



The Wisconsin Public Employer Income Continuation Insurance Administration Manual

Department of Employee Trust Funds
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Preface

The *Wisconsin Public Employers Income Continuation Insurance Administration Manual* (ET-1145) is a reference source intended to aid your administration of and participation in the WPE ICI Program. Its contents are based on state statute, administrative code, and ICI plan language and contain instruction relevant to the administrative and reporting practices of the ICI Program. Wisconsin statutes, administrative code, and ICI plan language are reviewed on an ongoing basis and may be revised after the printing of this manual.

The Department of Employee Trust Funds will make every effort to communicate changes to employers via *Employer Bulletins* and manual updates. This manual contains examples relevant to the administration of the ICI Program but may not cover every eventuality. Specific program questions and situations will be considered with regard to current statute, administrative code, ICI plan language, and/or case law by ETF.

Consult this manual as a first-step resource when you encounter ICI Program-related questions or concerns. If questions remain, contact the Employer Services Section (ESS). ESS provides a single point of contact to resolve issues regarding eligibility, enrollment, coverage and invoicing for ETF benefit programs. A central voice mail system handles calls when all ESS staff member lines are busy. The voice mail system is monitored on a regular basis and all calls are returned within 24 business hours. The ESS telephone numbers are toll-free 1-877-533-5020, option 2, and locally at 1-608-266-3285, option 2.

Your efforts to accurately administer the provisions of the ICI Program are appreciated. If you have comments on this edition or suggestions for the next edition of this manual, please contact toll free at 1-877-533-5020, option 2, or 1-608-266-3285, option 2.

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100 Introduction

The Income Continuation Insurance Program provides replacement income during periods of short-term and long-term disability. It provides up to 75 percent of an insured employee's WRS gross earnings. Benefits are normally ended at age 65.

The ICI plan is funded by employer and employee premium contributions. It is available to local government employees if their employer is enrolled in the ICI Program. The plan's third-party administrator, currently The Hartford, processes initial applications, manages claims, pays benefits and provides case management.

Rules governing ICI are addressed in Wis. Stat. §§ 40.02 (28), 40.05 (5), 40.61, and 40.62; Wisconsin Administrative Code ETF 50.10; and the ICI Plan Language, available at http://etf.wi.gov/publications/ici_plan_language.pdf.

Other disability programs administered by the Department of Employee Trust Funds include the following:

- Disability Retirement Benefits (§ 40.63)
- Duty Disability and Survivor Benefits (§ 40.65)
- Long-Term Disability Insurance (LTDI) (ETF 50, Subchapter III)—Closed to new claims as of January 1, 2018.

Visit ETF's Internet site at etf.wi.gov or contact ETF for more information on these programs.

101 Program Features

The following lists the features included under the ICI Program's Standard and Supplemental coverage levels.

Standard Coverage

- Replaces up to 75% of a subscriber's annual WRS earnings up to \$64,000.
- Maximum benefit of \$4,000 per month.
- Elimination periods: 30, 60, 90, 120 or 180 days.
- The employer pays the premium for employees who select the 180-calendar-day elimination period. Employees who choose a shorter elimination period will pay an additional premium. Employers may choose to pay up to 100 percent of the premium regardless of the elimination period.
- Upon approval of a claim, benefits are paid at the beginning of the month for the preceding month. For example, January benefits are paid February 1.
- Generally, benefit payments begin after the elimination period and continue for the length of the disability.
- Benefit payments usually end at age 65.
- Disabilities of more than one year's duration have an additional \$75 per month added to the benefit if the subscriber meets the definition of totally disabled per section 1.13 of ICI plan language; there are no other increases.
- ICI benefits do not duplicate other benefits; ICI benefits are offset (reduced) by benefits available from other sources.

Supplemental Coverage

- Allows subscribers whose annual salary exceeds \$64,000 the option to purchase additional supplemental coverage.
- Subscribers with supplemental coverage are eligible for a maximum benefit of \$7,500 per month.
- Subscribers electing supplemental coverage must insure their entire salary above \$64,000, up to a maximum of \$120,000; there is no partial supplemental coverage.
- Subscribers with supplemental coverage must pay 100% of the premium for supplemental coverage.

102 Employer Responsibilities

The following are a list of employer responsibilities under the ICI Program:

- Designate a payroll/personnel/benefits representative with general ICI knowledge to serve as a contact for ETF and the third-party administrator.

- Inform the employee on or before the date of hire about eligibility, benefits, cost, enrollment procedure and effective date of coverage.
- Provide employees with an *Income Continuation Insurance Application* (ET-2366), *Income Continuation Insurance Brochure* (ET-2129) and an *Evidence of Insurability Application* (ET-2308), as applicable.
- Determine if employee has any previous service in the WRS. (Refer to subchapter 202 for more information.)
- Secure, audit and maintain completed applications and arrange for payroll deductions for payment of premiums.
- Submit applications to ETF timely.
- Respond to the third-party administrator's inquiries timely.
- Prepare and submit the *Monthly Premium Report Group Income Continuation Insurance* (ET-1629) form to ETF.
- Prepare *Income Continuation Insurance Employer Statement* (ET-5351) and *Income Continuation Insurance Report of Employment and Earnings* (ET-5901) and submit to ETF, when required.
- Refer contractual interpretation questions to ETF.

103 Contacts (between 7:45 a.m. and 4:30 p.m. Central Time, except holidays)

| Subject | Contact |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligibility, Enrollment or Coverage and Suggestions for this Manual | ETF's Employer Services Section (ESS) 608-266-3285, option 2, or toll free 1-877-533-5020, option 2, or by email at ETFSMBEmployerInsurance@etf.wi.gov |
| Claims, Benefits, Customer Service, Payments, Complaints | The Hartford toll free 1-800-960-0052 The Hartford P.O. Box 14869 Lexington, KY 40512-4869 ICIQuestions@thehartford.com To expedite the email request, please use the following subject lines: ICI – Customer Service Issue ICI – Payment Information ICI – Pending Claim ICI – Overpayment ICI – Other ICI – Ombudsperson/Complaint Escalation |

104 Complaint Resolution

To resolve a complaint, the claimant (or employer on the claimant's behalf) should contact ICI's third-party administrator. The claimant should ask to speak with the customer service team leader if the problem cannot be resolved by Customer Service staff. In the event the Team Leader is unable to resolve the problem, the claimant should request to speak to the third-party administrator's ombudsperson. The ombudsperson will work with the claimant — and ETF if necessary — to resolve the complaint.

105 ETF Ombudsperson Services

ETF offers ombudsperson services to assist claimants who remain dissatisfied after contacting the third-party administrator regarding a problem or complaint. Employers should direct subscribers in this situation to telephone or write ETF at:

Local (Madison) 608-266-3285
Toll Free 1-877-533-5020
Department of Employee Trust Funds
Ombudsperson Services
PO Box 7931
Madison WI 53707-7931

ETF staff will attempt to resolve complaints and problems. If unsuccessful, they will inform the claimant of subsequent avenues of appeal. Complaints should be made in writing using the *Insurance Complaint Summary* (ET-2406) form whenever possible. Additional information regarding ETF ombudsperson services can be found on the ETF Internet at: <http://etf.wi.gov/members/ombudsperson.htm>.

106 Confidentiality of Records

If you are contacting the third-party administrator on behalf of the subscriber, the subscriber is required to complete and submit an *Authorization to Disclose Non-Medical Personal Information* (ET-7406) to ETF. Under normal circumstances, medical records cannot be released to the subscriber, their employer or an attorney without specific additional authorization.

107 Ordering ICI Forms

Employers must order all ICI forms directly from ETF. Go to ETF's Internet site at <http://etf.wi.gov> and click on the "Forms and Publications" radio button located in the left-side menu.

To order by email, go to ETF's Internet site at <http://etf.wi.gov>. On the home page, click 'Employers' located at the top of the page. Scroll down to the bottom of the page. Under 'Forms', click on 'Employers'. From this new page, click on the button 'Order Forms' located at the top of the page. On the Employers Form page, complete the information requested and click on the 'Send' button at the bottom of the page. You can expect to receive your order in 1-3 weeks.

Employers can also access the employer form order email option through the Online Network for Employers (ONE) site. Under 'Other Resources,' click on the link 'Employer Form Order'.

108 Internet Address

ETF's Internet site contains information on ICI for local government employees. The address is <http://etf.wi.gov>. Employees will find pertinent information on ICI by clicking on the "Income Continuation Insurance" link under the 'Members' tab. The site provides an overview of ICI for local employees and detailed information including:

- [Local Employee ICI brochure \(ET-2129\)](#)
- [Answers to Frequently Asked Questions \(FAQs\)](#)

Chapter 2—Eligibility Criteria

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200 Eligibility for ICI Coverage

All employees, including part-time, limited-term (LTE), seasonal and non-represented employees, are eligible for and **must** be offered, Income Continuation Insurance (ICI) coverage provided they meet all the following:

- Are participating in the Wisconsin Retirement System (WRS)
- Are employed by an employer who participates in the ICI Program.
- Receives earnings for services rendered.

ICI participation cannot be limited to a particular department, employee classification, special interest group or union contract group. In addition, rehired WRS annuitants who have had their annuity suspended and are again WRS participating employees, and LTDI recipients who previously terminated employment, but are now returning to WRS-covered employment, must be offered ICI coverage.

201 Initial Enrollment Period and Coverage Effective Date

An eligible employee can become insured for standard and supplemental ICI coverage by filing an Income Continuation Insurance Application (ET-2366) with their employing agency's payroll/personnel office within 30 calendar days of first becoming eligible for ICI.

Coverage shall be effective the first day of the calendar month that first occurs during the 30-day enrollment period. After the 30-day enrollment period, employees desiring coverage must apply through evidence of insurability. For more information about new hire enrollment, see Appendix A.

The following chart gives a few examples of hire dates, application due dates and effective dates for WRS eligible employees.

| Hire (WRS Eligibility) Date | ICI Application Received Date | ICI Application Due Date | Effective Date of Coverage |
|-----------------------------|-------------------------------|--------------------------|----------------------------|
| 01/05 | 01/25 | 02/04 | 02/01 |
| 06/01 | 06/13 | 07/01 | 06/01 |
| 08/01 | 08/24 | 08/31 | 08/01 |
| 11/15 | 12/03 | 12/15 | 12/01 |

202 WRS Previous Service Check

ETF provides two methods for employers to use in determining whether an employee has previous WRS service:

1. Access the Previous Service Benefit Inquiry application on the Online Network for Employers site.

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

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

203 Rehired/Returning Employee Eligibility

The following charts depict situations in which employees are either rehired or returning from an unpaid leave of absence. The charts indicate whether the employees are eligible to enroll in the ICI program or whether evidence of insurability is required.

Chart I represents **previously eligible but uninsured** employees.

