

Department of Employee Trust Funds
Income Continuation Insurance Administration Manual—State

Chapter 2—Eligibility Criteria

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200 Newly Hired Employee Eligibility Criteria

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:

- are participating in the Wisconsin Retirement System
- are under age 70 on the coverage effective date
- receive earnings for services rendered for the state
- are a blind employee of WISCRAFT

Note: Excluded from ICI coverage are employees who do not participate in the WRS such as LTEs who do not work sufficient hours to qualify, student employees, and employees in training (e.g., UW graduate assistants, etc.).

201 Initial Enrollment Period and Coverage Effective Date

An eligible state employee can become insured for standard and supplemental ICI coverage by filing an [Income Continuation Insurance Application \(ET-2307\)](#) 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 or through deferred coverage provisions.

Employees with More than One WRS-Covered Position

Employees of more than one WRS employer, or employees who are eligible for coverage under different ICI plans with different elimination periods, must file a separate application for each position held.

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 Due Date	Effective Date of Coverage
01/05	02/04	02/01
06/01	07/01	06/01
08/01	08/31	08/01
11/15	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:

- a. 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 \(ET-1127\)](#).

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

UW Faculty and Academic Staff:

One year of WRS service with the **state** is required before the employer share toward the ICI premium begins for UW faculty and academic staff. Employers **must** complete a WRS previous service check when an employee is hired to determine whether they have any previous state service. (Refer to subchapter 202a above.)

If previous WRS service exists, refer to subchapter 204 for eligibility information on rehired/returning employees.

203 Transfers between State Agencies

If an insured employee transfers employment from one state agency to another state agency **under a different payroll center**, an application must be submitted to the new agency within 30 days of the transfer to prevent coverage from lapsing.

Examples of transfers between different payroll centers:

- Transferring from UW Hospital (a non-STAR agency) to Dept. of Revenue (a STAR agency), or vice versa
- Transferring between UW Hospital and the UW System

Upon transfer to a position under a different payroll center, a new estimate of earnings for the ensuing 12 months should be used for premium purposes.

Transfers **do not** create a new ICI enrollment opportunity for employees who were uninsured at their previous agency, with the exception of employees moving into a UW Faculty or Academic Staff position. (Refer to subchapter 207.)

204 Rehired/Returning Employee Eligibility

The following charts depict situations in which employees are either rehired or returning from an unpaid leave, and indicate whether or not they are ICI eligible. If not immediately eligible to apply, employees may apply through “Evidence of Insurability” (EOI) or at any time they become eligible under “Deferred Coverage.” (Refer to subchapter 302 for information on EOI and Deferred Coverage.)

- Chart I represents previously eligible, but **uninsured** employees.
- Chart II represents previously **insured** employees.

Chart I			
ICI Eligibility for <i>Previously Eligible But Uninsured</i> Rehired/Returning Employees			
Situation		ICI Eligible?	Effective Date
1.	Goes on LOA and returns to covered employment with the same employer	No (must apply through Evidence of Insurability (EOI) or when eligible under deferred coverage)	N/A
2.	Goes on military leave and returns to the same employer	No (must apply through EOI or when eligible under deferred coverage)	N/A
3.	Terminates, takes a separation benefit (withdraws available WRS contributions) from WRS and returns to covered employment	Yes (must submit application within 30 days of rehire)	1 st of the month that first occurs during the 30-day enrollment period.
4.	Terminates, leaves WRS contributions in system and returns to covered employment within 30 days	No (must apply through EOI or when eligible under deferred coverage)	N/A
5.	Terminates, leaves WRS contributions in system and returns to covered employment after 30 days	Yes (must submit application within 30 days of rehire)	1 st of the month that first occurs during the 30-day enrollment period.

Chart II				
ICI Eligibility for <i>Previously Insured</i> Rehired/Returning Employees				
Situation		ICI Eligible?	Effective Date	Can Elimination Period Be Shortened? (Applies only to UW Faculty/Academic Staff)
1.	Goes on LOA, allows coverage to lapse, and returns to covered employment with the same employer	Yes*	1 st of the month that first occurs during the 30-day enrollment period.	No (must request through Evidence of Insurability (EOI))
2.	Goes on military leave allows coverage to lapse, and returns to the same employer	Yes*	1 st of the 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 and returns to covered employment	Yes*	1 st of the month that first occurs during the 30-day enrollment period.	Yes
4.	Terminates, leaves WRS contributions in system and returns to covered employment within 30 days	Yes* (since coverage was in effect at time of termination)	1 st of the month that first occurs during the 30-day enrollment period.	No (must request through EOI)
5.	Terminates, leaves WRS contributions in system and returns to covered employment after 30 days	Yes*	1 st of the month that first occurs during the 30-day enrollment period.	Yes

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

205 Leaves of Absence (LOA)

LOA for employee currently covered under ICI:

ICI-covered employees who take a 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 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.

