

**Department of Employee Trust Funds
State Agency Health Insurance Administration Manual**

Chapter 3 — Eligibility

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301 Employee, Annuitant and Continuant Eligibility

For group health insurance purposes (per Wis. Stat. § 40.02 (25) (b)), eligible employees include:

- General state employees: Active state and university employees participating in the Wisconsin Retirement System.
- Elected state officials.
- Members or employees of the legislature.
- Any blind employee of the Beyond Vision (aka WISCRAFT) authorized under Wis. Stat. § 47.03 (1) (b) or § 47.03 (1m) who has completed 1,000 hours of service.
- Any employee on leave of absence who has chosen to continue their insurance.
- Any employee on layoff whose health insurance premiums are being paid from accumulated unused sick leave (Wis. Stat. § 40.05 (4) (bm)).
- The following in the University of Wisconsin System and University of Wisconsin Hospital and Clinics Authority:
 - Any teacher (employment category 40) who is employed by the university for an expected duration of not fewer than six months on at least a one-third full-time appointment.
 - Any teacher who is a participating employee and who is employed by the University of Wisconsin System for an expected duration of not fewer than six months on at least a one-third full-time appointment.
 - Certain visiting faculty members in the University of Wisconsin System.
 - Graduate student assistants (research assistants, fellows, advanced opportunity fellows, scholars, trainees, teaching assistants and project/program assistants) holding a combined one-third (33%) or greater appointment of at least one semester per academic year (nine month) appointments or six months for annual (twelve month) appointments.
 - Employees-in-training (research associates, post-doctoral fellows, post-doctoral trainees, post-graduate trainees 1 through 7, interns (non-physician), research interns, and graduate interns/trainees) holding a combined one-third time (33%) or greater appointment of at least one semester for academic year (nine month) or six months for annual (twelve month) appointments.
 - Short-term academic staff who are employed in positions not covered under the WRS and who are holding a fixed-term terminal, acting/provisional or interim (non

UW-Madison) appointment of 28% or more with an expected duration of at least one semester but less than one academic year if on an academic year (nine month) appointment or have an appointment of 21% or more with an expected duration of at least six months but fewer than twelve months if on an annual (twelve month) appointment.

- Visiting appointees (e.g., visiting professors, visiting scientists, visiting lecturers) may be eligible for the health insurance benefits.
- Any person employed as a graduate assistant and other employees-in-training as designated by the board of directors of the University of Wisconsin Hospitals and Clinics Authority who are employed on at least a one-third full-time appointment with an expected duration of employment of at least six months.
- Annuitants and Continuants (Former Employees/Dependents)
 - Any insured employee who is retired on an immediate annuity or disability annuity, or who receives a lump sum payment under WRS which would have been an immediate annuity if paid as an annuity under Wis. Stat. § 40.25 (1).
 - The surviving spouse or domestic partner of an employee or of a retired employee who is covered on the employee's health insurance at the time of death of the employee or retired employee.
 - Insured employees who terminate employment, have attained minimum retirement age (50 for protective services or 55 for all other categories), have 20 years of WRS creditable service and defer their annuity are eligible to continue in the State of Wisconsin Group Health Insurance Program if a timely application is submitted.
 - Any participating state employee who terminates employment after attaining 20 years of WRS creditable service, remains an inactive WRS participant and is ineligible for an immediate annuity (that is, under the minimum retirement age) may enroll in the Group Health Insurance Program at a later date. Enrollment is restricted to the It's Your Choice Open Enrollment period in the fall (typically beginning in October) for coverage effective the following January 1, unless there is a HIPAA qualifying event (refer to subchapter 503 for qualifying events).
 - Any rehired annuitant electing to return to active WRS participation is immediately eligible to apply for health insurance coverage through the employer (any state agency or local employer that participates in the Wisconsin Public Employers Group Health Insurance Program).

302 Dependent Coverage Eligibility

Single coverage covers only the eligible employee. All eligible, listed dependents are covered under a family contract. A subscriber/employee cannot choose to exclude any eligible dependent from family coverage. Eligible dependents for family coverage include:

- Spouse (must be legally recognized in the State of Wisconsin).
- Domestic Partner, if elected.
- Children who include:
 - Natural children.
 - Stepchildren or children of the domestic partner's insured on the contract/policy.
 - Adopted children and pre-adoption placements. Coverage will be effective on the date that a court makes a final order granting adoption by the subscriber or covered domestic

partner) or on the date the child is placed in the custody of the subscriber, whichever occurs first. These dates are defined by Wis. Stat. § 632.896. If the adoption of a child is not finalized, the insurer may terminate coverage of the child when the adoptive placement ends.