Chart II represents **previously insured** employees.

| Chart I | | | |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------|
| ICI Eligibility for PREVIOUSLY ELIGIBLE UNINSURED Rehired/Returning Employees | | | |
| Situation | | ICI Eligible? | ICI Coverage Effective Date |
| 1. | On leave of absence, returns to covered employment with the same employer. | No, must apply through Evidence of Insurability (EOI). | N/A |
| 2. | On military leave, returns to the same employer. | No, must apply through EOI. | N/A |
| 3. | Terminates, takes separation benefit (withdraws available contributions) from WRS, returns to covered employment with the same employer. | Yes; must submit application within 30 days of rehire. | First of month that first occurs during the 30-day enrollment period. |
| 4. | Terminates, leaves WRS contributions in system, returns to covered employment with the same employer within 30 days. | No, must apply through EOI. | N/A |
| 5. | Terminates, leaves WRS contributions in system, returns to covered employment with the same employer after 30 days. | Yes; must submit application within 30 days of rehire. | First of month that first occurs during the 30-day enrollment period. |
| 6. | Terminates, leaves WRS contributions in system, returns to covered employment with different WRS employer under ICI. | Yes; must submit application within 30 days of rehire. | First of month that first occurs during the 30-day enrollment period. |
| 7. | Retires then returns to WRS eligible employment after a 75-day break in service and annuity is suspended. | Yes; must submit application within 30 days of rehire. | First of month that first occurs during the 30-day enrollment period. |

| Chart II | | | | | |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------|
| ICI Eligibility for <i>PREVIOUSLY INSURED</i> Rehired/Returning Employees | | | | | |
| | Situation | ICI Standard Eligible? | ICI Supplemental Eligible? | Effective Date | Can Elimination Period Be Shortened? |
| 1. | On leave of absence, coverage lapsed, returns to covered employment with the same employer. | Yes* | Yes, if previously enrolled in ICI supplemental coverage. | First of month that first occurs during the 30-day enrollment period. | No, must request through Evidence of Insurability (EOI). |
| 2. | On military leave, coverage lapsed, returns to the same employer. | Yes* | Yes, if previously enrolled in ICI supplemental coverage. | First of month that first occurs during the 30-day enrollment period. | No, must request through EOI. |
| 3. | Terminates, takes a separation benefit (withdraws available contributions) from WRS, returns to covered employment with the same employer. | Yes* | Yes, if enrolling in ICI standard coverage. | First of month that first occurs during the 30-day enrollment period. | N/A; can choose any elimination period. |
| 4. | Terminates, leaves WRS contributions in system, returns to covered employment with the same employer within 30 days. | Yes* (since coverage was in effect at time of termination) | Yes, if previously enrolled in ICI supplemental coverage. | First of month that first occurs during the 30-day enrollment period. | No, must request through Evidence of Insurability (EOI). |
| 5. | Terminates, leaves WRS contributions in system, returns to covered employment with the same employer after 30 days. | Yes* | Yes, if enrolling in ICI standard coverage. | First of month that first occurs during the 30-day enrollment period. | N/A; can choose any elimination period. |
| 6. | Terminates, leaves WRS contributions in system, returns to covered employment with different WRS employer under ICI. | Yes* | Yes, if enrolling in ICI standard coverage. | First of month that first occurs during the 30-day enrollment period. | N/A; can choose any elimination period. |
| 7. | Retires, then returns to WRS eligible employment after a 75-day break in service, annuity suspended. | Yes (refer to subchapter 200).* | Yes, if electing standard coverage (refer to subchapter 200). | First of month that first occurs during the 30-day enrollment period. | N/A; can choose any elimination period. |

*Must submit application within 30 days of return to work/rehire.

204 Leaves of Absence (LOA)

For ICI purposes, LOA refers to an *unpaid LOA*.

LOA for employee currently covered under ICI:

ICI-covered employees who take an unpaid LOA may continue ICI coverage during the approved LOA. The first three months of authorized leave qualify for the employer contribution. Beyond three months, the employee is responsible for the full premium.

Premium payments must be received by the employer prior to the end of coverage so there is no lapse in coverage. The maximum time ICI coverage may be continued is 36 months, except for insured employees on union service leave, as defined under Wis. Stat. § 40.02 (56), or on military leave, who may continue to be insured for the duration of the leave.

ICI-covered employees on unpaid LOA who allow coverage to lapse may reinstate their previous coverage by filing an ICI enrollment application with the employer no later than 30 days after their return to work. The employee is not required to file for coverage under evidence of insurability as long as their application is filed timely.

Coverage will be effective the first day of the month that first occurs during the 30-day enrollment period. Premiums resume in the same amount as before the LOA, unless an annual premium or salary adjustment has occurred in the interim. For more information about employees returning from a leave of absence and enrollment, see Appendix A.

Note: Per Wis. Stat. § 40.02 (40), an unpaid LOA is not considered to have ended unless the employee resumes active performance of duty for 30 consecutive calendar days for at least 50% of what is considered that employee's normal work schedule. If an employee returns to work and completes an application for ICI benefits, but then does not work enough for his or her LOA to be considered ended, they would not be eligible to re-enroll for ICI until such time that their LOA is considered ended.

205 Reinstatement Due to Compromise Agreements

Some employee/employer disputes are the result of discharge from employment. ICI coverage immediately terminates on the date of discharge; ICI coverage cannot be continued during a process of appeal or arbitration. Should resolution of the dispute result in reinstatement:

- The employee may re-enroll, but only for the same or longer elimination period in effect on the date of the disputed termination.
- A completed application must be filed with the employer no later than 30 days after the return to active employment.

The effective date of the insurance is determined as if the employee were rehired on the date of reinstatement. Coverage becomes effective the first of the month that first occurs during the 30-day enrollment period.

CHAPTER 3—Enrollment and Application

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300 Enrollment Opportunities

ICI is available to all eligible employees. (Refer to subchapter 200 for further information on eligible employees.) There are two opportunities for an eligible employee to enroll in the ICI Program:

- 1. Initial Enrollment Period** - This enrollment period generally applies to newly hired or rehired employees. See Appendix A for additional information.
 - The employer must provide an *Income Continuation Insurance (ET-2106)* brochure and *ICI Application - Local Government Employee (ET-2366)* to the employee on his first day of WRS covered employment.
 - An eligible employee may enroll by submitting a completed ICI application to the employer no later than 30 days following the employee's initial ICI eligibility date. (Refer to subchapters 201 and 202.) Employees are required to submit a completed application whether they are enrolling in coverage or declining coverage.
 - The employer must complete the employer information section on all applications and submit them to ETF within 30 days.

Note for Local Elected Officials: The ICI Program provides for immediate enrollment eligibility for local elected officials. If coverage is desired, they must enroll within 30 days of taking office or being appointed.

- 2. Evidence of Insurability (EOI)** - The *Evidence of Insurability Application (ET-2308)* is required for employees who have missed their initial enrollment period or who are applying for a shorter elimination period (refer to subchapter 400 for further information on elimination periods).
 - Eligible employees may apply at any time by completing an *Evidence of Insurability Application* and forwarding it directly to ETF. (Refer to subchapter 304 for instructions on completing the *Evidence of Insurability Application*.)
 - An application received by ETF more than 30 days after its completion date, i.e., the date the application is signed, will be rejected. The employee will be required to complete a new *Evidence of Insurability Application*.

Enrollment for Supplemental ICI Coverage

Supplemental ICI coverage is available to employees whose gross annual earnings exceed \$64,000. The entire premium for supplemental ICI coverage is paid by the employee. Refer to subchapter 101, Program Features, for more information on Supplemental ICI Coverage. Appendix A also contains additional information about enrolling in Supplemental ICI coverage.

- The employee may enroll for supplemental ICI coverage along with standard coverage during the initial enrollment period.
- Employees may also enroll for supplemental coverage during the annual open enrollment period from January 1 through March 1. Refer to subchapter 402 for additional information.
- The employee may also apply for supplemental ICI coverage when enrolling for standard ICI coverage through evidence of insurability. (EOI may *not* be used by employees with standard ICI coverage who wish to add supplemental ICI coverage outside of the annual supplemental coverage open enrollment period.)

301 Completion of ICI Application

The following are requirements for filing an ICI application:

- The employee **must** complete the *Income Continuation Insurance Application (ET-2366)* and return the application to the employer no later than 30 days following their initial ICI eligibility date. *A completed application from the employee is required whether enrolling in coverage or declining coverage.*
- An employee who is employed with more than one WRS employer must file a separate ICI application with each employer.
- Employees will be required to complete and file a new application if coverage was denied due to employer error. (Refer to subchapters 1000 and 1001 for information on employer error).
- Employers must complete Part II of the ICI application and forward it to ETF.


The employer must complete the following items on the ICI Application and forward the application to ETF. (Refer to the sample form at the end of this subchapter.)

- A. Previous Service.** Complete this section and indicate the date employee became eligible for WRS coverage at this employer.
- B. Reason to Submit Application and Occurrence Date** (based on information obtained from a WRS previous service check. Refer to subchapter 206 for more information about previous service checks). Check only **one** box in this section.

- **Began WRS Participation with current employer on: Check this box and complete the date to show when the coverage begins.** Need to update 2366 to reflect this.
 - **Reinstating Coverage Upon Return From Temporary Layoff or Leave of Absence.** Check this box if an employee who previously had ICI coverage takes a leave of absence, allows coverage to lapse and then returns to eligible employment. Insert the date the leave began and the date the employee returned from leave. Indicate the date the employee returned to work.
 - **Changed to a Longer Elimination Period Effective On.** Check this box if the employee wants to elect a longer elimination period. An employee may change to a longer elimination period at any time. However, if an employee wants to change to a shorter elimination period, the employee must apply through evidence of insurability. The “effective date” will be the first of the month after the application is received by the employer.
 - **Other** - Check this box for a situation that does not fit one of the other categories listed above. For example, if an employee is reinstated through a grievance/settlement, indicate the date the employee returns to work. Refer to subchapter 205 for more information about settlement agreements and reinstatements.
- C. Earnings.** Use the employee’s WRS earnings as reported in the preceding calendar year or, if applicable, the employee’s projected calendar year earnings (refer to “Note” below) then:
- Round the calendar year WRS earnings figure to the next higher thousand;
 - Divide by 12 to determine the average monthly earnings;
 - Enter the average monthly earnings in the earnings box; and
 - Check the “Monthly” box.
- Note:** To determine the equivalent average monthly earnings for a newly hired employee or a current employee with a permanent change in their percentage of appointment, project the annual base salary, round to the next higher thousand and divide by 12.
- D. Basis of Employment.** Check whether the employee’s basis of employment is full-time, part-time, seasonal, etc. If part-time, indicate the percentage of full-time employment.
- E. ICI Monthly Premium.** Premiums are based on earnings entered in the Earnings box and the elimination period selected by the employee. Refer to the Employee Monthly Premium Rates table in subchapters 401 and 402 for information on calculating employer and employee premium rates.
- F. Employer Name.** Use the same name used for Social Security reporting.
- G. Employer Identification Number 69-036.** The Employer Identification Number (EIN) is a 12-digit number beginning with 69-036. Indicate the last seven digits of this number (XXXX-XXX).
- H. Date Application Provided to Employee.**

- I. **Date Received by Employer.** The date the employer received the employee's completed application.
- J. **Employer Agent Signature.** The WRS agent or designated representative must certify that the information on the application is true and correct.
- K. **Telephone Number.** The telephone number of the employer contact person.
- L. **Effective Date.** Coverage becomes effective on the first of the month that first occurs during the employee's 30-day enrollment period. (For employees applying during the supplemental coverage open enrollment period, coverage is effective the first of the month that first occurs during the **60-day** enrollment period.)
(Refer to subchapters 201 and 202 for information on ICI eligibility dates, application due dates and coverage effective dates.)

