

## Divorce (including step-children) – Employee has 30 days to enroll/make changes to benefits

**Important:** The removal of ex-spouse and former step-children from benefit plans is required to trigger the COBRA process (ADM Event required). In addition, you must update the dependent relationship from Spouse to Ex-Spouse. See KB18182 for details. Upon removal of the ex-spouse and former step-children, the UW Service Center (UWSC) will send a COBRA letter to ex-spouse\*. Ask employee for ex-spouse's address and update this in HRS: Employee/Dependent Information> Update Dependent/Beneficiary.

Benefit Plan	Guidelines	Comments	Action You Should Take
<b>State Group Health Insurance</b>	<p>Coverage for ex-spouse and step-children ends at the end of the month in which divorce is finalized or until the end of the month in which continuation notice is issued, whichever is later.</p> <p>Ex-spouse and former step-children may continue coverage through COBRA for up to 36 months by paying the full premium and submitting the continuation app within 60 days of coverage end date or the date on the continuation notice, whichever is later. <b>[If not notified timely, check with ETF on length of continuation coverage that is available.]</b></p>	<p>Employee may keep Family coverage even if employee does not have custody of eligible child(ren).</p> <p>If app is not received in a timely manner, employee will be responsible for paying the additional premiums/claims associated with delay.</p>	<p>Remove ex-spouse and step-children from coverage:</p> <p><u>ADM Event:</u> 1<sup>st</sup> of the month on or after divorce is finalized.</p> <p>Print a copy of continuation letter from Cypress and place in employee's benefits file.</p>
<b>Supplemental Dental (Delta Dental)</b>	<p>An individual may only be covered under one Plan policy. If both parents are eligible employees for the same plan, only one parent may cover the child(ren). <b>Note: This rule does not apply to VSP.</b></p>	<p>If not notified in a timely manner, coverage needs to be termed retroactively back to when the dependent(s) lost eligibility, premiums may be only be refunded back to 90 days. If period is longer than 90 days back, you must turn off retro benefit refunds in HRS for anything exceeding 90 days.</p>	
<b>Vision Insurance (VSP)</b>			
<b>State Group Life Insurance</b>	<p>Coverage for ex-spouse and step-children ends on the date of divorce.</p> <p>Ex-spouse/step-children may convert to an individual policy by submitting conversion app to Securian within 31 days of coverage end date.</p>	<p>Employee should fill out app to remove SP/Dep coverage <u>unless employee has other eligible dependents to cover.</u></p> <p>If app not submitted in a timely manner, premiums for SP/Dep coverage may be refunded for the current year and preceding calendar year.</p>	<p>*Provide conversion app when notified of divorce for Sp/Dep coverage if EE did not have dependents enrolled in SGH or VSP.</p> <p>If terminating Sp/Dep coverage:</p> <p><u>ADM Event:</u> 1<sup>st</sup> of the month on or after divorce is finalized</p> <p>Remind employee to review beneficiary designation. Beneficiary designation applies to both SGL and WRS unless otherwise specified</p>
<b>Individual and Family (I&amp;F) Group Life Insurance</b>	<p>Coverage for ex-spouse and step-children ends on the date of divorce.</p> <p>Ex-spouse/step-children may convert to an individual policy by submitting conversion app to Securian within 31 days of coverage end date.</p>	<p>Employee should fill out app to remove Spouse coverage.</p> <p>If employee has no other children to cover, employee should fill out app to terminate Child coverage.</p> <p>If not notified in a timely manner, premiums for SP/DP/Child coverage may be refunded for no more than the previous twelve months.</p>	<p>*Provide conversion app when notified of divorce for Spouse/DP and Child coverage if EE did not have dependents enrolled in SGH or VSP.</p> <p>If terminating Spouse and/or Child coverage:</p> <p><u>ADM Event:</u> 1<sup>st</sup> of the month on or after divorce is finalized</p> <p>Remind employee to review beneficiary designation.</p>