- Legal wards that become the subscriber's permanent ward before age 19. Coverage will be effective on the date that a court awards permanent guardianship to either the subscriber/employee or spouse/domestic partner.
- Grandchild if the parent is a dependent child and under the age of 18. The grandchild ceases to be a dependent at the end of the month in which the dependent child (parent) turns 18.

Note: Children may be covered until the end of the month in which they attain age 26. Their spouse and/or dependents are not eligible. Upon the child's loss of eligibility, the child may be eligible for COBRA Continuation.

Note: Pertaining to divorce - if a court orders the subscriber/employee to insure an ex-spouse, the order does not create eligibility for the ex-spouse to remain insured under the subscriber/employee. Ex-spouse eligibility is under COBRA Continuation (refer to Chapter 9). Contact ETF for review of individual situations.

303 Employer Premium Contribution Eligibility

Employees eligible to receive the employer contribution toward the monthly premium payment include:

- A WRS covered employee, having been employed by the state of Wisconsin (local government service does not apply) for a minimum of two months (refer to subchapter 303 to determine prior service). A leave of absence may extend the date an employee becomes eligible for the employer premium contribution. The employee must submit an application to his or her employer within 30 days of the date of hire. Coverage will be effective the first of the month following date of hire (unless hire date is the first of the month, then coverage is effective the first of the month).
- A new employee with at least two months prior service as a state or University of Wisconsin Employee. (except university faculty; see below).
 - A new employee can apply for coverage by submitting a completed application to their employer within 30 days of their date of hire requesting coverage to be effective immediately, first of the month on or after receipt of their application by their employer. If the new employee does not have two months prior state service, the employee will not be eligible for the employer premium contribution and must pay the entire premium.
 - A new employee may also elect coverage to begin when the employer contributes towards the monthly premium. The employee must submit a completed application to their employer prior to becoming eligible for the employer premium contribution. The new employee always becomes eligible for the employer contribution on the first of a month.
 - An employee who is newly eligible for the employer contribution—due to a position change to more than 49%—is eligible for the employer contribution the first of the month following the change. However, the application **must** be received within 30 days of the position change.

- A graduate assistant or employee-in-training at the University of Wisconsin.
- A teacher who is a WRS participating employee and employed by the University of Wisconsin for an expected duration of not fewer than six months with at least a one-third full-time appointment (UW faculty). UW faculty members are immediately eligible for the employer premium contribution and must apply for coverage within 30 days of hire with coverage to be effective the first of the month on or after the employer's receipt of the completed application.
- A member of the Legislature or an elected state official, an employee of the Legislature, a state constitutional officer, a Supreme Court Justice, an Appeals Court Judge, a Circuit Court Judge, the chief clerk or sergeant at arms of the Senate or Assembly, or a district attorney who did not elect under § 978.12 (6) to continue insurance coverage with a county (or who did elect such coverage but terminated that election and elected state coverage within three months of the terminated election). These employees are immediately eligible for the employer premium contribution and must apply for coverage within 30 days of taking office or the event.
- A blind employee of Beyond Vision (aka WISCRAFT) with at least 1,000 hours of service.

A. Employer premium contribution for full- and part-time employees:

The Group Insurance Board, in accordance with Wis. Stat. § 40.51 (6), established the three tier model with employee premium shares based on the three separate premium tiers (The three tier model is explained in Chapter 2.). Wis. Stat. § 40.05 (4) (ag) and (at) provide guidance regarding the state premium contribution. Compensation plans and bargaining agreements, approved by the state Legislature, determine the exact employee and employer share. The employer premium contribution for part-time eligible employees is also subject to compensation plans.

For employees that are hired to work fewer than 1,044 hours per year, the employer premium contribution is limited to half of the total premium (§ 40.05 (4) (ag), Wis. Stat.).

Health insurance plan premiums and employee contributions are published annually in the *It's Your Choice Decision Guide*.

B. Employer premium contribution for limited term employees (LTEs):

Health insurance eligibility is based on WRS eligibility. Refer to Chapter 3 of the *WRS Administration Manual* (ET-1127) for information regarding WRS eligibility for LTEs.

Once LTEs begin participation under the WRS, they are immediately eligible to enroll in the Group Health Insurance Program but must pay the entire premium, or they may defer enrollment until the employer contributes toward the premium. An LTE must have six months of state service to be eligible to receive the employer contribution towards premiums. A completed application must be received by the employer prior to becoming eligible for the employer contribution.

Employees hired to a WRS eligible LTE appointment and the anticipated hours per year are fewer than 1,044 hours, the employee is required to pay half the total premium cost with the employer paying the remaining half. Employees hired to work concurrent WRS eligible LTE appointments and the anticipated hours per year are 1,044 hours or more,

either with the same state agency or different state agencies, they are treated as full-time employees for the determination of the employer premium contribution.

