving issue of a deceased child, to the other eligible children in this group or, if deceased, their issue.
3. Parent, in equal shares if both survive.
4. Brother and sister in equal shares, and the issue of any deceased brother or sister. No payment may be made to a person included in any group if there is a living person in a preceding group.
5. Estate.

Contact ETF to obtain a *Beneficiary Designation* form (ET-2320). A *Beneficiary Designation* form can also be found on ETF's Internet site, at <http://etf.wi.gov>.

See Section 7 for beneficiary information for Spouse and Dependent coverage.

## 14

### *PAYMENT OF THE BENEFIT AT DEATH*

Notify ETF at the time of an insured member's death. ETF will certify the coverage amount and determine the valid beneficiaries. That information will be forwarded to Minnesota Life so that the appropriate claim forms can be sent. Minnesota Life will request a certified copy of an official death certificate. Benefits will be paid as shown under Section 13.

## 15

### *HOW YOUR PREMIUMS/BENEFITS ARE TAXED*

#### **Premiums**

Under section 79 of the Internal Revenue Code, if the total value of your group life insurance provided through your employer(s) exceeds \$50,000, you may be liable for income tax on "imputed income." The imputed income should be reported by your employer on your W-2 and is equal to:

the total "uniform premium" set by the IRS for all group term life insurance in excess of \$50,000, which is provided through your employer(s),

*minus*

the total premiums for all group life insurance coverage that you paid with after-tax dollars (i.e., not through a tax-sheltered or cafeteria plan).

Annuitants who are permanently disabled are exempt from this rule. Other former employees are not exempt unless:

1. Employment was terminated on or before January 1, 1984; or
2. The employee was employed at any time during 1983 and had reached age 55 on or before January 1, 1984; or
3. A charitable organization is designated as the beneficiary.

#### **Benefits**

Death benefits paid by your life insurance are not taxable by the State of Wisconsin. For federal tax purposes, you should consult with a tax advisor.

Life insurance proceeds that you receive as a result of the death of your spouse or dependent are not taxable to you and are not included in the deceased person's estate.

# 16

## FREQUENTLY ASKED QUESTIONS ABOUT YOUR GROUP LIFE INSURANCE

### *How much coverage is available?*

**State employees** may choose insurance coverage on their own lives at up to 5 times their prior year earnings. The Basic and Supplemental insurance plans each provide coverage equal to 1 times earnings rounded to the next higher \$1,000. The additional plan provides coverage up to 3 times earnings.

- The Basic Plan = 1 times earnings.
- The Supplemental Plan = 1 times earnings.
- The Additional Plan = 1, 2, or 3 times earnings.

For **local government employees**, the insurance coverage available depends on which plans (Basic, Supplemental, Additional, Spouse and Dependent) the employer offers.

**All employees** (both state and local government) must elect Basic coverage in order to elect Supplemental, Additional, or Spouse and Dependent coverage. Coverage on the life of the employee includes an Accidental Death, Dismemberment and Loss of Use benefit.

Employees may also enroll for 1 or 2 units of coverage for their spouse and dependents. Each unit of Spouse and Dependent coverage provides \$10,000 of coverage for a spouse and \$5,000 for each dependent child.

### *How are earnings determined?*

Earnings are your wages and salary paid to you by your employer who participates in this life insurance program as provided in Wis. Stats. §40.02(22).

### *What are the requirements for coverage to be in effect?*

There are two requirements for coverage to be in effect: 1) a valid application must be on file with the Department of Employee Trust Funds; and 2) premiums must be paid when due.

### *What coverage do I have?*

If you are an eligible insured employee, your employer can tell you what coverage you have. You are responsible for checking your pay stubs and statements of fringe benefits to be sure that appropriate

premiums are being deducted, because coverage lapses after 60 days if premiums are not paid. Inactive or retired employees may contact the Department of Employee Trust Funds (ETF) with questions regarding coverage or premiums.

*How can I add more coverage?*

If you did not enroll for all available coverage when you were first eligible, you can apply for any of the remaining coverage offered by your employer by submitting an evidence of insurability form. You must be an eligible employee in order to apply for insurance and for insurance to take effect. You may enroll for one level of coverage or increase your coverage by one level (subject to the plans that are made available by your employer) if you have a qualifying family status change due to marriage, establishment of a domestic partnership as defined in Wis. Stats. §40.02(21d), or the birth, adoption, placement for adoption, or award of legal guardianship of a dependent child.

*Does the policy build cash value?*

This is term insurance that does not accumulate cash value. Persons with terminal medical conditions may qualify for Living Benefits. Retired employees who have an ETF-sponsored health insurance plan may convert the value of their life insurance coverage to pay premiums for health insurance. Retired state employees may also convert the value of their life insurance coverage to pay for ETF-sponsored long-term care insurance. See Section 8.

*What if I take a leave of absence  
without pay from my job?*

You may continue your coverage during an approved leave of absence by paying premiums to your employer in advance. Otherwise, coverage will terminate, and you will only be eligible to reapply for coverage if and when you return to work.

*What if I become disabled?*

If you go on unpaid medical leave or terminate employment due to a disability which is total and permanent or of unknown duration, you may file a claim to continue your coverage without making premium payments. Contact your employer to obtain more information about submitting a *Request for Disability Premium Waiver* form (ET-5306).

*Can I keep this insurance if  
I change jobs or retire?*

If you move to a different participating Wisconsin public employer, you will be eligible to enroll for coverage at your new job. If you meet certain service requirements, you may keep your group coverage after you retire or terminate employment. For purposes of this life insurance program, termination of employment means the same as prescribed under ETF 10.08 (2) and (3). Most coverage terminates when you reach age 65 (or age 70 if you are still working), but a reduced amount of Basic coverage will continue for your lifetime if you meet the service requirements.

