

**Wisconsin Public Employers
Income Continuation Insurance Administration Manual**

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.
- Have been covered under the WRS for six months, not including any periods of absence without pay. **Exception:** Local elected officials are immediately eligible for coverage and must enroll within 30 days of taking office or being appointed.
- Are younger than age 70 on the ICI coverage effective date.

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 Determining ICI Eligibility Date and Coverage Effective Date

Following six months of participation in the WRS, an employee can become insured for ICI coverage by filing an *Income Continuation Insurance Application* (ET-2366) with the employer's payroll/personnel office no later than 30 days after their ICI eligibility date

The "ICI eligibility date" is the first day the employee is eligible to enroll for ICI coverage (i.e. the first day of the employee's 30-day enrollment period).

The ICI eligibility date depends on the employee's previous service and is determined as follows:

- No Previous WRS Service (new employees other than elected officials):
 - ◇ For new employees with no prior WRS service, the ICI Eligibility Date is the first day of the month on or following the date the employee completes 6 calendar months of WRS service (see subchapter 202.)
 - ◇ For employees beginning WRS covered employment on the first day of a month, add six to that month. For employees beginning WRS covered employment on the second day of a month or later, add seven to that month. Eligibility for ICI begins on the first day of the resulting month. (Refer to the chart in subchapter 202 for ICI eligibility dates and coverage effective dates for each "begin" date in the year.)
- Previous Service (with a WRS separation benefit):
 - ◇ Employees rehired after receiving a WRS separation benefit (withdrawal of all available funds from the WRS) are required to complete a new six-month period of WRS service before becoming eligible for ICI coverage. The ICI eligibility date is determined in the same manner as it is for an employee with no previous WRS service (see above).
- Previous Service (without a WRS separation benefit):
 - ◇ Employees with six months or more of previous WRS service are immediately eligible for ICI coverage.
 - ◇ Employees hired with previous WRS service, but less than the required six months, are required to complete the additional months of WRS service needed to reach the six-month requirement. Any partial month equals one month. (Refer to subchapter 204 for information on calculation of ICI eligibility date.)

The ICI coverage effective date will be the first day of the calendar month that first occurs during the employee's 30-day enrollment period. For example, if the ICI eligibility date is on the first of January, ICI coverage is effective January 1, as long as the application is submitted timely (on or before Jan 31). If the ICI eligibility date is January 8, coverage begins February 1, as long as the application is submitted by February 7.

Note: Employees who want coverage, but who failed to enroll during the initial enrollment period, must apply through evidence of insurability.

202 Eligibility Dates for New Hires without Previous Service

The following chart summarizes the ICI eligibility date, application due date and ICI effective date for newly WRS-eligible employees who are required to complete six months of service under the WRS. This chart assumes there is no break in service, including unpaid leave, during the first six months. If a break in service occurs, refer to subchapter 204.

WRS Coverage Begin Date	ICI Eligibility Date	ICI Application Due Date	Effective Date of Coverage
01/01	07/01	07/31	07/01
01/02-02/01	08/01	08/31	08/01
02/02 - 03/01	09/01	10/01	09/01
03/02 - 04/01	10/01	10/31	10/01
04/02 - 05/01	11/01	12/01	11/01
05/02 - 06/01	12/01	12/31	12/01
06/02 - 07/01	01/01	01/31	01/01
07/02 - 08/01	02/01	03/03	02/01
08/02 - 09/01	03/01	03/31	03/01
09/02 - 10/01	04/01	05/01	04/01
10/02 - 11/01	05/01	05/31	05/01
11/02 - 12/01	06/01	07/01	06/01
12/02 - 12/31	07/01	07/31	07/01

Note: For applications received on or before the ICI eligibility date, coverage is effective on the ICI eligibility date. If the application is received after the ICI eligibility date, but on or before the application due date, coverage is effective on the first of the month that first occurs during the 30-day enrollment period.