Benefit Plan	Guidelines	Comments	Action You Should Take
<b>Accidental Death &amp; Dismemberment (AD&amp;D)</b>	<p>Coverage for ex-spouse and step-children ends on the date of divorce.</p> <p>Ex-spouse/step-children may convert to an individual policy by contacting Zurich American Insurance Co. at 1-800-834-1959 within 60 days of coverage end date.</p> <p>Employee may add/change/cancel coverage at any time.</p>	<p>If not notified in a timely manner, premiums for Family coverage may be refunded (if dependent(s) is last eligible dependent and employee is only eligible for Employee Only coverage due to dependents' loss of eligibility).</p>	<p>*Provide conversion bulletin when notified of divorce for Family coverage if EE did not have dependents enrolled in SGH or VSP.</p> <p><u>ADM Event</u>: 1<sup>st</sup> of the month after receipt of application</p> <p>Remind employee to review beneficiary designation</p>
<b>Flexible Spending Account (FSA)</b>	<p>Health Care FSA/ Limited Purpose FSA</p> <ul style="list-style-type: none"> <li>Coverage for ex-spouse ends on date of divorce.</li> <li>Employee may decrease or cease election due to the loss of dependent(s).</li> </ul> <p>Dependent Care FSA</p> <ul style="list-style-type: none"> <li>Employee may decrease or cease election if employee lost dependents.</li> </ul>	<p>Employee is responsible to notify you of divorce.</p> <p>Employee must submit Change of Election form within 30 days of divorce to change elections.</p>	<p>FSA Event:</p> <p>1<sup>st</sup> of month on or following date of divorce</p>
<b>Health Savings Account (HSA)</b>	<p>Coverage for ex-spouse ends on date of divorce.</p> <p>NOTE: HSA account can be included in employee's divorce settlement.</p> <p>May add/change/cancel election at any time.</p>	<p>May no longer claim ex-spouse's medical expenses.</p>	<p>FSA Event:</p> <p>1<sup>st</sup> day of the payroll where change becomes effective</p> <p>Remind employee to review beneficiary designation.</p>
<b>Tax-Sheltered Annuity (TSA) 403(b) Program</b>  <b>Wisconsin Deferred Compensation (WDC)</b>	<p>NOTE: TSA account and/or WDC account can be included in Employee's divorce settlement.</p> <p>May add/change/cancel election at any time.</p>	<p><u>TSA</u>: Must set up account with vendor directly and then submit Salary Reduction Agreement (SRA) to payroll office.</p> <p><u>WDC</u>: Must set up account through WDC at <a href="http://www.wdc457.org">www.wdc457.org</a> or by sending enrollment form to WDC directly.</p>	<p>SAV Event: 1<sup>st</sup> day of the payroll where the change becomes effective</p> <p>Remind employee to review beneficiary designation.</p>
<b>Wisconsin Retirement System (WRS)</b>	<p>WRS account can be included in Employee's divorce settlement taking up to 50% of money balance and corresponding years of service.</p>	<p>N/A</p>	<p>Remind employee to review beneficiary designation. (Same as SGL)</p>
<b>W-4</b>	<p>N/A</p>	<p>The employee may wish to review their W-4 withholding allowances and make adjustments as needed.</p>	<p>If employee wants to change withholding allowances, effective date is the first day of the pay period the new withholding starts.</p>
<b>Income Continuation Insurance (ICI)</b>  <b>UW Employees Inc. Life Insurance</b>  <b>University Insurance Assoc. Life Insurance</b>	<p>No action needed for these plans due to divorce. However, it is recommended that you review all benefit plans with employees and to remind them to update <a href="#">beneficiary designation forms</a> (if applicable) as necessary.</p>		

\*UW Service Center will only send a COBRA letter to ex-spouse if the ex-spouse and former step-children are removed from State Group Health, Dental WI, EPIC Benefits+ or VSP coverage. If ex-spouse or former step-children were covered only under life insurance plans (which is not tracked in HRS), a COBRA letter will not be sent out to provide them with conversion rights. You should provide a conversion app to ex-spouse in these situations as noted in the chart.

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