INCOME CONTINUATION INSURANCE APPLICATION

| | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------|-------------|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I. EMPLOYEE: COMPLETE PART I TYPE OR PRINT IN INK, SIGN, AND RETURN TO EMPLOYER | | | | | Member ID |
| Name Address | Last | First | Middle I. | Maiden/Former | Social Security number |
| | Street No. | | Street Name | | Birth date (MM/DD/YYYY) |
| | City | State | ZIP code | Country and Mail Code (if not USA) | |
| <p>Complete sections 1 – 3 (2 and 3 if applicable) and sign at section 4.</p> <p>1. ICI COVERAGE</p> <p><i>Check One</i></p> <p><input type="checkbox"/> I elect ICI coverage and authorize payroll deductions for premiums. <i>If your annual earnings exceed \$64,000.00, go to #2. If not, proceed to #3.</i></p> <p><input type="checkbox"/> I do not elect ICI coverage. <i>Sign below at #4.</i></p> <p><input type="checkbox"/> I wish to cancel my ICI coverage. (Checking this box also cancels Supplemental ICI coverage, if in effect. Cancellation is effective the end of the month the application is received.) <i>Sign below at #4.</i></p> | | | | | <p>2. SUPPLEMENTAL ICI COVERAGE: Only available to employees whose annual earnings exceed \$64,000.00 and who are currently enrolled in, or are applying for, ICI coverage.</p> <p><i>Check One:</i></p> <p><input type="checkbox"/> I elect Supplemental ICI coverage. I understand that Supplemental ICI premiums are paid by the employee with no employer contribution. I authorize payroll deductions for Supplemental ICI premiums. If already enrolled in ICI coverage, I understand that the elimination period previously selected will be applied to Supplemental ICI coverage. <i>If you elected ICI coverage in #1, go to #3. If you already have ICI coverage, sign below at #4.</i></p> <p><input type="checkbox"/> I do not elect Supplemental ICI coverage. <i>If you elected ICI coverage in #1, go to #3. If not, sign below at #4.</i></p> <p><input type="checkbox"/> I wish to cancel my Supplemental ICI coverage. <i>Sign below at #4.</i> (Cancellation is effective the end of the month the application is received.)</p> |
| <p>3. I elect the following calendar day elimination period for ICI coverage and Supplemental ICI coverage (if applicable):</p> <p><input type="checkbox"/> 30-day <input type="checkbox"/> 60-day <input type="checkbox"/> 90-day <input type="checkbox"/> 120-day <input type="checkbox"/> 180-day</p> | | | | | |
| <p>4. I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct. I authorize the monthly employee share premium deduction (indicated below) from my earnings to provide ICI and Supplemental ICI coverage (if selected). I understand that if premiums are not deducted, I do not have ICI coverage.</p> | | | | | |
|  | | Signature of Employee | | Telephone Number () | Date (MM/DD/YYYY) |

Return to employer

| | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| II. EMPLOYER: COMPLETE PART II | | | | Previous Service - Complete Information | |
| Reason to submit application (Check appropriate box and indicate occurrence date) | | | | 1. Did employee participate under WRS prior to being hired by you? <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| <input type="checkbox"/> Immediately eligible on: | | | | 2. Previous service check, completed <input type="checkbox"/> Yes <input type="checkbox"/> No Source of previous service <input type="checkbox"/> ONE Site <input type="checkbox"/> ETF | |
| <input type="checkbox"/> Reinstating coverage upon return from temporary layoff or leave of absence. Date temporary layoff/LOA began: _____ Date employee returned: _____ | | | | 3. Date WRS participation began with the current employer (MM/DD/YYYY) | |
| <input type="checkbox"/> Changed to a longer elimination period effective on: (Evidence of insurability is required to change to a shorter elimination period.) | | | | | |
| <input type="checkbox"/> Other (specify): _____ | | | | | |
| Earnings | | Basis of Employment | | ICI Monthly Premium | |
| \$ <input type="checkbox"/> Monthly | | <input type="checkbox"/> Full-Time <input type="checkbox"/> Part-Time _____ % | | Employee Share | Employer Share |
| | | | | \$ | \$ |
| Employer Name | | Employer Agent Signature | | Date Application Provided to Employee | Date Received by Employer (MM/DD/YYYY) |
| Employer Identification Number (EIN) 69-036 | | | | Telephone Number () | Effective Date (MM/DD/YYYY) |

Copy and Distribute: ☐ ETF ☐ Employee ☐ Employer



302 Distribution of Copies

The following requirements pertain to the distribution of ICI application copies:

- Once the 'Employer Section' is completed, make two photocopies of the application. Employers must retain one copy for verification purposes.
- Forward the original application to ETF, regardless of whether the employee declines, cancels or elects coverage.
- Provide the employee with the second copy for their records.

303 Application Due Date, Premiums and Effective Date of Coverage

| Application Type | Premiums/Monthly Earnings | Application Due Date | Coverage Effective Date |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Initial enrollment – new employee ICI Application (ET-2366) | For new employees, the projected annual base salary, as of the coverage effective date, is rounded to the next higher thousand and divided by 12 to determine estimated average monthly earnings. | No later than 30 days after initial ICI eligibility date. | First of month that first occurs during the employee's 30-day enrollment period. |
| Evidence of Insurability (ET-2308) | For new employees, the projected annual base salary, as of the coverage effective date, is rounded to the next higher thousand and divided by 12 to determine estimated average monthly earnings. For employees who had a full year of earnings reported to WRS in the previous calendar year, the WRS earnings are rounded to the next higher thousand and divided by 12 to determine average monthly earnings. | Must be submitted to ETF no later than 30 days after the date the employee signs the Evidence of Insurability application. | First day of month on or after the EOI application approval date. ETF will notify employer and employee of approval or denial and effective date of coverage, if applicable. |
| During Leave of Absence | Prepaid premiums continue in the same amount, even if there is an annual premium adjustment period during the leave of absence. | To continue coverage, employee must pay premium prior to end of coverage so there is no lapse in coverage. | May continue coverage up to 36 months. |
| Union or Military Leave of Absence | Prepaid premiums continue at the same amount, even if there is an annual premium adjustment period during the leave of absence. | To continue coverage, employee must pay premium prior to end of coverage so there is no lapse in coverage. | May continue coverage for duration of the leave. |

| Application Type | Premiums/Monthly Earnings | Application Due Date | Coverage Effective Date |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Return to work after receiving ICI benefits, or after leave of absence and no lapse in premiums. | Average monthly earnings used to determine premiums will remain the same as prior to the leave until employee has worked one full calendar year, after which the earnings amount will be reviewed during the next annual review period. However, premium rates should be adjusted if there has been an annual premium adjustment in the interim. | Not Applicable. | Not applicable – coverage is continuous. |
| Return to work after leave of absence and lapse in premiums occurred. | Premium resumes at the same amount as before unless there has been an annual premium or salary adjustment in the interim. Average monthly earnings used to determine premiums will remain the same as prior to the leave until employee has worked one full calendar year, after which the earnings amount will be adjusted during the next annual adjustment. | Within 30 days after return to work. | First of month that first occurs during the employee's 30-day enrollment period. |
| Permanent change in percentage of appointment (i.e., full-time to part-time and vice versa). | Based on projected earnings for the next 12 months, rounded to next higher \$1,000 and divided by 12. | Not Applicable. Employer will be contacted for updated earnings information if the employee files an ICI claim. | Premiums are adjusted as of the first day of the month on or after date the change in percentage of appointment is effective. |
| Promotion, demotion or reclassification. | No change in coverage level or premium until next annual review period. | Not Applicable. | Not applicable – coverage is continuous. |

304 Instructions for Completing the Evidence of Insurability (EOI) Application

The *Evidence of Insurability Application* (ET-2308) provides additional opportunities for employees to enroll for ICI coverage if coverage was previously declined, cancelled, lapsed or denied. It also provides a method by which employees may enroll after missing the initial enrollment period or if they wish to elect a shorter elimination period.

Employer and employee responsibilities for completion of the *Evidence of Insurability Application* are as follows:

A. Employer Responsibilities:

1. Review the ICI eligibility criteria outlined in subchapter 200 to determine the employee's eligibility.
2. Provide the employee with a copy of the *Income Continuation Insurance - Local (ET-2129)* brochure explaining the ICI Program.
3. Complete the employee's Social Security number, current employer, employer number 69-036- (XXXX-XXX), occupation and the date eligible for WRS. Forward the application to the employee for completion.
4. Instruct the employee to complete the *Evidence of Insurability Application (ET-2308)* according to the instructions. Incomplete applications will be returned to the employee, resulting in a delay of the application processing procedure.

B. Employee Responsibilities:

1. Complete the *Evidence of Insurability Application (ET-2308)*, including signature and date.
2. Submit the application **directly to ETF** no later than 30 days after completion to ensure current medical information. Applications received more than 30 days after the employee signs the application will be rejected. The employee will then be required to complete and submit a new application.
3. The employee is responsible for the cost of any medical exam or copies of the medical records.

C. Approval/Denial:

ETF will notify both the employee and the employer of approval or denial of ICI coverage approximately 60 to 90 days after ETF receives the *Evidence of Insurability Application (ET-2308)*.

For approved applications:

1. The effective date of coverage will be the first of the month on or after the date the EOI application is approved.
2. Premiums are due from that day forward.

For denied applications:

1. Retain the employer's copy of the denial form. Additional action by the employer is not necessary.
2. The employee has the right to request reconsideration of the initial denial by submitting a written request to the third-party Administrator within 90 days of the date of the initial denial.

3. The employee has the right to request a subsequent review of the reconsideration's denial by requesting a Departmental Determination within 90 days of that denial.
4. A new application will not be considered until one year elapses from the date of initial denial.

CHAPTER 4—Employee and Employer Premiums

400 Basis for Premium Rates

401 Calculating Employer Contribution and Employee Premium

402 Annual Review and Premium Update

400 Basis for Premium Rates

Insured employees, except those newly hired or with a permanent change in percentage of appointment*, have monthly premiums based on:

- Average monthly earnings, determined by rounding the previous year's WRS earnings to the next higher thousand and dividing by 12;
- and**
- The employee's selected elimination period of either 30, 60, 90, 120 or 180 calendar days. An elimination period represents the number of consecutive calendar days that must elapse between the first date of disability and the date benefit payments begin. ICI benefits are not paid during the elimination period. Higher premium rates are charged for shorter elimination periods; lower rates are charged for longer elimination periods.
- Premiums for supplemental ICI coverage are paid entirely by the employee; the employer cannot contribute to the supplemental ICI premium.

Newly hired employees, or those with a **permanent change in percentage of appointment***, have monthly premiums based on the following:

- Projected average monthly earnings, determined by rounding the projected annual earnings to the next higher thousand and dividing by 12.
- The employee's selected elimination period of either 30, 60, 90, 120 or 180 calendar days. An elimination period represents the number of consecutive calendar days that must elapse between the first date of disability and the date benefit payments begin. ICI benefits are not paid during the elimination period.

* Refer to subchapter 504 on permanent change in percentage of appointment.

Note: An employee who wants to shorten their elimination period after coverage has gone into effect must apply through evidence of insurability by completing the *Evidence of Insurability Application* (ET-2308). Lengthening an elimination period does not require evidence of insurability, but an employee must complete a new *Income Continuation Insurance Application* (ET-2366).

Note: At times the Group Insurance Board may approve a premium holiday due to the strong financial position of the local ICI plan. Employers and employees will not be required to pay premiums for the period the Board declares a premium holiday. The premium holiday includes supplemental ICI coverage. ETF will issue an *Employer Bulletin* notifying employers when a premium holiday is declared and when the premium holiday ends.

Employers must still submit the *Monthly Premium Report Group Income Continuation Insurance* (ET-1629) form to ETF during any declared premium holiday so enrollment data can be recorded. Refer to Chapter 5 for information on completing this form.

401 Calculating Employer Contribution and Employee Premium

Employer contribution is based on a percentage of the employee's average monthly earnings in the preceding calendar year (or projected average monthly earnings for those employees noted in subchapter 400) and the employee's selected elimination period.

The employer contribution toward the total premium may be increased but not decreased, at the employer's discretion. For supplemental ICI coverage, the employee pays the entire premium; there is no employer share. Employers cannot contribute to the supplemental ICI premium.

Employers are not required to contribute the same percentage of ICI premium for all employees and may elect to pay some or all of the employee portion of the premium based on employee classification or union contracts.

The following table shows the current employer and employee premium rate percentages based on the elimination period selected. These rates are subject to annual revision. (Refer to subchapter 402 for information on annual premium update.)

| Calendar Day Elimination Period | Monthly premium as a percentage of average monthly earnings | | |
|------------------------------------|-------------------------------------------------------------|---------------------|---------------------|
| | Total | Employer Minimum | Employee Maximum |
| 30 | 1.00% | .25% | .75% |
| 60 | .775% | .25% | .525% |
| 90 | .625% | .25% | .375% |
| 120 | .475% | .25% | .225% |
| 180 | .25% | .25% | 0% |

Examples of Premium Calculation:

- A. Previous year's WRS reported earnings are \$22,100; rounded to \$23,000. Employee selects 90-calendar day elimination period.

The monthly **employer contribution** is calculated as follows:

$$\begin{array}{r} \$ 23,000.00 \\ \div 12 \text{ (months)} \\ \$ 1,916.67 \\ \times .25\% \\ \hline \$ 4.79 \text{ (employer contribution)} \end{array}$$

The monthly **employee contribution** is calculated as follows:

$$\begin{array}{r} \$ 23,000.00 \\ \div 12 \text{ (months)} \\ \$ 1,916.67 \\ \times .375\% \\ \hline \$ 7.19 \text{ (employee contribution)} \end{array}$$

- B. A new employee's projected annual earnings are \$35,900; rounded to \$36,000. Employee selects 30-calendar day elimination period.

