



# Employer Bulletin

Employer Communication Center 608-266-3285

Toll free: 1-877-533-5020

etf.wi.gov

## 2019 Income Continuation Insurance Premium Rates

Income Continuation Insurance (ICI) premium rates for 2019 will increase effective February 1, 2019. [The premium rate charts can be found on the ETF website.](#)

ICI premiums have increased in recent years due to a number of factors that have caused the program liabilities to exceed the growth in program assets. In 2016, ETF began a series of planned premium increases to eliminate these program deficits by 2021 - 2022. Additionally, ETF has been working on redesigning the ICI program to become more integrated with ETF's other disability benefit options. More information on these changes will be made available as the redesign project progresses.

ICI	Completion Date	Effective Date	Report Date
Annual Premium Update	January	February 1	February report due February 25, 2019.
Deferred Enrollment with <a href="#">ICI Application (ET-2307)</a>	Application received by March 1	April 1	April report due April 24, 2019.
Annual Supplemental ICI Enrollment period - Use <a href="#">ICI Application (ET-2307)</a>	Application received by March 1	April 1	April report due April 24, 2019.

Due dates are the 24th of the month. When the 24<sup>th</sup> 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, 2019). New premium rates are based on employee 2018 average monthly WRS earnings (total 2018 WRS-reportable earnings rounded to the next higher thousand and divided by 12) and accumulated sick leave (or 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 2018, this is pay period 1A (December 9, 2018 through December 22, 2018).

For newly hired employees or employees whose percentage of appointment changed since the last annual review, their estimated earnings should continue to be used for premium purposes until a full calendar year of WRS earnings is available.

**Example:**

- Employee starts WRS employment in July 2018 – use estimated salary
- January 2019 Annual Adjustment – continue to use estimated salary
- January 2020 Annual Adjustment – use previous calendar year (2019) WRS earnings

Similarly, if an employee had an authorized leave during the prior calendar year, premiums should be calculated using the same earnings amount and premium category in effect prior to the leave, until a full calendar year of WRS earnings is available.

## Open Enrollment Period Ends March 1, 2019

### 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 in which they have enough sick leave to be eligible for 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.

Employers should notify eligible employees of the *deferred* 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 60 days from the date they return to work to apply for coverage. Coverage will be effective the first day of the month that first occurs during their 60-day enrollment period, but no earlier than April 1, 2019.

### 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 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. Their supplemental coverage will be effective the first day of the month that first occurs during their 60-day enrollment period, but no earlier than April 1, 2019.

### **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 2017.

### **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 deferred or supplemental ICI coverage. The application must be returned to the employer by close of business on March 1, 2019.

***Employers will:***

1. Validate that the employee is eligible for deferred or 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, 2019.

### ICI Enrollment Application Reminder

This is a reminder to all employers that a new enrollment is not always needed upon return from Leave of Absence (LOA).

#### ICI Eligibility For **Previously Eligible But Uninsured** Returning Employees

Situation	ICI Eligible?	Application Needed?
Employee goes on a leave of absence (LOA) and returns to covered employment with the same employer.	No. (Employee may apply through either evidence of insurability (EOI) or when eligible through deferred coverage.)	If an employee missed a deferred coverage enrollment opportunity because they were on a LOA at the time, they must submit an ICI enrollment application within 60 days of return to work if they choose to apply for coverage.

#### ICI Eligibility For **Previously Insured** Returning Employees

Situation	ICI Eligible?	Application Needed?
Employee goes on a leave of absence (LOA), allows coverage to lapse and returns to covered employment with the same employer.	Yes.	Yes. Employee must submit ICI enrollment application within 30 days of return to work.

#### ICI Eligibility For **Previously Insured** Returning Employees Currently on a **Premium Waiver**

Situation	ICI Eligible?	Application Needed?
Employee is on a leave of absence (LOA), and premiums for ICI have been waived while the employee is receiving ICI benefits. The employee then returns to covered employment with the same employer.	Yes.	No. An enrollment application is not needed when the employee returns from the LOA because the premiums for ICI coverage were waived. Coverage has not lapsed in this instance.

For more information, see the [Income Continuation Insurance Administration Manual State \(ET-1119\)](#) chapters on eligibility criteria (relating to returning employee eligibility and leave of absence) and claim processing (regarding the ICI premium waiver).

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.

This *Employer Bulletin* is published by the Wisconsin Department of Employee Trust Funds. Questions should be directed to contact persons listed in the *Bulletin*. Employer agents may copy this *Bulletin* for further distribution to other payroll offices, subunits or individuals who may need the information. Copies of the most recent *Employer Bulletins* are available on our Internet site at [etf.wi.gov/employers.htm](http://etf.wi.gov/employers.htm)