

## University Insurance Association (UIA) Policy 32872-G

<http://www.uwsa.edu/hr/benefits/ins/luia.htm>

### Administrative Manual

March 2010

This administrative manual provides explanation of operating policies and procedures for the UIA Plan. If there is a conflict between this manual and the contract, the contract will take precedence. The purpose of this manual is to provide administrative guidance and is not meant to replace the UIA contract.

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The UIA contract is serviced by Minnesota Life Insurance Company. Send Continuation and Beneficiary Designation Forms to.

Minnesota Life  
PO Box 259708  
Madison, WI 53725-9708  
1(866) 295-8690 or (608) 277-8690

**Schedule of Benefits through 9/30/2010**

| <b>Member's Age At Beginning of Policy Year</b> | <b>Amount of Death Benefit</b> | <b>Member's Age At Beginning of Policy Year</b> | <b>Amount of Death Benefit</b> |
|---|--------------------------------|---|--------------------------------|
| Under Age 28                                    | \$ 60,000                      | 49  | \$ 17,800                      |
| 28  | \$ 58,000                      | 50  | \$ 16,500                      |
| 29  | \$ 55,500                      | 51  | \$ 15,100                      |
| 30  | \$ 52,700                      | 52  | \$ 13,600                      |
| 31  | \$ 49,900                      | 53  | \$ 12,100                      |
| 32  | \$ 47,200                      | 54  | \$ 10,700                      |
| 33  | \$ 44,500                      | 55  | \$ 9,400                       |
| 34  | \$ 41,700                      | 56  | \$ 8,200                       |
| 35  | \$ 39,200                      | 57  | \$ 7,100                       |
| 36  | \$ 36,700                      | 58  | \$ 6,300                       |
| 37  | \$ 34,200                      | 59  | \$ 5,600                       |
| 38  | \$ 32,100                      | 60  | \$ 5,100                       |
| 39  | \$ 30,400                      | 61  | \$ 4,600                       |
| 40  | \$ 28,800                      | 62  | \$ 4,200                       |
| 41  | \$ 27,100                      | 63  | \$ 3,800                       |
| 42  | \$ 26,700                      | 64  | \$ 3,500                       |
| 43  | \$ 24,500                      | 65  | \$ 3,300                       |
| 44  | \$ 22,900                      | 66  | \$ 3,000                       |
| 45  | \$ 22,100                      | 67  | \$ 2,800                       |
| 46  | \$ 21,000                      | 68  | \$ 2,600                       |
| 47  | \$ 20,000                      | 69  | \$ 2,300                       |
| 48  | \$ 19,000                      | 70+   | \$ 2,000                       |

**Eligibility**

Participation is a condition of employment for Faculty, Academic Staff and Limited Appointees, Research Associates, Post Doctoral Fellows/Scholars/Trainees, or others who hold an unclassified appointment by the Regents of the University of Wisconsin and whose duties include either teaching, research or administration and whose current rate of compensation is not less than 50% of the average instructors salary for the previous year. The monthly earnings threshold for 2009-10 is \$2,372.00.

As of October 1, 2010, Research Associates, Post Doctoral Fellows/Scholars/Trainees will not be eligible for coverage as active employees. Anyone in these employment categories will be offered a one-time opportunity to continue coverage at the end of the 2009-2010 plan year.

Rehired annuitants receiving a Wisconsin Retirement System benefit are not eligible for this program.

**Evidence of Insurability**

Enrollment through evidence of insurability is not available under this plan.

**Premium**

- Premiums are paid by payroll deduction.
- The annual premium of \$24.00 is deducted from October earnings, which are paid on or about November 1. If employment begins after payment of October earnings, a \$12.00 premium is deducted from the member’s March earnings, paid on or about April 1.
- The University does not contribute toward the premium.

**Automatic Payroll Deduction**

The UIA insurance program eligibility is automatically built into the payroll processing "gross to net" computer program. The UWSC payroll deducts UIA premiums automatically from either the October or March payroll.

In the first year of eligibility, the payroll deduction is determined according to the employee’s qualifying position and attainment of the salary threshold.

Following the first year of eligibility, the employee’s qualifying position determines continuance of the UIA payroll deduction.

**Rehired Annuitants, Special Processing Required**

Staff intervention is required in 3270 to disable the Automatic Payroll Deduction for Rehired Annuitants by keying IADS Service Status Code “4” in APPI when the initial appointment is created. For more precise instructions, see [http://www.bussvc.wisc.edu/uwpc/manuals/payroll\\_training/documents/tm2\\_appt\\_rev.pdf](http://www.bussvc.wisc.edu/uwpc/manuals/payroll_training/documents/tm2_appt_rev.pdf), Section 2.9.