The monthly **employer contribution** is calculated as follows:

$$\begin{array}{r} \$ 36,000.00 \\ \div 12 \text{ (months)} \\ \$ 3,000.00 \\ \times .25\% \\ \hline \$ 7.50 \text{ (employer contribution)} \end{array}$$

The monthly **employee contribution** is calculated as follows:

$$\begin{array}{r} \$ 36,000.00 \\ \div 12 \text{ (months)} \\ \$ 3,000.00 \\ \times .75\% \\ \hline \$ 22.50 \text{ (employee contribution)} \end{array}$$

Note: The examples indicate the minimum amount contributed by employers. The contribution toward the total premium made by employers may be increased but not decreased, at the discretion of the employer.

Minimum Employer Contribution Effective March 1, 2004

| WRS Earnings in the Previous Calendar Year | Equivalent Average Monthly Earnings | Employer .25% Contribution |
|--------------------------------------------|-------------------------------------|----------------------------|
| 0.00 - 5,000.00 | 416.67 | 1.04 |
| 5,000.01 - 6,000.00 | 500.00 | 1.25 |
| 6,000.01 - 7,000.00 | 583.33 | 1.46 |
| 7,000.01 - 8,000.00 | 666.67 | 1.67 |
| 8,000.01 - 9,000.00 | 750.00 | 1.88 |
| 9,000.01 - 10,000.00 | 833.33 | 2.08 |
| 10,000.01 - 11,000.00 | 916.67 | 2.29 |
| 11,000.01 - 12,000.00 | 1,000.00 | 2.50 |
| 12,000.01 - 13,000.00 | 1,083.33 | 2.71 |
| 13,000.01 - 14,000.00 | 1,166.67 | 2.92 |
| 14,000.01 - 15,000.00 | 1,250.00 | 3.13 |
| 15,000.01 - 16,000.00 | 1,333.33 | 3.33 |
| 16,000.01 - 17,000.00 | 1,416.67 | 3.54 |
| 17,000.01 - 18,000.00 | 1,500.00 | 3.75 |
| 18,000.01 - 19,000.00 | 1,583.33 | 3.96 |
| 19,000.01 - 20,000.00 | 1,666.67 | 4.17 |
| 20,000.01 - 21,000.00 | 1,750.00 | 4.38 |
| 21,000.01 - 22,000.00 | 1,833.33 | 4.58 |
| 22,000.01 - 23,000.00 | 1,916.67 | 4.79 |
| 23,000.01 - 24,000.00 | 2,000.00 | 5.00 |
| 24,000.01 - 25,000.00 | 2,083.33 | 5.21 |
| 25,000.01 - 26,000.00 | 2,166.67 | 5.42 |
| 26,000.01 - 27,000.00 | 2,250.00 | 5.63 |
| 27,000.01 - 28,000.00 | 2,333.33 | 5.83 |
| 28,000.01 - 29,000.00 | 2,416.67 | 6.04 |
| 29,000.01 - 30,000.00 | 2,500.00 | 6.25 |
| 30,000.01 - 31,000.00 | 2,583.33 | 6.46 |
| 31,000.01 - 32,000.00 | 2,666.67 | 6.67 |
| 32,000.01 - 33,000.00 | 2,750.00 | 6.88 |
| 33,000.01 - 34,000.00 | 2,833.33 | 7.08 |
| 34,000.01 - 35,000.00 | 2,916.67 | 7.29 |
| 35,000.01 - 36,000.00 | 3,000.00 | 7.50 |
| 36,000.01 - 37,000.00 | 3,083.33 | 7.71 |
| 37,000.01 - 38,000.00 | 3,166.67 | 7.92 |
| 38,000.01 - 39,000.00 | 3,250.00 | 8.13 |
| 39,000.01 - 40,000.00 | 3,333.33 | 8.33 |
| 40,000.01 - 41,000.00 | 3,416.67 | 8.54 |
| 41,000.01 - 42,000.00 | 3,500.00 | 8.75 |
| 42,000.01 - 43,000.00 | 3,583.33 | 8.96 |
| 43,000.01 - 44,000.00 | 3,666.67 | 9.17 |
| 44,000.01 - 45,000.00 | 3,750.00 | 9.38 |
| 45,000.01 - 46,000.00 | 3,833.33 | 9.58 |
| 46,000.01 - 47,000.00 | 3,916.67 | 9.79 |
| 47,000.01 - 48,000.00 | 4,000.00 | 10.00 |
| 48,000.01 - 49,000.00 | 4,083.33 | 10.21 |
| 49,000.01 - 50,000.00 | 4,166.67 | 10.42 |
| 50,000.01 - 51,000.00 | 4,250.00 | 10.63 |
| 51,000.01 - 52,000.00 | 4,333.33 | 10.83 |
| 52,000.01 - 53,000.00 | 4,416.67 | 11.04 |
| 53,000.01 - 54,000.00 | 4,500.00 | 11.25 |
| 54,000.01 - 55,000.00 | 4,583.33 | 11.46 |
| 55,000.01 - 56,000.00 | 4,666.67 | 11.67 |
| 56,000.01 - 57,000.00 | 4,750.00 | 11.88 |
| 57,000.01 - 58,000.00 | 4,833.33 | 12.08 |
| 58,000.01 - 59,000.00 | 4,916.67 | 12.29 |
| 59,000.01 - 60,000.00 | 5,000.00 | 12.50 |
| 60,000.01 - 61,000.00 | 5,083.33 | 12.71 |
| 61,000.01 - 62,000.00 | 5,166.67 | 12.92 |
| 62,000.01 - 63,000.00 | 5,250.00 | 13.13 |
| 63,000.01 - and up | 5,333.33 | 13.33 |

402 Annual Review and Premium Update

Employers update payroll records and calculate the insured employee's new monthly ICI premiums effective April 1 each year. The updated premiums are reported on the *March Monthly Premium Report Group Income Continuation Insurance – Locals* (ET- 1629) form due at ETF on or before March 24th. See Appendix A for more information about the Annual Premium Review Process and how various events will affect it.

The following checklist may be used to complete the annual review and premium update:

1. Determine each insured employee's average monthly earnings by taking their WRS-reportable earnings for the preceding calendar year, rounded up to the next higher thousand, and dividing by 12. Exceptions:
 - For employees who were **newly hired**, continue to use their previously projected WRS earnings amount, until such time that the employee has a full calendar year of WRS-reportable earnings.
 - For employees who have had a **permanent change in percentage of appointment** since January 1st of the previous year, continue to use their previously projected earnings amount, until such time that the employee has a full calendar year of earnings at their new FTE percentage.
 - For employees who were on an **unpaid leave of absence (LOA)** in the previous year, continue to use the earnings amount that was in effect prior to the LOA, until such time that the employee has a full calendar year of WRS-reportable earnings.
2. Verify that insured employees are reported according to their selected elimination period.
3. Calculate the amount of monthly premiums for each employee and the corresponding employer contribution.
4. Fill in the total premium amount on the *Monthly Premium Report Group Income Continuation Insurance – Locals* form.

Annual Open Enrollment Period for Supplemental Coverage (January 1-March 1)

As part of the annual review, employers must also determine whether their employees meet the salary threshold to qualify for Supplemental ICI coverage (i.e. earnings exceeding \$64,000 in the previous calendar year.) Supplemental ICI enrollment requires previous enrollment in standard ICI. Employees who do not currently have standard ICI coverage cannot enroll for supplemental coverage. (They can, however, apply for both standard and supplemental coverage at any time through evidence of insurability.)

Employers are responsible for informing eligible employees of this enrollment opportunity and providing them with an ICI application if the employee wishes to enroll.

Applications must be received by the employer by March 1. (If March 1 falls on a weekend, the annual open enrollment period will be extended to the following business day.)

Eligible employees on leave of absence during the annual open enrollment period have 60 days from the date they return to work to apply for Supplemental ICI coverage. Employees currently receiving ICI benefits may enroll when they return to work and are no longer receiving ICI benefits. Supplemental coverage will be effective the first day of the month that first occurs during the 60-day enrollment period, but no earlier than April 1st of the year in which the employee becomes eligible.

CHAPTER 5 – Monthly Premium Report

- 500 Monthly Income Continuation Insurance Premium Reporting and Payment
- 501 Due Date
- 502 Late Reporting Interest Charge
- 503 Permanent Change in Percentage of Appointment

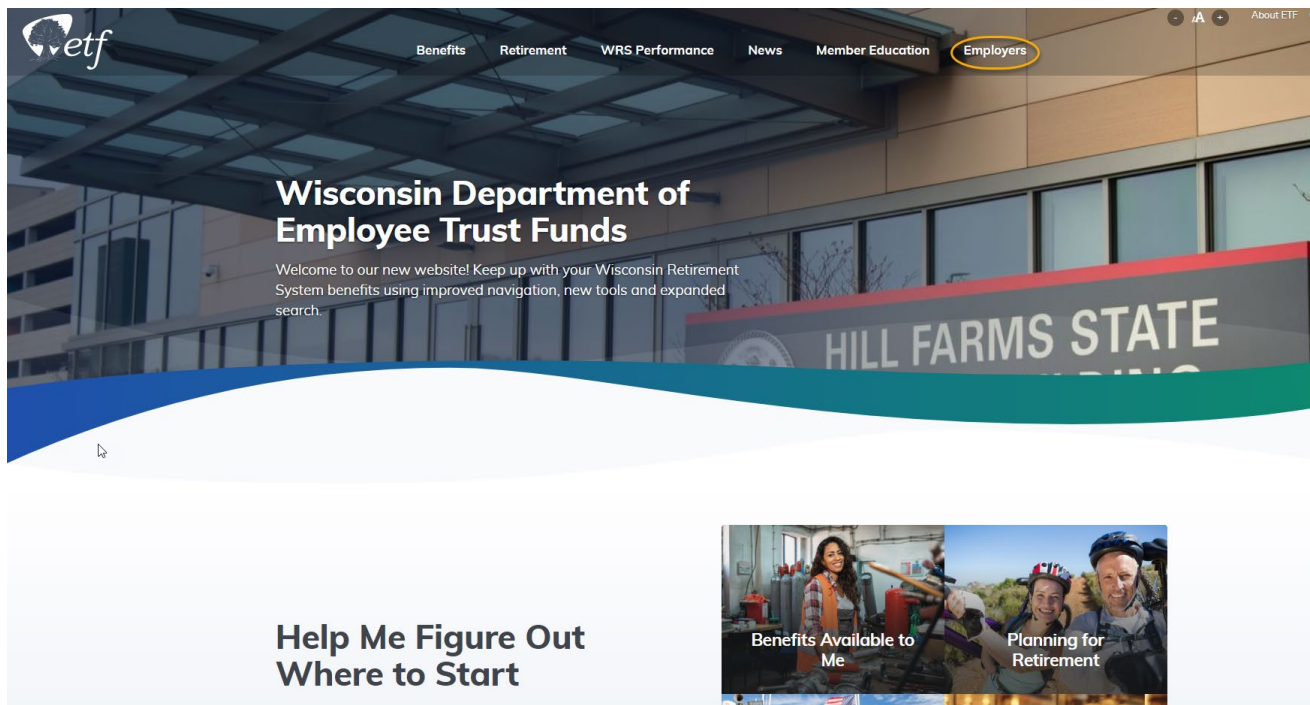
500 Monthly Income Continuation Insurance Premium Reporting and Payment

The [Income Continuation Monthly Premium Report - Local \(ET-1629\)](#) is available for a resource for employers and should be sent to ETF via fax or email only when the employer does not have access to submitting the information online. This form provides a detailed breakdown of employee and employer premium contributions by elimination period. The report is available on ETF's website at etf.wi.gov.

Instructions for reporting online:

Log in to the ETF website (etf.wi.gov), select Employers from the menu across the top, then select myETF Benefits Administrator for Employers from the Online Tools menu. Follow the screen shots below to report your ICI premiums/enrolled members and payments.

Note: If there are no employees enrolled in supplemental ICI please enter 0 (one single zero) in the contracts box on that line. There is also a print screen button available to print at any time during this process.



