



# Employer *Bulletin*

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## 2015 Income Continuation Insurance Premium Rates

Income Continuation Insurance (ICI) premium rates for 2015 will increase effective February 1, 2015. The premium rate charts can be found on the Department of Employee Trust Funds website:

[etf.wi.gov/publications/ici-state-premiums-2015.pdf](http://etf.wi.gov/publications/ici-state-premiums-2015.pdf)

ICI	Completion Date	Effective Date	Report Date
Annual Premium Update	January	February 1	February report due March 24, 2015
Deferred Enrollment with <a href="#">ICI Application (ET-2307)</a>	Application received by January 30	April 1	April report due May 26, 2015
Annual Supplemental ICI Enrollment period - Use <a href="#">ICI Application (ET-2307)</a>	Application received by January 30	April 1	April report due May 26, 2015

**Note:** Due dates are the 24th of the month; when the 24th falls on a weekend or holiday, the due date is the next business day.

## Annual ICI Premium Review and Update

Please remember to complete the annual ICI premium updates in January (effective February 1, 2015). New premium rates are based on employees' 2014 average monthly WRS earnings (total earnings rounded to the next higher thousand and divided by 12) and accumulated sick leave (elimination period for UW faculty and academic staff).

Premium categories are based on the employee's accumulated sick leave hours as of the prior year's last complete payroll period. For 2014, this is pay period 1B (December 14, 2014 through December 27, 2014).

For newly hired employees or employees whose percentage of appointment changed, estimated premiums should continue until a full calendar year of WRS earnings is available.

### Example:

- Employee starts WRS employment in July 2014 – use estimated salary
- January 2015 Annual Adjustment – continue to use estimated salary
- January 2016 Annual Adjustment – use previous calendar year (2015) WRS earnings

Similarly, if an employee had an authorized leave during the prior calendar year, gross premiums remain at the rate in effect prior to the leave, until a full calendar year of WRS earnings is available.

Deduct premiums during the 4A payroll period (January 25 – February 7). Remittance reports are due to ETF by March 24, 2015.

## Open Enrollment Period Ends January 30, 2015

### Deferred Coverage:

Deferred enrollment gives employees an opportunity to enroll in ICI based on accumulated sick leave. The employee does not have to provide proof of insurability. The following conditions apply:

- It is the first time an employee becomes eligible for an increase in State contribution toward premium under premium category 4 or 5. An employee is eligible at the end of any year they are in category 6.
- It is the first time an employee qualifies for premium category 3. Category 3 is available to part-time employees on a prorated basis.

Eligible employees on leaves of absence during the open enrollment period have 30 days from their return to work to apply for coverage.

### Supplemental Coverage:

Supplemental ICI provides coverage for annual earnings between \$64,000 and \$120,000. (Standard ICI only covers annual earnings up to \$64,000.) Eligible employees electing supplemental coverage must insure their entire salary above \$64,000 up to a maximum of \$120,000. There is no partial supplemental coverage. Enrollment in the supplemental ICI coverage is voluntary.

Employers should notify eligible employees of the supplemental ICI enrollment opportunity and direct interested employees to contact the appropriate human resources or payroll/benefits personnel for an [Income Continuation Insurance Application \(ET-2307\)](#).

Eligible employees on leaves of absence during the open enrollment period have 30 days from their 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.

### ***Who is eligible for supplemental ICI coverage during the annual supplemental coverage enrollment period?***

- Employees applying for ICI coverage during annual deferred enrollment with annual earnings exceeding \$64,000 may apply for supplemental ICI at the same time they apply for standard ICI coverage.
- Employees who currently have standard ICI coverage and whose annual earnings exceeded \$64,000 in 2014.

### ***Who pays the premium?***

- The employee pays the entire premium for the supplemental ICI coverage; there is no employer share. Employers cannot contribute any portion of the supplemental ICI premium.

### ***How does supplemental coverage affect the potential benefit level?***

- Employees with supplemental ICI coverage are eligible for a maximum benefit of \$7,500 per month (75% of maximum monthly earnings of \$10,000).
- Employees with annual earnings greater than \$64,000 who are not enrolled in supplemental ICI coverage are limited to a maximum benefit of \$4,000 per month.

### ***How to apply:***

- Eligible employees must complete the 'Employee' section of the [Income Continuation Insurance Application \(ET-2307\)](#) indicating the election of supplemental ICI coverage. The application must be returned to the employer by close of business on January 30, 2015.

**Employers will:**

1. Validate that the employee is eligible for supplemental ICI coverage.
2. Complete the 'Employer' section of the application.
3. Make two copies. Give a copy to the employee and retain a copy for verification purposes.
4. Send the original application to ETF.

**Premiums for Deferred and Supplemental Coverage:**

Determine premiums using the same criteria as the annual process. Coverage is effective April 1, 2015. Deduct premiums during the 8A payroll period (March 22 – April 4). Remittance reports are due to ETF by May 26, 2015.

The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech or hearing impaired and need assistance, call the Wisconsin Relay Service toll free at 7-1-1 or 1-800-947-3529 (English) 1-800-833-7813 (Español). If you are visually or cognitively impaired, call 1-877-533-5020 or 608-266-3285 locally. We will try to find another way to get the information to you in a usable form.

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