**Policy Year Dates**

The policy year begins on October 1 and ends September 30 of the following year.

**Effective Date of Insurance**

An individual’s insurance becomes effective on October 1 or April 1, depending upon when eligibility requirements are met and the payroll deduction is taken. If the deduction is taken from October payroll (paid on or about November 1), coverage is effective October 1. If taken from March payroll (paid on or about April 1), coverage is effective April 1.

**Termination of Insurance**

Coverage terminates September 30 following the final premium payment. The year of termination is clarified in the following chart:

|  |  |
|--|--|
| Employee terminates employment following the October payroll deduction.                                  | Coverage extends through September 30 of the following year. |
| Employee terminates employment following the March payroll deduction but prior to the October deduction. | Coverage extends through September 30 of the current year.   |

**Continuation of Coverage at Employment Termination or Retirement**

An employee whose UIA coverage would end as a result of retirement or termination of employment has the right to continue insurance under the group policy by submitting a [Continuation Application Form UWS1206](#) and required \$26.00 premium directly to Minnesota Life. A 60-day grace period extends the premium due date to November 29. The Continuation form and premium payment must be postmarked no later than November 29 following the September 30 end of coverage.

[Continuation Application Form UWS1206](#) was revised in September 2009. Please destroy all previous versions. The institution completes the top section.

- To determine the “Policy Paid Through September 30,” reference the Termination of Insurance Section on Page 3 of this manual.
- Provide the continuation form to the terminating employee. Advise the employee to send the completed form and \$26.00 payment directly to Minnesota Life. All forms must be postmarked no later than November 29 of the policy year through which premiums have been paid or the continuation form will be rejected.
  - The \$26.00 continuation insurance payment carries a \$2.00 administrative fee, in addition to the \$24 annual premium. To avoid the \$2.00 administrative fee, participants may authorize Minnesota Life to deduct \$2.00 monthly from the checking account at their financial institution.

Minnesota Life will send participants a continuation renewal notice after the first policy year in which a participant continued coverage. The renewal notices are sent in August of each year. UIA continuation is permissible only when premium was continuously paid each year when due.

## **Return to Work**

### **Following Retirement**

- Rehired Annuitants, defined as persons receiving a WRS benefit, are ineligible for UIA coverage through employment and are not eligible for payroll deduction. Refer to Special Processing Instructions for Rehired Annuitants on Page 3.
- Rehired Annuitants must continue to pay premiums directly to Minnesota Life for coverage to remain in force.

### **Following Termination of Employment**

- Payroll Logic will treat the employee as if he/she were a new employee for the purpose of the UIA deduction.

## **Process for Employees on an Approved Unpaid Leave of Absence**

Effective October 1, 2009, employees on a leave of absence who miss a deduction will be billed through the Prepayment/Billing system.

- An employee is required to remit the annual premium to the UW SC by November 30 of each year.
- If an employee returns to work and has not paid the annual premium, the annual premium will be taken from the employee’s payroll upon return to work.
- If employee returns to work and premiums were paid while on LOA, the payroll deduction resumes the next October payroll.

This process will:

- Provide continuous coverage for the employee while on an unpaid leave of absence (employees could previously let the coverage lapse).
- Ensure that the employee maintains this mandatory coverage (per Board of Regent policy, coverage is mandatory for all employees who hold an eligible appointment).
- Reduce or eliminate the costly refund process.

Note: If an employee dies while on an approved LOA but has not paid the annual premium, the death benefit will still be payable. The annual premium will be deducted from the death benefit.

## **Beneficiary Designation**

Participants may name a beneficiary by completing the Beneficiary Designation Form F.59786.

[http://www.uwsa.edu/hr/benefits/ins/luia\\_bene.pdf](http://www.uwsa.edu/hr/benefits/ins/luia_bene.pdf). Participants retain a copy for their files and submit the signed and dated form to Minnesota Life. See Page 1 for address.

Upon the death of an employee with no named beneficiary, or if the named beneficiary does not survive the employee, proceeds are paid according to the following sequence:

- The insured's spouse or domestic partner, if living; otherwise:
- The insured's surviving children, equally; otherwise:
- The insured's surviving grandchildren equally, otherwise:
- The insured's surviving parents equally, otherwise:
- The insured's surviving siblings equally, otherwise:
- The insured's estate.

#### **Definition of Domestic Partner to UIA Contract Effective January 1, 2010**

The following definition of a domestic partner is added to the "Definitions" section of the UIA contract. The definition of a domestic partner will only be applicable if an insured member dies without a beneficiary designation on file.