Online Tools

- Employer Training
- ETF Web Applications for Employers (formerly on the ONEsite)
- myETF Benefits Administrator for Employers**
- Employer Contact and Online Access Management
- Order Employer Forms
- Subscribe to ETF E-mail Updates

Forms and Brochures

- New Employee Benefit Checklist (ET-2572)
- Termination Checklists
- WRS Employer Forms
- Health Insurance Employer Forms
- Life Insurance Employer Forms
- Income Continuation Insurance Employer Forms

[All Employer Forms and Brochures](#)

Recent Employer News

Employer News NOV 26, 2019

Department News NOV 26, 2019

Department News NOV 25, 2019

Log in to myETF Benefits Administration for Employers as normal.

myETF Benefits Admin
 Health Insurance Enrollment Summary

[EmployerInfo](#)
[myMembers](#)
[Health](#)
[Life](#)
[Disability](#)
[WRS](#)
[Other Benefits](#)
[Reports](#)
[Maintenance](#)
[Help](#)
[Log Off](#)

Disability

ICI

Member Search

Member ID:

OR

Social Security Number:

[Search](#)
[Name Search](#)
[Covered Individual Search](#)
[Clear](#)


Member ID:

SSN:

Subscriber:

| Health Plan | Coverage Level | Begin Date | End Date | Status | Employer |
|-------------|----------------|------------|----------|--------|----------|
|-------------|----------------|------------|----------|--------|----------|

Employee Trust Funds P.O. Box 7931 Madison, WI 53707



myETF Benefits Admin
Employer Info

EmployerInfo
myMembers
Health
Life
Disability
WRS
Other Benefits
Reports
Maintenance
Help
Log Off

Employer Specific Function - Employer Number Required


Use this screen to specify the employer whose data you would like to access. You must provide the employer's seven digit employer number. You must have the authority to access the employer's data.

Please enter the seven digit Employer Number and click Verify
Employer Number:

Enter your Employer Number and click Verify...

Verify

Employee Trust Funds P.O. Box 7931 Madison, WI 53707



myETF Benefits Admin
Group Income Continuation Insurance

EmployerInfo
myMembers
Health
Life
Disability
WRS
Other Benefits
Reports
Maintenance
Help
Log Off

Enter the Coverage Month and Year you are paying and the Payment Due Date will populate.

Employer No:
Employer Name:
Coverage Month/Year:
Payment Due Date:

Regular ICI
Supplemental ICI

Contracts
Total Premium
Employee Paid

Premium Due

Then enter the information related to Regular ICI contracts and enter the Supplemental ICI contract count. (Were there not a premium holiday you would also enter the Premium information requested.)

Clear
Calculate
Make Payment
New EIN
Print Screen

Employee Trust Funds P.O. Box 7931 Madison, WI 53707

etf
etf.wi.gov

myETF Benefits Admin
Group Income Continuation Insurance

EmployerInfo myMembers Health Life Disability WRS Other Benefits Reports Maintenance Help Log Off

Employer No:
 Employer Name:
 Coverage Month/Year: 11 2019
 Payment Due Date: 11/25/2019

Payment Due Date populated automatically.

Regular ICI: 53
 Supplemental ICI: 15
 Contracts:
 Total Premium:
 Employee Paid:

Once the information is entered, click on Calculate.

Premium Due:

Clear Calculate Submit New EIN Print Screen

Employee Trust Funds P.O. Box 7931 Madison, WI 53707

etf
etf.wi.gov

myETF Benefits Admin
Group Income Continuation Insurance

EmployerInfo myMembers Health Life Disability WRS Other Benefits Reports Maintenance Help Log Off

Employer No:
 Employer Name:
 Coverage Month/Year: 11 2019
 Payment Due Date: 11/25/2019

Regular ICI: 53
 Supplemental ICI: 15
 Contracts:
 Total Premium: 0.00
 Employee Paid: 0.00

Click Submit.

Premium Due: 0.00

Clear Calculate Submit New EIN Print Screen

Employee Trust Funds P.O. Box 7931 Madison, WI 53707

501 Due Date

Monthly Premium Reports and remittances are due on the 24th day of the calendar month of coverage or on the first working day after the 24th when the 24th falls on a day in which state offices are closed (Wis. Admin. Code ETF 10.63).

502 Late Reporting Interest Charge

Interest is assessed at the rate of 0.04% of the total premium amount due for each day from the original due date through the date the report and premium remittance are received at ETF. The minimum interest assessment is \$3.

503 Permanent Change in Percentage of Appointment

A permanent change in an ICI covered employee's percentage of appointment will result in the need for a premium adjustment. The premium adjustment must be made within 30 days of the change in percentage of appointment.

If the premium adjustment is not made within this 30-day period, payment of the additional premium—or refund of overpaid premium — must be made retroactive to the month of the change.

Premiums are adjusted as of the first of the month on or after the effective date of the permanent appointment change. If premiums have already been paid based on the earnings in effect prior to the change, an adjustment must be made on the *Monthly Premium Report Group Income Continuation Insurance* (ET-1629) form during the following payroll period to reflect the change in salary for the effective coverage month. (Refer to step 8 of subchapter 500.)

Example: The effective date of change of the new percentage of appointment is the first of October. The employee selected the 30-day elimination period.

- Prior to October 1, employee earnings at 50% time = \$833.33 per month.
- New appointment effective October 1, employee earnings at 100% time = \$1,666.67 per month.

ICI premiums for October coverage were paid one month in advance of the effective date of the change. Premiums paid in October for November coverage must reflect the increase between the old and the new premium, plus the new premium for November coverage as follows:

- | | |
|-------------------------------------|-----------------|
| • New premium for November coverage | \$12.50 |
| • Old premium | <u>- \$6.25</u> |
| • October Adjustment | \$6.25 increase |

October's premium adjustment of \$6.25 must appear in the 'Premium Adjustment' section of the *Monthly Premium Report Group Income Continuation Insurance* form due at ETF on October 24. Indicate the Social Security Number of the employee whose premium is being adjusted, the month being adjusted, and the amount of the adjustment in the proper Elimination Period row of the report. The form contains space for six adjustments. Indicate any additional adjustments on the back of the form.

CHAPTER 6 — Termination of Coverage

- 600 Termination of Coverage**
- 601 Lapse in Coverage**
- 602 Cancellation of Coverage**
- 603 Employer Withdrawal from the ICI Program**

600 Termination of Coverage

Income Continuation Insurance (ICI) coverage terminates on the date an employee resigns, is dismissed, terminates, retires or dies, whichever occurs first. The employee need **not** complete an *Income Continuation Insurance Application* (ET- 2366) to cancel the coverage for any of the above events.

When coverage ends, a full month's premium is required for any month or portion of a month in which earnings are paid. For example, if the employee retires on March 12, a full month's premium is due for March, even though coverage ended on March 12.

An employee disabled under the terms of the plan at the time coverage terminates will continue to be eligible to receive benefits as long as the disability continues, up to the maximum duration of benefits. (Refer to Reduction or Termination of Benefits in subchapter 709.)

If the *employer* withdraws from the program, coverage shall terminate at the end of that calendar year, except for those who became disabled on or before the employer's withdrawal.

601 Lapse in Coverage

Coverage is deemed to have lapsed for any employee in active employment who fails to pay the employee portion of the premium to the employer when due. Once lapsed, coverage may only be obtained by providing evidence of insurability. (Exception: An employee whose coverage lapses while on unpaid leave of absence may obtain coverage without providing evidence of insurability by reapplying within 30 days of returning to work.)

602 Cancellation of Coverage

An employee may choose to cancel coverage at any time. Once coverage is cancelled, the employee can only obtain coverage by providing evidence of insurability.

Cancellation of coverage is effective the first day of the calendar month on or after the date the *Income Continuation Insurance Application* (ET-2366) canceling coverage is received by the employer. Any premium deductions taken for a coverage month after the date coverage ceases must be refunded to the employee. Premium adjustments due to a

refund must be noted in the 'Premium Adjustment' columns of the *Monthly Premium Report Group Income Continuation Insurance* (ET-1629) form and these adjustments must be applied to the payment remitted to ETF.

An employee enrolled in supplemental ICI coverage who cancels their standard ICI coverage in Section 1 of the *Income Continuation Insurance Application*, effectively cancels their supplemental ICI coverage. Enrollment in supplemental ICI coverage cannot exist without concurrent enrollment in standard ICI coverage.

To cancel only supplemental ICI coverage, the employee must fill out the *Income Continuation Insurance Application* and mark only the box in section 2 where it says, "I wish to cancel my Supplemental ICI Coverage."

603 Employer Withdrawal from the ICI Program

A participating employer may withdraw from the ICI Program at the end of any calendar year provided the employer participated in the program for a minimum of 12 months. A *Resolution to Withdraw from the Wisconsin Public Employers' Group Income Continuation Insurance Program* (ET-1322) must be received at ETF by October 1 for program termination at year's end.

Employee coverage terminates at the end of the calendar year, with the exception of those employees disabled on or before the effective date of the employer's withdrawal. Coverage for these employees ends when the ICI benefit terminates. (Refer to subchapter 707 for information on maximum duration of benefits.)

Employers may contact ETF's Employer Services Section at 608-266-3285, option 2, or toll-free at 1-877-533-5020, option 2, for additional information on withdrawal from the ICI Program.

The Group Insurance Board may terminate an employer's participation in the ICI Program if participation falls below the required 65%. In this event, the employer is notified by October 1 that termination will be effective at the end of the calendar year.

CHAPTER 7 — Benefits

| | |
|------------|----------------------------------------------------|
| 700 | Introduction |
| 701 | Eligibility for ICI Benefits |
| 702 | Determining Dates of the Elimination Period |
| 703 | Earnings for Benefit Payment Purposes |
| 704 | Benefit Payments |
| 705 | Dates of Benefit Payment Checks |
| 706 | Continuation of Benefits |
| 707 | Maximum Duration of Benefits |
| 708 | Offsets from Other Sources |
| 709 | Reduction or Termination of Benefits |
| 710 | Social Security Withholding on ICI Benefits |
| 711 | Taxability of ICI Benefits |

700 Introduction

The Income Continuation Insurance (ICI) Program is an income replacement disability benefit plan. ICI benefits are based on 75% of the claimant's pre-disability earnings, minus income from other sources. Notify ICI's third-party administrator immediately if you become aware that an employee receiving ICI benefits is also receiving income from other sources. (Refer to subchapter 708 for additional information on offsets.)

Employees electing ICI coverage are required to select an elimination period of 30, 60, 90, 120 or 180 calendar days that, in the event of disability, must elapse before ICI benefits begin.

701 Eligibility for ICI Benefits

ICI coverage must be in effect on the first date of disability. ICI benefit payments do not begin until a claimant has been totally and continuously disabled for the entire elimination period.

Totally disabled means the claimant is under the regular care and attendance of a physician, and:

- **During the first 12 months of disability** (Short-Term Disability) - "totally disabled" is defined as the claimant's inability, by reason of any medically determinable physical or mental impairment as supported by objective medical evidence, to perform the duties of their position.

- **Following the first 12 months of disability** (Long-Term Disability) - “totally disabled” is defined as the claimant’s complete inability, by reason of any medically determinable physical or mental impairment supported by objective medical evidence, to engage in any substantial gainful activity for which the claimant is reasonably qualified, with due regard to the claimant’s education, training and experience.

Claimants must have ICI coverage in effect on the first date of treatment for their disability. ICI premiums must be continued in full until the employer receives notification that premiums are being waived.

702 Determining Dates of the Elimination Period

The third-party administrator for the ICI Program determines the beginning date of the elimination period. The elimination period can start on one of two dates:

1. Day Following Last Day Worked

If the claimant saw a physician for the medical condition on or before the last day worked and the physician indicates that the medical condition meets the plan’s disability definition, the elimination period may begin the day following the last day worked. The first day of the elimination period may be no earlier than the day after the last day worked.

2. Date Disability Certified by Physician

If the claimant did not see a physician for the medical condition on or before the last day worked, the claimant must be treated by a physician after ceasing work to determine whether the medical condition meets the plan’s disability definition. The elimination period will not begin until the date on which the physician indicates that the medical condition meets the plan’s disability definition.