Even if you do not meet the requirements to continue group coverage, you will be eligible to convert your coverage to an individual policy with the insurer, Minnesota Life, if you are insured for the six full months before group coverage ends. Coverage for your spouse/domestic partner or dependent child can also be converted.

*What is an example of the insurance coverage?*

Previous calendar year earnings = \$24,378

	<b>Coverage</b>	<b>Coverage Doubles In Case of Accidental Death</b>
Basic Plan coverage for the current year	\$25,000	\$50,000
Supplemental Plan	\$25,000	\$50,000
Additional Plan - Unit 1	\$25,000	\$50,000
Additional Plan - Unit 2	\$25,000	\$50,000
Additional Plan - Unit 3	\$25,000	\$50,000
<b>TOTAL COVERAGE</b>	<b>\$125,000</b>	<b>\$250,000</b>

*How is the insurance premium calculated?*

Premiums for coverage are set annually by the Group Insurance Board and are based on your age. Contact ETF, your employer or Minnesota Life for current premium rates. Rates (ET-2164) may also be found on ETF's Internet site at <http://etf.wi.gov>.

Note:

- The cost of Spouse and Dependent coverage is a dollar amount for each unit of coverage, regardless of the age or number of family members you have to insure.
- Your employer contributes premium for the Basic Plan, and in some cases, the Supplemental Plan.
- No premiums are required for retired employees over age 65.

**Example:** A state employee is age 36 and earned \$24,378 last year. She is enrolled for Basic, Supplemental and 3 units of Additional coverage, plus two units of Spouse and Dependent coverage. Her coverage is \$25,000 x 5 = \$125,000.

***Her monthly premium is:***

Basic	25	x	\$0.04 *	=	\$ 1.00
Supplemental	25	x	0.04	=	1.00
Additional – Unit 1	25	x	0.06	=	1.50
Additional – Unit 2	25	x	0.06	=	1.50
Additional – Unit 3	25	x	0.06	=	1.50
Spouse and Dependent					<u>5.00</u>
Total Employee Premium					\$11.50

***Her employer pays:***

Basic	65.25%**x	\$1.00	=	\$ 0.65
Supplemental	37.25%	x 1.00	=	<u>0.37</u>
Total Employer Premium				\$1.02

\* Premium rates used in the example are for illustrative purposes only and may not be actual.

\*\* The percentage of the employer contribution used in the example is for illustrative purposes only and may not be actual. See section 2 for more information about the employer's cost.

*When will the policy pay benefits?*

Death benefits for the Basic, Supplemental and Additional coverages are payable to your beneficiary upon your death if coverage is in force on the date of death.

Death benefits from Spouse/Domestic Partner and Dependent coverage are payable to you upon the death of your spouse/domestic partner, or dependent.

Accidental Death, Dismemberment and Loss of Use benefits are payable upon death or covered accidental injury, provided the coverage is in force on the date of death or accident. Some exclusions may apply. See Section 6.

See Section 8 for benefits payable during your lifetime.

# Contact the Department of Employee Trust Funds

## Internet Site

[etf.wi.gov](http://etf.wi.gov)

Find Wisconsin Retirement System and related benefit program information, as well as several ways to contact ETF by e-mail. Look for the  red envelope at [etf.wi.gov](http://etf.wi.gov) to sign up for free ETF E-mail Updates.

## Self-Service Lines

1-877-383-1888 (toll free)

(608) 266-2323 (local Madison)

Request forms or brochures through the ETF self-service lines, available 24 hours a day, seven days a week. Annuitants may also call to change address information or tax withholding elections.

## Main Telephone Lines

1-877-533-5020 (toll free)

(608) 266-3285 (local Madison)

Employees and employers can speak on the telephone with an ETF benefit specialist from 7 a.m. to 5 p.m. Monday through Friday (except holidays).

Wisconsin Relay Service (for hearing and speech impaired) 7-1-1 or

1-800-947-3529 (English)

1-800-833-7813 (Spanish)

## Telephone Message Center

1-800-991-5540 (toll free)

(608) 264-6633 (local Madison)

Hear detailed messages covering a variety of WRS topics. Please note that these are all recorded messages. You can speak with an ETF benefit specialist by calling the local or toll-free main telephone line.

## Mailing Address

P. O. Box 7931  
Madison, WI 53707-7931

## Street Address

801 West Badger Road  
Madison, WI 53713

## Appointments

Schedule an appointment by calling:

1-877-533-5020 (toll free)

(608) 266-3285 (local Madison)

For appointments in your district, visit  
[http://etf.wi.gov/members/presentation\\_map.html](http://etf.wi.gov/members/presentation_map.html).



**Wisconsin Department  
of Employee Trust Funds**

**CONTACTING MINNESOTA LIFE**

**WRITE TO:**

Minnesota Life  
P.O. Box 259708  
Madison, WI 53725-9708

**VISIT:**

2920 Marketplace Dr., Suite 201  
Fitchburg, WI 53719-5306

**CALL:**

608-277-8690 (locally)  
866-295-8690 (toll-free)

**FAX:**

608-277-8665

**OFFICE HOURS:**

7:30 a.m. - 4:00 p.m., Mon. - Fri.  
(except holidays)

*Every effort has been made to assure that the information in this booklet is accurate. In the event of conflicting information, state or federal statutes, state insurance contracts, and/or the policies and provisions established by the State of Wisconsin Group Insurance Board shall be followed.*