**Domestic Partner:** Person with whom the insured employee is in a domestic partnership under one or more of the following:

1. The insured and the insured's domestic partner satisfy the definition of a domestic partnership set forth in Wis. Stats. §40.02(21d) and have submitted the Department of Employee Trust Funds' Affidavit of Domestic Partnership (ET-2371) to establish a domestic partnership as set forth in Wis. Stats. §40.51(2m)(a); and/or
2. The insured and domestic partner have a registered domestic partnership as set forth in Chapter 770, Wis. Stats.; and/or
3. The insured and the insured's domestic partner satisfy the definition of a domestic partnership set forth in Wis. Stats. §40.02(21d) and have submitted a University of Wisconsin System Affidavit of Domestic Partnership (UWS 50) to the University of Wisconsin.

#### **Assignment**

An employee wishing to transfer the rights of the policy to another party may file an Assignment of Insurance [http://www.uwsa.edu/hr/benefits/ins/luia\\_assign.pdf](http://www.uwsa.edu/hr/benefits/ins/luia_assign.pdf). An assignee is not the same as a beneficiary. Once an assignment is made, the employee gives up the rights to the policy. The assignee(s) owns the policy. The participant ensures that the assignment is legal.

Direct the interested employee to obtain the [Transfer of Ownership Form](#) and send it to Minnesota Life's St. Paul Office: Minnesota Life, 400 Robert Street North, St. Paul, MN 55101-2098

#### **Conversion**

At termination of employment, an insured employee has the right to convert to a permanent life insurance policy with Minnesota Life, without proving evidence of insurability, within 31 days of the end of the policy year. The insured is excluded from this benefit if he failed to pay premiums when due. Interested employees should contact Minnesota Life. Conversion Application: [http://www.uwsa.edu/hr/benefits/ins/uia\\_conv.pdf](http://www.uwsa.edu/hr/benefits/ins/uia_conv.pdf)

#### **Living Benefit (Accelerated Benefit)**

A participant with a medical condition that is expected to result in death within twelve months or less may elect a living benefit up to 100% of his or her current coverage amount. This is a voluntary benefit.

- Receipt of full amount of the living benefit will cause the insurance to end.
- The minimum death benefit that can be accelerated is \$10,000 unless the total amount of insurance is less than \$10,000; then the participant may accelerate the total amount of insurance.
- If a partial payment benefit is elected, the remaining death benefit must be at least \$25,000. The participant may reapply for payment of the remaining amount of insurance at any time. However, further satisfactory evidence may be required.

- The participant must not have named an irrevocable beneficiary.
- If the participant validly assigned the insurance, payment will be paid to the assignee.

An interested employee must submit a [Living Benefit Application](#) directly to Minnesota Life's St. Paul Office to request the benefits: Minnesota Life, 400 Robert Street North, St. Paul, MN 55101-2098

### **Death Claim Processing**

The beneficiary contacts Minnesota Life's Madison Office. See Page 1 for address.

The beneficiary provides the following information to Minnesota Life:

- Name of deceased; name correctly spelled.
- Deceased's date of birth or social security number for identification.
- Date of death.
- Name, address and telephone number of the contact person.
- Proof of Domestic Partnership, if applicable when an insured member dies without a beneficiary designation on file.

### **Refund of Premium**

In some cases, an individual may have left active employment, paid for continuation coverage and returned to employment. Following return to work, premiums would automatically deduct from a March or October payroll. Following the March and October payrolls, Minnesota Life identifies duplicate payments and sends a check to the UW for disbursement to employees who paid twice.

### **Employer Errors**

There are no employer error or appeal provisions in the UIA Plan. The UIA Board of Directors delegates Minnesota Life to administer the contract.

### **Certificate of Insurance**

Advise participants to become familiar with the UIA Certificate of Insurance [http://www.uwsa.edu/hr/benefits/ins/luia\\_cert.pdf](http://www.uwsa.edu/hr/benefits/ins/luia_cert.pdf) and to save it with their other important records.

### **Forms**

Beneficiary Designation [http://www.uwsa.edu/hr/benefits/ins/luia\\_bene.pdf](http://www.uwsa.edu/hr/benefits/ins/luia_bene.pdf)

Continuation Application <http://www.uwsa.edu/hr/benefits/ins/uws1206.pdf>

Conversion Application [http://www.uwsa.edu/hr/benefits/ins/uia\\_conv.pdf](http://www.uwsa.edu/hr/benefits/ins/uia_conv.pdf)

Assignment Form [http://www.uwsa.edu/hr/benefits/ins/luia\\_assign.pdf](http://www.uwsa.edu/hr/benefits/ins/luia_assign.pdf)

Accelerated Benefit Form [http://www.uwsa.edu/hr/benefits/ins/luia\\_liv\\_benef.pdf](http://www.uwsa.edu/hr/benefits/ins/luia_liv_benef.pdf)