Sick leave, vacation, holiday and compensatory time need NOT be exhausted before ICI benefit payments can begin. However, after the elimination period is satisfied, no ICI benefits are payable for any day for which the claimant receives paid leave time. Any sick leave, vacation, holiday or compensatory time used or paid out after the selected elimination period must be reported to ETF on the *Income Continuation Insurance Report of Employment and Earnings* (ET-5901).

703 Earnings for Benefit Payment Purposes

The average monthly earnings used to calculate ICI benefits will be the previous calendar year’s WRS-reportable earnings, rounded to the next higher thousand and divided by 12. Exceptions:

- a. If the employee is newly hired or had a permanent change in percentage of appointment that is not accurately reflected in the previous year's earnings, the estimated annual base salary earnings that were used to determine the most recent premiums will be rounded to the next higher thousand and divided by 12. That projection will be the basis for establishing average monthly earnings for the determination of benefits.
- b. If the employee has had a permanent change in their rate of pay but has had no change in their percentage of appointment, the average monthly earnings will be based on either a new projection of annual earnings using the new rate of pay OR the total WRS-reported earnings from the previous calendar year, whichever is higher. Employers must report all new earnings projections on the *ICI Employer Statement* (ET-5351).
- c. If the employee returns to employment after a period of disability or authorized leave and then goes out on a new disability, earnings will be the same as those used for the prior disability/authorized leave OR the total WRS-reportable earnings from the previous calendar year, rounded to the next higher thousand and divided by 12. Use whichever amount is higher.

704 Benefit Payments

ICI benefits pay disabled employees a monthly amount that, when combined with income from other disability or retirement plan sources as listed in subchapter 708, maintains a specified percentage of the employee's pre-disability earnings. The specified percentage is roughly 75% and this amount remains the same for the entire short-term disability period, although the income from various sources may change due to cost of living adjustments.

The maximum benefit payable is \$4,000 per month for standard ICI coverage, or \$7,500 for individuals enrolled in ICI supplemental coverage.

ICI benefits are payable beginning the first calendar day **following** the last day of the elimination period and for each succeeding calendar day until the disability ceases as defined by ICI plan provisions. ICI benefits are paid only for full days of disability, not partial days.

Following completion of the claimant's selected elimination period, ICI benefits are paid for every day of continuing disability, including weekends. The rounded annual salary is divided by 12 to obtain the monthly average salary and then multiplied by 75% to obtain the monthly benefit amount. For each day of the benefit period less than one month,

partial monthly payments are determined at one-thirtieth (1/30) of the monthly benefit.

The following is an example of how ICI benefits are calculated:

| | |
|-------------------------------------|-----------------------|
| Previous Year's WRS Earnings | \$28,323.16 |
| Round to the Next Thousandth | \$29,000.00 |
| Divide by 12 | $\$29,000.00 \div 12$ |
| Monthly Earnings | $= \$2,416.67$ |

| | |
|----------------------------|----------------------------|
| Monthly Earnings | $\$2,416.67 \times 75\% =$ |
| Monthly ICI Benefit | $\$1,812.50 \div 30$ |
| Daily ICI Benefit | $= \$60.42$ |

705 Dates of Benefit Payment Checks

ICI payments are made at the beginning of the month for the preceding benefit month. For example, January benefits are paid on February 1. Benefits are paid through an electronic deposit. The claimant must complete the Automated Clearing House (ACH) authorization form provided by the third-party administrator.

Claimants failing to receive an expected benefit payment should contact the ICI Program's third-party administrator. (Refer to subchapter 103 for contact information.)

706 Continuation of Benefits

The ICI Program's third-party administrator periodically requests additional medical information to determine whether the claimant remains disabled. The frequency of these requests depends on the nature and expected duration (based on industry standards) of the disability.

An employee's failure to provide any requested documentation may result in a discontinuation of benefits. If a claimant is receiving WRS disability or Social Security Disability Income benefits, medical information is not required unless those benefits terminate.

707 Maximum Duration of Benefits

ICI benefits are normally payable through the end of the month in which a claimant reaches age 65, as long as the claimant meets all of the ICI plan requirements. However, if a claimant's first date of disability is after their 60th birthday, benefits will be payable for a period of 5 years from their date of disablement.

The maximum duration of benefits for disabled, insured employees is:

| Age on Date of Disability | Maximum Duration of Benefits from Date of Disablement |
|----------------------------------------|------------------------------------------------------------------|
| On or before 60 th birthday | To age 65 |
| After 60 th birthday | 5 years |

Coverage for Pregnancies:

The duration of disability for a woman who has a normal, vaginal delivery is considered to be six weeks from the date of delivery (eight weeks for an uncomplicated cesarean delivery). These time periods are standard durations used in the disability industry. However, if the claimant has complications prior to or after delivery, ICI benefits may be paid longer, depending on whether the complication is considered disabling.

As with any disability claim, the claimant must serve their elimination period prior to receiving an ICI benefit.

708 Offsets from Other Sources

ICI benefits are reduced by the gross amount of income from other sources, such as other WRS disability, retirement or separation benefits. Claimants must apply for any other available benefits for which they may be eligible. ICI benefits will be reduced by the largest benefit available from other sources, even when the claimant has selected a reduced benefit from another source.

The ICI Program's third-party administrator determines whether claimants are required to apply for other benefits based on medical evidence. The third-party administrator will notify claimants who are approved for ICI benefits that they may be required to apply for other available benefits and that they may be required to repay ICI benefits based on their eligibility for those other benefits or income sources.

Other income sources include, but are not limited to:

- Any Social Security (disability or retirement) benefits the employee is eligible to receive.
- Workers' Compensation – temporary total disability, temporary partial disability and compromise/settlement agreements. Note that permanent partial disability, permanent total disability, medical expenses, penalties assessed against employer, and attorney fees are not offset from the ICI benefit.
- Any employer liability law benefits, such as Wis. Stat. § 40.65 Duty Disability benefits.
- Any WRS retirement, disability retirement, separation, or Long-Term Disability Insurance benefits (closed to new claims as of January 1, 2018).
- Any employer-sponsored salary continuation plan, including any plan whose premiums are paid or collected via payroll deduction.
- Earnings, including but not limited to: paid sick leave, vacation, holiday pay and sabbatical paid on a regular basis or as a lump sum.
- Unemployment compensation.

Should an employee return to employment, the employer is required to report any earnings as indicated in Chapter 9.

Note regarding Workers' Compensation:

The third-party administrator instructs claimants to apply for workers' compensation (WC) benefits if the illness/injury appears to be work related. Future ICI benefits may be reduced or suspended if the employee fails to apply for WC benefits. Once a WC decision is issued, the employer must report any approved WC awards to the third-party administrator. Employers must report any temporary WC disability benefits on the *Income Continuation Insurance Report of Employment and Earnings* (ET-5901).

In the event the WC claim determination is delayed, ICI benefits will be paid without any WC adjustment. However, ICI payments are recalculated once the WC award is determined. Claimants must repay overpayments caused by a WC award.

709 Reduction or Termination of Benefits

ICI benefits are reduced or terminated when any of the following occur:

- Return to full-time employment - ICI benefits are payable up to the date of return, or up to the date medical evidence indicates the claimant is capable of returning to work full-time, if earlier.
- Return to part-time employment - ICI benefits continue on a reduced basis if the claimant returns to part-time employment with the pre-disability employer or if employment is approved as rehabilitative training. The ICI benefit will terminate for claimants receiving Long-Term Disability ICI benefits if their gross part-time earnings are equal to or greater than the gross ICI benefit. If the benefit is terminated, the claimant is required to begin paying ICI premiums to continue ICI coverage.

Note: If the claimant's physician notifies the third-party administrator of the ICI Program that the claimant can work for a specified number of hours, but the claimant chooses to work fewer hours, the benefit will be reduced by the number of hours specified in the physician's release.

710 Social Security Withholding on ICI Benefits

Social Security regulations provide that any income from a sickness or disability plan received during the first six months of a disability is subject to Social Security withholding if the employer paid a portion of the ICI premiums.

The percentage of the benefit subject to Social Security withholding is equal to the percentage of the gross premium paid by the employer.

711 Taxability of ICI Benefits

The percentage of benefits considered taxable income is directly proportionate to the percentage of the total ICI premium paid by the employer. The taxable portion of the benefit is based on an average of the premium percentage paid by the employer over the three years prior to the year in which the ICI benefits are first paid. However, due to continuing revisions of tax laws and the interpretation of the revenue code, claimants should consult both state and federal tax authorities for answers to specific questions concerning the exclusion or inclusion of such benefit payments as taxable income. The ICI Program's third-party administrator automatically withholds federal income tax from the taxable portion of a benefit at the equivalent withholding for a Single person with zero (0) deductions unless the employee has filed an IRS Form W-4 with an alternative withholding request.

Wisconsin state income tax is withheld from a taxable ICI benefit only when the claimant submits the Wisconsin withholding exemption form WT-4.

CHAPTER 8 — Claim Processing

- 800 Filing an ICI Claim**
- 801 Information Required from the Employer**
- 802 Third-Party Administrator Claim Review**
- 803 Approval, Denial or Termination Notice**
- 804 Paying Premiums After the Date of Disability**
- 805 Waiver of Premium**

800 Filing an ICI Claim

Employers should instruct the disabled employee to initiate a claim by calling the third-party administrator (refer to subchapter 104 for contact information) or submitting a paper claim. **Filing claims by telephone is recommended as it reduces paperwork and eliminates delays associated with mailing claim forms to ETF.**

A. Filing Claims by Phone:

- The third-party administrator's customer service representative collects basic information from the claimant including name, Social Security number, date of birth and current mailing address.
- The claimant provides related information to the third-party administrator such as the nature of the disability, last day worked, contact information for their attending and/or treating physician and any additional work-related information.

B. Filing Paper Claims:

- The employer provides the claimant the [*Income Continuation Insurance Claim Form \(ET-5352\)*](#).
- The claimant submits the paper claim to ETF.

A claim can be filed up to thirty (30) days prior to the employee's last day at work in cases of scheduled surgery or impending childbirth. No benefits are payable more than 90 days retroactively from the date the claim is received by the third-party administrator, or ETF if a paper claim is filed. Claims received more than 12 months from the last day in pay status will be denied.

Note: Employees who file a workers' compensation claim should also file an ICI claim as soon as possible. They should not wait until they have a workers' compensation determination, or they may miss out on ICI benefits.

Upon receipt of the claim, the third-party administrator mails the claimant the following:

- Introductory letter explains how the program works and what to expect while the claim is pending.
- Medical release forms that the claimant must sign and immediately return one to the third-party administrator and to the claimant's attending and/or treating physician.

Note: The attending and/or treating physician, clinic and medical records departments will not release confidential medical information to the claim administrator without the claimant's consent. Until that release is given, the claim cannot be processed. The claimant is responsible for any costs associated with obtaining medical records and exams.

801 Information Required from the Employer

Once an ICI claim has been filed, the ICI Program's third-party administrator sends an *Income Continuation Insurance Employer Statement* (ET-5351) to the employer. The employer must complete the information requested on the form.

After completion of the *Income Continuation Insurance Employer Statement*, please make a copy for your records. The completed form and a copy of the employee's current position description should be returned to ETF, PO Box 7931, Madison WI 53707-7931 or faxed to 1-608-267-4549.

Note: Continue collecting ICI premiums until notified of the claim determination.

802 Third-Party Administrator Claim Review

The ICI Program's third-party administrator reviews ICI disability claims in the following manner:

- A registered nurse from the third-party administrator obtains clinical information about the claimant's disability from the claimant's attending or treating physician.
- The nurse from the third-party administrator may contact the physician to arrange a return-to-work plan for the claimant. The plan may include modified hours or restricted duties. The third-party administrator will also contact the employer to determine whether job modifications for the claimant can be made. The third-party administrator notifies the claimant in writing about any determinations.
- The third-party administrator contacts the physician for ongoing review of the disability claim to obtain updates on symptoms, diagnoses, treatment and the return-to-work plan.