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 <i>PREVIOUSLY ELIGIBLE UNINSURED</i> 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, following completion of six months under WRS.	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, if under age 70 (refer to subchapter 200); 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, following completion of six calendar months under WRS.	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, if under age 70 (refer to subchapter 200).*	Yes, if under age 70 and 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 Interrupted Service/Leaves of Absence

Interrupted WRS service occurs when the employee/employer relationship remains intact but the employee performs no service and receives no pay. When an interruption in service occurs, or the employee goes on an unpaid leave of absence during an employee's first six months under the WRS, any months where service was performed (including paid leave time) count toward the completion of six months for ICI eligibility purposes. Months with no service, and no paid leave, do not count toward the six-month WRS service requirement and will extend the ICI eligibility date.

Refer to subchapter 202 for application receipt dates and coverage effective dates.

Unpaid LOA before completion of six-month WRS service requirement:

Example 1:

Employee Hired	January 10, 2015
Employee Begins Unpaid Leave	February 5, 2015
Employee Returns to Work	May 21, 2015
ICI Eligibility Date	October 1, 2015

- No hours worked in March and April.
- Add 7 to the month of January ($1 + 7 = 8$), to equal August (8).
- Add 2 for the months not worked ($8 + 2 = 10$) to equal October (10).
- October 1 is the employee's ICI eligibility begin date.

Example 2:

Employee Hired	January 10, 2015
Employee Begins Unpaid Leave	February 5, 2015
Employee Returns to Work	January 10, 2016
ICI Eligibility Date	June 1, 2016

- Add 7 to the month of January ($1 + 7 = 8$).
- Add 10 for months not worked ($8 + 10 = 18$).
- For any result over 12, subtract 12 from your answer to get the correct month and then add 1 year to the current year.
- $18 - 12 = 6$. The employee's ICI eligibility date is June 1, 2016.

Paid LOA before completion of six-month WRS service requirement:

Months with any hours of paid leave are counted as if the person worked during those months.

Military Leave:

Military leave, for ICI coverage purposes, is generally treated the same as any unpaid leave of absence when determining the ICI eligibility date. Months on military leave do not count towards the six months criteria for ICI eligibility if the leave occurs during the first six months of employment.

However, an employee on military leave who meets the following criteria will be treated as being on a paid leave of absence:

- The employee is activated on or after January 1, 2003 to serve, or is serving on military duty in the U.S. armed forces, other than for training purposes.
- On the date activated, the employee is a member of the Wisconsin National Guard or a member of a reserve component of the U.S. armed forces, or is recalled to active military duty from inactive reserve status.
- The employer pays the employee's salary— less any military pay and housing allowances—during the period the employee is on military duty in the U.S. armed forces, unless the military pay and housing allowances equal or exceed the employee's salary.

Any months on military leave of absence meeting the criteria above count toward the six months WRS participation requirement for ICI eligibility. Should that occur and the employee files the ICI enrollment application with the employer prior to the military leave, the employer must follow the normal process and collect ICI premiums.

For applications not received by the employer prior to the ICI eligibility date, the ICI enrollment application must be received by the employer no later than 30 days after the employee returns to work from active military leave. The ICI coverage effective date is the first of the month that first occurs during the employee's 30-day enrollment period.

ICI covered employees on active military leave who allow their ICI coverage to lapse may reinstate coverage by filing an *Income Continuation Insurance Application* (ET-2366) with the employer no later than 30 days after their return to work from active military leave. The employee is not required to file for coverage under evidence of insurability, as long as their application is filed timely. Premiums resume in the same amount as before the active military leave, unless an annual premium or salary adjustment has occurred in the interim.

Continued ICI Coverage for Employee on LOA (including Military)

ICI-covered employees on an unpaid leave may continue ICI coverage during the approved leave. 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

205 Compromise Agreements and Reinstatements

Some employee/employer disputes are the result of discharge from employment. If an ICI covered employee is reinstated following a compromise agreement resolving the dispute:

- The employee may only enroll 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.

206 WRS Previous Service Check

A WRS previous service check must be performed for each employee applying for ICI coverage in order to determine the correct ICI eligibility date.

Note: Without a WRS previous service check, it is possible to miss an employee's initial enrollment period which may result in denial of coverage.

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 ETF's Internet site at <http://etf.wi.gov/employers.htm> and follow the "ONE" link.
Note: This is a password-protected site. To obtain access, refer to subchapter 801 of the *WRS Administration Manual (ET-1127)*.
2. Contact the ETF Employer Services Section at 608-266-3285, option 2, or toll free at 1-877-533-5020, option 2, and request a previous service check.