C. Employer premium contribution for graduate assistants:

Under Wis. Stat. § 40.52 (3), University of Wisconsin graduate assistants, employees-in-training, short-term academic staff, fellows and scholars are also eligible for health insurance under this program. A new employee can apply for coverage by submitting a completed application to their employer within 30 days of their date of hire requesting coverage to be effective immediately upon the first of the month on or after their employer's receipt of their application. A graduate assistant is eligible for the employer contribution toward the premium upon hire.

If this is not the graduate assistant's first eligible appointment, they may still be eligible for the "initial" 30-day enrollment period if they had a 30-day employment break between appointments.

If an employee enrolled under graduate assistant coverage becomes eligible for and enrolled in any WRS position with any state agency or local employer, they cannot be enrolled under graduate assistant coverage or retain graduate assistant coverage (§ 40.22 (4), Wis. Stat.).

D. Premium contribution for other represented and non-represented employees:

Some represented employees may have a different employer premium contribution. Consult the applicable collective bargaining contracts. Some non-represented employees may also have a different employer premium contribution. Consult applicable Office of State Employment Relations Publications.

E. Premium contribution for covered state employees on military leave:

The employer premium contribution for employees on military leave continues beyond the three months normally allowed under leave of absence provisions. Employees on military leave who have not yet fulfilled the two month employment provision are eligible for the employer premium contribution on the date they would have been eligible had the military leave not occurred.

Under Wis. Stat. § 40.05 (4g) (b), if an eligible employee is not covered, the employee or designated representative may make an election on a form provided by the employer no later than 60 days after the date the eligible employee begins to serve on active duty in the U.S. armed forces. The employee may receive the employer contribution toward the premium if the employee or designated representative pays any employee contributions that are required to be paid toward premium payments.

304 Determining Effective Dates for the Employer Premium Contribution

For new employees with no prior WRS service as either a state or a University of Wisconsin employee, the employer premium contribution commences upon accumulating two full months of state employment and submitting a completed health insurance application to their employer

prior to becoming eligible for the employer contribution. Assuming there is no break in service, employees whose employment begins:

- The **first** of a month – Add two months to determine the month in which the employee is eligible to receive the employer contribution.
 - Example 1: Hire date of March 1; health insurance application received March 1 (before becoming eligible for the employer premium contribution), eligible for the employer premium contribution on May 1.
 - This effective date is determined by counting the month of March and April as the two full months of required state service because the employee was hired on the first of the month.

Note: If the health insurance application is received between March 2 - March 31, eligibility for the employer premium commences on June 1.
- The **second through the thirty-first** of a month – Add three months to determine the month in which the employee is eligible to receive the employer contribution.
 - Example 2: Hire date of March 2; health insurance application received on April 2 (before becoming eligible for the employer premium contribution), eligible for the employer premium contribution on June 1.
 - This effective date is determined by counting April and May as the two full months of required state service. March is not counted as a full month since the hire date was not on March 1.

When an employee has a break in service and no previous state WRS service, **any** period worked in a month is counted as a month towards WRS service.

- Example: Hire date of August 2; employee who either terminates or goes on a leave of absence beginning on September 2; employee returns to work on October 7; no prior service before August 2.
 - Because there is a break in service, any period worked in a month counts as a full month towards WRS state service. So the months of August, September and October are counted as three full months because there were hours worked in each. The employee is eligible for the employer premium contribution beginning November 1 if a health insurance application was received on or before that date. A leave of absence must also be deemed ended under Wis. Stat. § 40.02 (40) for the employee to be eligible for the employer contribution on November 1.
- **Note:** In this instance, the employee has until November 6 to submit a completed health insurance application (30 days from the date of return to work) for a plan of their choice. For an application received on or before November 1, coverage is effective November 1. The coverage effective date is December 1 for an application received between November 2 and November 6.

Employees with two months WRS prior service as either a state or a University of Wisconsin employee are eligible to apply within 30 calendar days of hire with coverage effective the first of the month on or after the employer's receipt of the application and are immediately eligible for the appropriate employer premium contribution.

305 WRS Previous Service Check

A WRS previous service check must be performed for each employee applying for health insurance to determine the appropriate employer premium contribution and effective date of the employer premium contribution.

ETF provides two methods for employers to use in determining whether an employee has previous state and or University of Wisconsin service:

- Access the *Previous Service Benefit Inquiry* application on ETF's Online Network for Employers (ONE) site at: <http://etfonline.wi.gov/etf/internet/employer/one.html>.

Note: This is a password-protected site. To obtain access refer to Chapter 8, subchapter 801, of the *WRS Administration Manual* (ET-1127).

- Call the Employer Communication Center toll-free at 1-877-533-5020 or 1-608-266-3285 and request a previous service check.