803 Approval, Denial or Termination Notice

The ICI Program's third-party administrator will notify the employer whether the claim has been approved or denied and whether ICI premiums will be waived or not. The third-party administrator will also notify the employer of the date on which the claim is terminated and when ICI premiums should resume.

804 Paying Premiums After the Date of Disability

The employer and employee must continue to pay ICI premiums from the date of disability (refer to subchapter 701) until premiums are waived (refer to subchapter 805), including any time the employee is on a leave of absence.

805 Waiver of Premium

ICI premiums are waived effective the first of the month on or after the date ICI benefits first become payable or upon termination of employment, whichever occurs first.

Do not assume premiums are waived until notified by the third-party administrator of the ICI claim approval and premium waiver effective date.

The premium waiver remains in effect through the end of the month in which the employee's leave of absence ends. A leave of absence ends when the employee has resumed active performance of duty for 30 consecutive calendar days for at least 50% of what is considered that employee's normal work time.

CHAPTER 9 — Claimant Change in Work Status

900 Change in Work Status

901 Reporting Offsets from Part-Time Employment and Worker's Compensation Temporary Benefits

900 Change in Work Status

Employers must notify ETF of a claimant's change in work status by completing the *Income Continuation Insurance Report of Employment and Earnings* (ET-5901). ICI benefit payments may be adjusted or terminated when one of the following occurs:

- Claimant returns to full-time employment.
- Claimant returns to part-time employment.
- Claimant will not be returning to work.
- Claimant's death.
- Earnings for vacation, sick leave, comp time, etc., are paid after the claimant's selected elimination period.
- Workers' Compensation, temporary disability benefits or back wages from compromise agreement/settlements are paid.

Resumption of part-time employment increasing to full-time employment within the same reporting period requires that employers report:

- start date of part-time employment;
- amount of part-time earnings; and
- start date of full-time employment.

Delays in submitting the *Income Continuation Insurance Report of Employment and Earnings* may cause overpayment in ICI benefits, which the employee must later repay.

901 Reporting Offsets from Part-Time Employment and Worker's Compensation Temporary Benefits

Employers must complete an *Income Continuation Insurance Report of Employment and Earnings* (ET-5901) form and submit it to ETF after each payroll period during which an ICI claimant performed any part-time work or received workers' compensation temporary benefits. Report earnings from part-time employment based on the earnings check date. Report workers' compensation temporary benefits based on the period covered (not the workers' compensation check date).

CHAPTER 10 — Reinstatement of Coverage Lost Due to Employer Error

1000 Introduction

1001 Types of Employer Errors that Can be Corrected

1002 How to Correct an Employer Error

1003 Errors Not Eligible for Correction

1004 How to Avoid Employer Errors

1000 Introduction

From time to time, an employee misses the open enrollment period for ICI coverage or later loses coverage due to an error made by the employer. Wis. Stat. § 40.61(5) permits coverage to be obtained without requiring the employee to provide evidence of insurability under certain circumstances.

An ICI application shall be approved beyond the 30-day period after the employee becomes eligible without providing evidence of insurability if **all** of the following conditions are met:

- The employer furnishes sufficient information to ETF indicating the employer did not provide an application form or advise the employee of eligibility.
- The employee files a new [Income Continuation Insurance Application \(ET-2366\)](#) that must be received by the employer within 30 days after the employer notifies the employee of improper enrollment.
- ETF finds that the employee was denied coverage as a result of employer error as specifically defined in Wis. Stats. § 40.61 (5).
- No more than three years have elapsed since the date of the employee's initial eligibility for ICI.

If the application is approved, coverage will become effective the first day of the month on or after the date the employer receives the application from the employee. If the error cannot be corrected under the employer error provision, the employee may only obtain coverage by applying through Evidence of Insurability.

The Income Continuation Insurance plan language further provides:

- A. An employee who began paying premiums within 60 days after becoming eligible, and has continued to pay premiums, even though not properly enrolled, is deemed to be insured. Following employer notice of improper enrollment, insurance shall continue in effect for 30 days, during which time proper enrollment must be completed by the employee. Coverage shall cease after 30 days unless proper enrollment has been completed.

- B. If an employee completed an application and submitted it to their employer within their initial eligibility period, they have ICI coverage and no employer error request is needed. Submit the application to ETF and collect all back premiums owed if deductions were not started by the employer or they were erroneously stopped. All past due premiums must be remitted to ETF.

1001 Types of Employer Errors that Can be Corrected

The table below lists different types of errors that employers could make and indicates how the errors should be resolved:

| Scenario Number | Was an Application Completed and Received by the Employer Timely?* | Were Premiums Deducted? | Is Employee Considered to have ICI Coverage? | New Application Required? | Coverage Effective Date | What Needs to be Done? |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|----------------------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | YES | NO | YES | NO | First of the month that first occurs during the 30-day enrollment period | Past due premiums must be submitted to ETF. |
| 2 | NO, because employer neglected to offer enrollment opportunity | NO | NO | YES | First of the month on or after the date the employer receives the completed application and upon approval by ETF. | Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.† |
| 3 | NO, because employer neglected to offer enrollment opportunity | YES | YES | YES | The date for which premiums were first paid. | Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.‡ |
| 4 | YES. Employee returned from LOA; ICI coverage continued during LOA, or premiums were waived while employee received ICI benefits. | NO; employer fails to re-start ICI deductions. | YES | NO | (No break in coverage.) | Past due premiums must be submitted to ETF. <i>(Employee also has the option to cancel coverage back to the date the premiums lapsed as long as no ICI benefits were paid in the interim.)</i> |
| 5 | NO. Employee returned from LOA; ICI coverage lapsed while on LOA. Employer fails to offer re-enrollment opportunity. | NO | NO | YES | First of the month on or after the date the employer receives the completed application and upon approval by ETF. | Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.† |
| 6 | NO. Employee returned from LOA; ICI coverage lapsed while on LOA. Employer fails to offer re-enrollment opportunity. | Yes; deductions resumed upon RTW. | YES | YES | (No break in coverage.) | Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.‡ |

* regardless of if the employer submitted the application to the Dept. of Employee Trust Funds

† Employer must follow the “employer error” procedure in subchapter 1002. ETF will review and either approve or deny the application.

‡ Because premiums were deducted, the employee is considered to be insured. However, the employer must follow the same “employer error” procedure as outlined in subchapter 1002 when submitting the application to ETF.

1002 How to Correct an Employer Error

1. Immediately notify the employee of the error in writing and provide the employee with a new *Income Continuation Insurance Application* (ET-2366). Current dates should be used on the ICI application in the box at the employee signature line and in the box labeled 'Date Received from Employer.' The employee must return the application to the employer within 30 days of being informed of the error. Employees who are on leave of absence when an error is discovered may apply for coverage within 30 days of their return to work.
2. The employer must send the application to ETF marked with "Employer Error" and accompanied by a detailed letter explaining the error. The letter should answer the following questions:
 - What is the exact nature of the error?
 - What evidence exists to show that the employer, not the employee, was responsible for the error?
 - What was the cause of the error?
 - How and when was the error discovered?
 - What was done once the error was discovered?
 - What corrective action has the employer put in place to ensure that this type of error does not reoccur?
3. If premiums are not already being deducted, begin premium deductions immediately when an application is filed under the employer error provision. Although premiums may be deducted from an employee's salary, coverage is not guaranteed until ETF approves the application. The employer must refund any premium deductions made if coverage is ultimately not approved.
 - Applications can be returned to ETF by mail, fax, and through the Box link below.
 - Mail: P.O. Box 7931, Madison, WI 53707-7931
 - Fax: 608-267-4549
 - Box link for electronic submission:
<https://etf.app.box.com/f/7a3fc2c5ca3c45c3848c44d3f6dbafab>
4. ETF will notify both the employer and the employee of ICI coverage approval or denial. If approved, coverage will be effective on the first of the month following the date the employer received the application. If the employee had begun paying premiums within 60 days after becoming eligible, coverage will be effective retroactive to the first of the month for which the first premium payment was received.
6. If the error cannot be corrected under the employer error provision, the employee can apply for coverage by providing evidence of insurability.

1003 Errors Not Eligible for Correction

The employer error provision does not apply to errors primarily due to the employee's action or inaction. Examples of such situations include, but are not limited to:

- Employee is given application materials but forgets to submit completed application.
- Employee receives written notice of ICI coverage from the employer but fails to report coverage discrepancies to the employer.
- Employee completes form incorrectly and inadvertently cancels more coverage than intended. (A cancellation form can be withdrawn only before the effective date of the cancellation.)

If the error cannot be corrected under the employer error provision, the employee can apply for coverage by providing evidence of insurability.

1004 How To Avoid Employer Errors

The following chart illustrates some of the more common errors made by employers and provides tips on how to avoid these types of errors. Examples are not all-inclusive.

| Types of Employer Errors: | How to Avoid These Types of Errors: |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Failure to provide ICI information or an application to the employee within 30 days after the employee becomes eligible for coverage. | Employers should use the <i>New Employee Benefit Checklist</i> (ET-2572) or develop their own. The checklist will help verify eligibility and that all information and applications were given to the employee. The employee should sign the checklist verifying that they have received all applications/forms. Employers should retain a copy of the signed checklist for future confirmation that the employee received all the information listed on the checklist. |
| Excludes employees based on misinterpretation of eligibility. (Eligible employee includes full-time, part-time, limited-term, temporary, project, seasonal, non-represented, substitute teachers, library aides, etc., irrespective of bargaining unit agreements.) | Employers must offer Income Continuation Insurance coverage to all WRS-eligible employees. |
| Unaware of WRS eligibility date, and reports WRS enrollment late. | Employers should continually monitor an employee's work hours when the employee is determined not to be initially eligible for WRS. Refer to Chapter 3 of the <i>WRS Administration Manual</i> (ET-1127). |

Appendix A: LOCAL Income Continuation Insurance – Eligibility and Premium Rules – Effective 05-01-2023 (Rev. 04/19/2023)

| Example Number | Event | Coverage in Force at Time of Event | Application Required | Eligible to Enroll in Standard | Eligible to Enroll in Supplemental | Coverage Level Basis (assuming Event does not occur during Annual Premium Review period) | Annual Premium Review Process** | Comments | Effective Date of Coverage / Change / Termination |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------------------------|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| New Hire | | | | | | | | | |
| 1 | New hire | N/A | Yes – within 30 days from date of hire | Yes | Yes – if projected earnings > \$64,000 | Projected earnings for the ensuing 12 months | Annual Earnings Update - Bypassed until the employee has a full calendar year of earnings. Premium should be adjusted based on updated annual premium rate. | | Coverage effective the first day of the calendar month that first occurs during the 30-day enrollment period. 2.02 (4) |
| Job Change (Promotion/Demotion) | | | | | | | | | |
| 2 | Promotion with salary increase at same employer – no FTE change. Current coverage based on last year's WRS earnings (see "Comments" if employee on a projected salary) | Not enrolled | NA – not eligible to enroll | Can enroll through EOI only | | N/A | N/A | | N/A |
| | | Standard | No | N/A - already enrolled | No - even if earnings will exceed \$64,000 due to promotion. May enroll in supplemental coverage during any annual Supplemental Coverage open enrollment period in which the prior year's WRS earnings exceed \$64,000. | No coverage or premium change until Annual Premium Review. (Note: If employee has a subsequent ICI claim, their ICI <i>benefits</i> would be based on their new rate of pay or previous CY earnings – whichever is higher.) | **Annual Earnings – Previous CY Premium should be adjusted based on updated annual premium rate. | This information also applies to an employee whose coverage is based on a projected salary at the time of the salary increase. For premium purposes, the projected salary will remain in place until the employee has worked for a full calendar year and has a full calendar year of earnings. | N/A |
| | | Standard & Supplemental | | | N/A - already enrolled | | | | |
| 3 | Demotion with salary decrease at same employer – no FTE change. Current coverage | Not enrolled | N/A – not eligible to enroll | Can only enroll through EOI | | N/A | N/A | | N/A |
| | | Standard | No | NA - already enrolled | No | No coverage or premium change until annual | **Annual Earnings – Previous CY | This information also applies to an employee whose coverage is | N/A |

