

MEMORANDUM

DATE: September 24, 2001

TO: Designated Agents

FROM: KPERS Member Services Division

RE: **MILITARY LEAVES OF ABSENCE**

- **Group Life Insurance**
- **Disability Benefits**
- **Service Credit**
- **Year of Service**

*Questions about this
Memo? Call
KPERS in Topeka
at 296-6166, or toll-
free 1-888-275-5737.*

KPERS GROUP LIFE INSURANCE

This section on insurance is fully applicable to:

- KPERS members
- State employees in their year of service
- Local-unit employees in their year of service, where the employer has first-day coverage for death and disability
- Board of Regents Retirement Plan participants
- Retirement System for Judges members

This section on insurance is applicable only with regard to the optional group life coverage to:

- KP&F members
- **Basic Group Life Extended Coverage.** KPERS and Security Benefit Life (SBL) have agreed that any member (or non-member employee covered by the KPERS basic life insurance), who is on an approved leave for military duty related to the terrorism conflict, will continue to be covered by the basic group life insurance regardless of having gone off payroll. This extended coverage ceases once the active duty period has ended, if the employee does not immediately return to covered employment. This extended coverage does not apply to any optional group life insurance, which is discussed below.
- **Contribution (Premium) for Extended Basic Group Life.** Employers pay for this coverage by means of an additional contribution to KPERS. (The employer contribution for this coverage is currently suspended pursuant to State law, through December 31, 2001.) The employer does not make contributions for those not on

payroll. KPERS is responsible to ensure that appropriate amounts are remitted to SBL.

- **Optional Group Life Conversion Option.** Members (or employees with first-day coverage) who are on an approved military leave have 31 days after their last day on payroll to convert their optional group coverage to individual coverage.
 - Upon return to covered employment they surrender the converted coverage and are reinstated to the pre-leave coverage.
 - Whether or not they exercise the conversion option, members on military leave are immediately entitled, upon timely return to covered employment, to their former level of optional coverage. Premiums are based on the member's age at the time of the return to covered employment.
- **Premium Payments for Optional Group Life.** Eligible individuals pay the premium for this coverage. After conversion, they must continue to pay the premiums in order for the coverage to remain in force. They will be in a direct contractual relationship with SBL. They must make regular premium payments to SBL to keep the coverage in effect.
- **Optional Group Life Conversion Form.** A life conversion form is attached to this memorandum. It is also available on the KPERS Web site, at www.kpers.org. On the Web site, click on *Forms and Publications*; then click on *Forms*; then go to the very last form at the bottom of the list, and click to open the form. (Our experience is that this SBL form will load and print from the Web site, but very slowly.)
- **More About the Conversion Form.** Employers should provide a conversion form to any member or employee in their year of service who is eligible to convert their group life coverage. (This is required not only for those going on a military leave but also for anyone leaving covered employment.) For a military leave, there is no need to convert the basic coverage, as it continues automatically. Therefore, for conversions related to a military leave, write on the form "Military Leave of Absence" so SBL will know that only conversion of the optional group life is at issue.

DISABILITY BENEFITS

- **KPERS.** There is no KPERS disability coverage during service in the military. Upon expiration of their military leave, members who have been totally disabled for 180 days from any occupation for which they are qualified by reason of education, training and experience would qualify for waiver-of-premium for continued coverage under their KPERS basic and any SBL converted life insurance coverage that has remained in force.
- **KP&F.** There is no KP&F disability coverage during service in the military. Upon expiration of their military leave, members who are disabled from their occupation as

a police officer or fire fighter would qualify for waiver-of-premium for continued coverage under any SBL converted life insurance coverage that has remained in force.

SERVICE CREDIT

- **Service Credit Granted.** Under Kansas law, service credit is granted for up to five years of active military duty, if the time served is (a) “immediately preceded” by employment in a covered position or by the signing of a contract to become employed in a covered position, and (b) followed by return to covered employment “within 12 months immediately following discharge from such military service.” For anyone disabled in the line of military duty, the allowed period for returning to covered employment is extended for two years.
- **KPERS Must Be Notified.** KPERS needs to know if a member has been off payroll for a leave of absence. There are two distinct scenarios and procedures:
 - Leave begins and ends in the same calendar year. The employer submits a KPERS-1 to the KPERS office upon the member’s return to payroll.
 - Leave begins in one calendar year and ends in another. The employer enters Code 2 for the member on the Employer’s Annual Report, and submits a KPERS-1 upon the member’s return to payroll.
- **Return to Different Employer.** If a member goes on military leave from a covered position with one KPERS employer and returns to a covered position with a different KPERS employer, service credit for the period of the leave is still granted. The law grants this privilege to those who return to “the same or another participating employer.”
- **DD-214 Required.** The member’s military form DD-214, showing the period of military service, must accompany the KPERS-1.
- **Service Purchase in Process at Time of Leave.** If a member is in the middle of a payroll-deduction service purchase at the time the military leave commences, the purchase is resumed when the member returns to covered employment. The percentage of pay to be deducted does not change.

YEAR OF SERVICE

An employee who is in the “year of service” awaiting membership in KPERS is not penalized for being off payroll on a military leave of absence. That is, the period the employee is away on military leave is counted toward completion of the year of service. Following are two examples, for illustration:

- If the employee has served four months of the year of service and goes on military leave for six months, then upon a timely return to covered employment the employee has two months left before the year of service is complete.
- If the employee has served seven months of the year of service and goes on military leave for six months, then upon a timely return to covered employment the employee need work no more time to complete the year of service. The employee is an immediate member of KPERS on the first day on payroll.

If the employee has served a partial year of service with one employer and goes on military leave, but returns to covered employment with a different employer, the usual rules apply. That is, the year of service starts over with the second employer, and upon becoming a member the individual is eligible to purchase credit for the partial year served with the first employer.

Attachment (Life Conversion Form)