| Example Number | Event | Coverage in Force at Time of Event | Application Required | Eligible to Enroll in Standard | Eligible to Enroll in Supplemental | Coverage Level Basis (assuming Event does not occur during Annual Premium Review period) | Annual Premium Review Process** | Comments | Effective Date of Coverage / Change / Termination |
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| | based on last year's WRS earnings (see "Comments" if current coverage based on projected salary) | Standard & Supplemental | | | If new salary < \$64,000, remain eligible for Supplemental coverage until next annual premium review; may voluntarily cancel supplemental coverage at any time. | premium review. (Note: If employee has a subsequent ICI claim, their ICI <i>benefits</i> would be based on their new rate of pay or previous CY earnings – whichever is higher.) | Premium should be adjusted based on updated annual premium rate. | based on a projected salary at the time of the salary decrease. For premium purposes, the projected salary will remain in place until the employee has a full calendar year of earnings. | |
| Appointment Percentage / FTE Changes | | | | | | | | | |
| 4 | FTE increase or decrease [Any permanent change to appointment percentage] | Not enrolled | N/A – not eligible | Can only enroll through EOI | | N/A | N/A | | N/A |
| | | Standard | No | N/A - already enrolled | No, if not previously enrolled. May enroll during the next Supplemental Open Enrollment period if estimated salary greater than \$64,000. | Projected earnings as of 1 st of the month on or following FTE change | Annual Earnings update - Bypassed until the employee has a full calendar year of earnings at current FTE %. | If someone has a temporary FTE change, is on a partial LOA or is working a reduced schedule on a temporary basis while on FMLA or Workers Comp, ICI coverage is NOT adjusted and coverage is NOT based on a projected salary. | New coverage amount effective the first day of the calendar month which occurs on or following the effective date of the change in appointment. |
| | | Standard & Supplemental | No | | N/A - already enrolled; If new projected salary is less than \$64,000, supplemental would end. 2.11 (2) (b) (This is different than a demotion because FTE change requires a new projection, but a demotion does not.) | If coverage already based on projected earnings at time of FTE change, must update projected earnings based on FTE change. | Premium should be adjusted based on updated annual premium rate. | | If earnings drop below \$64,000/year, supplemental coverage is discontinued as of the 1 st of the month on or following the change in percentage of appointment. 2.11 (2) (b) |
| Leave of Absence | | | | | | | | | |
| 5 | Employee returns from unpaid LOA (or Military Leave); Did not have coverage prior to LOA | None | No | No; There is no new enrollment opportunity upon return from LOA if employee had no coverage prior to leave. (Can apply though EOI.) | | N/A | N/A | | N/A |

| Example Number | Event | Coverage in Force at Time of Event | Application Required | Eligible to Enroll in Standard | Eligible to Enroll in Supplemental | Coverage Level Basis (assuming Event does not occur during Annual Premium Review period) | Annual Premium Review Process** | Comments | Effective Date of Coverage / Change / Termination |
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| 6 | Employee returns from unpaid LOA (or Military Leave), did NOT receive ICI benefits, and ICI coverage did NOT lapse while on LOA | Standard OR Standard & Supplemental | No | N/A - already enrolled | N/A – if already enrolled; No new enrollment opportunity if not enrolled (*See “Comments” for exception.) | Gross premium remains the same throughout the LOA. Upon return to work, coverage level remains the same until employee works full CY (unless there has been a permanent change in the employee’s percentage of appointment). 2.05 (4) | Annual Earnings update - Bypassed year 1; include in annual earnings review process once employee works full CY. 2.05 (4) Premium should be adjusted based on updated annual premium rate. | <i>*If an employee, while on leave, missed an opportunity to enroll for Supplemental coverage during the Annual Open Enrollment period, they can enroll by submitting an appl. to their employer within 60 days of return to work. Supplemental coverage would be effective the first day of the calendar month that first occurs during the 60-day enrollment period, but not prior to April 1st of the year in which the employee became eligible to enroll. 2.03 (4) (e)</i> | N/A |
| 7 | Employee returns from unpaid LOA (or Military Leave) to previous FTE level, did NOT receive ICI benefits, and coverage lapsed while on LOA 2.05 (5) | Standard OR Standard & Supplemental | Yes – within 30 days of RTW | Yes (previously enrolled prior to LOA) | Yes – if enrolled prior to LOA; <i>There is no new Supplemental coverage enrollment opportunity upon return from LOA if not previously enrolled. (*See “Comments” for exception.)</i> | Coverage level in effect at the time the coverage lapsed will resume upon return from LOA, unless there has been an annual premium or salary adjustment in the interim. | Annual Earnings update - Bypassed year 1; include in annual earnings review process once employee works full CY. Premium should be based on updated annual premium rate. | <i>*Employees on LOA during the Supplemental Coverage Open Enrollment Period have 60 days from their return to work to apply for supplemental coverage. 2.03 (4) (e) Supplemental coverage would be effective the first day of the calendar month that first occurs during the 60-day enrollment period, but not prior to April 1st of the year in which the employee became eligible to enroll.</i> | Coverage effective the first day of the calendar month that first occurs during the 60-day enrollment period. |
| 8 | Employee returns from unpaid LOA (same FTE level), received ICI benefits while on LOA, but ICI benefits have now ceased (ICI Premium Waiver in effect during LOA.) | Standard OR Standard & Supplemental | No | N/A - already enrolled | N/A – if already enrolled; No new enrollment opportunity if not already enrolled. (*See “Comments” for exception.) | Coverage level in effect at the time the LOA began will resume upon return from LOA. Premium rate will be adjusted if there has been an annual premium adjustment in the interim. | Annual Earnings update - Bypassed year 1; include in annual earnings review process once employee works full CY. Premium should be based on updated annual premium rate. | <i>*Employees on LOA during the Supplemental Coverage Open Enrollment Period have 60 days from their return to work to apply for supplemental coverage. 2.03 (4) (e) Supplemental coverage would be effective the first day of the calendar month that first occurs during the 60-day enrollment period, but not prior to April 1st of the year in which the employee became eligible to enroll.</i> | N/A – coverage never lapsed (employee on premium waiver); ICI program administrator will notify the ER as to when premium payments/deductions will need to resume. |

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| 9 | Employee returns from unpaid LOA, but does NOT return full-time, and is still receiving ICI benefits (ICI Premium Waiver is still in effect.) | Standard OR Standard & Supplemental | No | N/A - already enrolled | N/A – if already enrolled; No new enrollment opportunity if not enrolled. | Premium Waiver continues to apply through the end of the month in which the employee's LOA ends or the ICI benefit terminates, whichever is later. 2.06 | N/A | Premiums are not due while an EE is receiving ICI benefits. Employees who have returned to work part-time, but are still receiving ICI benefits, may enroll in Supplemental coverage once they are no longer receiving ICI benefits. 2.03 (4) (e) | N/A – coverage never lapsed (employee on premium waiver) |
| Evidence of Insurability (EOI) | | | | | | | | | |
| 10 | Employee is approved for coverage through Evidence of Insurability (EOI) 2.03 (1) | None (Employee with Standard coverage cannot apply for Supplemental coverage through EOI.) | Yes (Employee should send EOI application directly to ETF.) | Yes | Yes – if earnings exceed \$64,000 | Coverage level based on previous CY earnings (If employee does not have full year of earnings in the previous CY, use projected earnings as of coverage effective date.) | Annual Earnings update - Previous CY (unless using projected earnings in previous year– then bypass year 1; include in annual earnings review process once employee works full CY.) Premium should be calculated based on updated annual premium rate. | | Coverage effective the first day of the calendar month which occurs on or after the date the EOI application is approved. |
| Annual Supplemental Coverage Enrollment Period | | | | | | | | | |
| 11 | Employee elects Supplemental Coverage during Open Enrollment 2.03 (4) | Standard ICI | Yes – by March 1 st | N/A – already enrolled | Yes – if prior CY's earnings (or projected earnings, if applicable) exceed \$64,000 | N/A (See “Annual Premium Review Process”, as Supplemental Open Enrollment takes place during the annual review.) | Annual Earnings - Previous CY (unless using projected earnings in previous year– then see “Comments”) Premium should be adjusted based on updated annual premium rate. | If earnings were projected, they remain the same until employee has a full CY of earnings (If projection based on change in percentage of appointment, must have full year at new FTE %.) | Coverage is effective April 1 st |
| Changes in Elimination Periods | | | | | | | | | |
| 12 | Change to Longer Elimination Period | Standard OR Standard & Supplemental | Yes | No – must already have coverage | | No change in earnings - coverage based on same earnings amount as prior to change in elimination period. New premium rate based on longer elimination period. | Annual Earnings - Previous CY Premium should be adjusted based on updated annual premium rate. | | Change is effective the first day of the calendar month which occurs on or following the date the application is received by the employer. |

| Example Number | Event | Coverage in Force at Time of Event | Application Required | Eligible to Enroll in Standard | Eligible to Enroll in Supplemental | Coverage Level Basis (assuming Event does not occur during Annual Premium Review period) | Annual Premium Review Process** | Comments | Effective Date of Coverage / Change / Termination |
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| 13 | Change to Shorter Elimination Period 2.03 (1) | Standard OR Standard & Supplemental | N/A - Employee must complete Evidence of Insurability (EOI) application. Must be approved by underwriter. | No – must already have coverage | | If EOI approved, coverage based on same earnings amount as prior to change in elimination period. New premium rate based on shorter elimination period. | Annual Earnings - Previous CY Premium should be adjusted based on updated annual premium rate. | An employee can request change through the EOI process at any time of the year. | Change is effective the first day of the calendar month which occurs on or after the date the EOI application is approved. |
| Termination/Cancellation of Coverage | | | | | | | | | |
| 14 | Employee on LOA or Military Leave, and ICI coverage lapses due to non-payment of premiums | Standard OR Standard & Supplemental | N/A | N/A | N/A | N/A | N/A | | Coverage terminates at the end of the month through which premiums are paid. 2.07 (1) |
| 15 | Employee Cancels Coverage | Standard OR Standard & Supplemental | Yes | N/A | N/A | N/A | N/A | May cancel Supplemental <u>OR</u> Standard & Supplemental An employee who completes an application to cancel coverage, <i>other than an employee on military leave</i> , is only eligible to re-enroll through evidence of insurability (EOI). An employee on military leave who cancelled coverage may re-enroll, without providing EOI, by submitting an application to their employer within 30 days of returning to work. 2.03 (2) | Coverage terminates the first day of the calendar month which occurs on or after the date the application is received by the employer. 2.07 (3) |
| 16 | Employee Resigns, is dismissed, terminates, retires or dies (whichever occurs first) | Standard OR Standard & Supplemental | N/A | N/A | N/A | N/A | N/A | | Coverage ends on the date employee resigns, is dismissed, terminates, retires or dies (whichever occurs first). 2.07 (1) |
| Rehired Annuitants | | | | | | | | | |

| Example Number | Event | Coverage in Force at Time of Event | Application Required | Eligible to Enroll in Standard | Eligible to Enroll in Supplemental | Coverage Level Basis (assuming Event does not occur during Annual Premium Review period) | Annual Premium Review Process** | Comments | Effective Date of Coverage / Change / Termination |
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| 17 | Annuitant is re-hired in WRS-eligible position, and annuity is suspended | N/A | Yes – within 30 days of rehire | Yes | Yes– if projected earnings > \$64,000 | Projected earnings as of the effective date of coverage | Annual Earnings Update - Bypassed until the employee has a full calendar year of earnings. Premium should be adjusted based on updated annual premium rate. | | Coverage effective the first day of the calendar month that first occurs during the 30-day enrollment period. 2.02 (4) |

- **Annual Premium Review Process:**
- **Normal process is to look at the previous calendar year’s earnings, rounded up to the next higher thousand. Exceptions would be:**
 - **Employee was newly hired in the previous year** → Use projected earnings (rounded up to the next higher thousand) until the employee has worked a full calendar year (CY).
 - **Employee was on a LOA the previous year** → Use earnings amount in effect prior to the LOA, unless employee has had a permanent change in percentage of appointment since start of LOA.
 - **Employee had a permanent change in percentage of appointment (FTE) in the previous year** → Use previous projected earnings amount until the employee has worked a full calendar year (CY) at their new FTE percentage.