Note: Per Wis. Stat. § 40.02 (40), a 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.

206 Change to LTE, Project or Other Employment Status

An insured employee who changes employment status and remains eligible for WRS can continue coverage under the ICI Program. When an insured employee changes percentage of appointment, a new estimated salary for the ensuing 12 months must be calculated, and premiums must be adjusted accordingly.

207 Change to or from UW Faculty/Academic Staff Positions

When an employee has a change in employment that results in a switch from a state position to a UW faculty or academic staff position, or vice versa, ICI eligibility and enrollment options may be affected. The following four scenarios provide additional information:

1. Classified to UW faculty/academic staff (Previously Insured)
 - a. ICI coverage can be continued, and
 - b. The employee must file a new application within 30 days of becoming UW faculty/academic staff and select an elimination period of 30, 90, 125 or 180 calendar days.

2. Classified to UW faculty/academic staff (Previously Uninsured)
 - a. The employee is eligible to enroll immediately if previously employed at least one year in **state** service, **and**
 - b. The employee selects an elimination period that provides an increase in state contribution from what the person could have obtained in the previous employment. In this case, obtain the sick leave record from the previous employment to determine the corresponding UW faculty/academic staff elimination period for which the employee is eligible to apply.

1) Classified Employees:

<u>Premium Category</u>	<u>Approximate Percent of Gross Premium Paid by the State</u>
1	0%
2	0%
3	67%
4	77%
5	85%
6	100%

2) UW Faculty/Academic Staff Only:

<u>Selected Elimination Period</u>	<u>Percent of Gross Premium Paid by the State*</u>
30 calendar days	37%
90 calendar days	69%
125 calendar days	75%
180 calendar days	100%

*For faculty with one year or more of state service

The amount of sick leave accumulated by an *uninsured* classified employee will determine which elimination period the employee is eligible for as UW faculty/academic staff as represented in the following chart:

Sick Leave Accumulation	Elimination Period for Which Eligible
Has not accumulated 10 days* in a previous year (i.e., previously eligible for Premium Category 1 or 2.)	30, 90, 125 or 180 calendar days; evidence of insurability is not required
Has accumulated 10 days* in any previous year (i.e., previously eligible for Premium Category 3.)	90, 125, or 180 calendar days; evidence of insurability is not required
Has accumulated 65 days (520 hours) total at the end of any previous year (i.e., previously eligible for Premium Category 4.)	180 calendar days; evidence of insurability is not required
Has accumulated 91 days (728 hours) total at the end of any previous year (i.e., previously eligible for Premium Category 5.)	180 calendar days; evidence of insurability is not required
Has accumulated over 130 days (1040 hours) total at the end of any previous year (i.e., previously eligible for Premium Category 6.)	Evidence of Insurability is required for immediate enrollment outside of the annual deferred coverage enrollment period (see “c.” below.)

* One (1) day equals 8 hours of sick leave for a full-time employee; hours are prorated based on percentage of appointment for part-time employees.

- c. The employee is eligible for deferred coverage at the end of any calendar year in which accumulated sick leave exceeds 130 days (1040 hours). An *Income Continuation Insurance Application* (ET-2307) is due by March 1.
- 3. UW faculty/academic staff to Classified (Previously Insured)
 - a. ICI coverage can be continued, and
 - b. The employee must file a new application within 30 days of transfer to their new position to continue coverage.
 - c. The premium category (1-6) will depend on the amount of sick leave the employee has accumulated.
- 4. UW faculty/academic staff to Classified (Previously Uninsured).
 - a. Evidence of Insurability is required unless the employee is eligible for deferred coverage during an annual open enrollment period.
 - b. The classified employee is eligible for deferred coverage at the end of any calendar year in which:
 - 1) The full-time employee accumulates 80 hours of sick leave (i.e., premium category 3) (prorated for less than full-time) in a calendar year for the first time as a classified employee, or
 - 2) The employee’s sick leave falls within premium category 4 or 5 for the first time as a classified employee, or
 - 3) The employee’s sick leave balance is more than 1040 hours, making them eligible for premium category 6.

An Income Continuation Insurance Application for deferred coverage is due by March 1, with coverage effective April 1.

208 Reinstatement Due to Compromise Agreement

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 reenroll, but only for the same coverage (standard or standard/supplemental) that was in effect on the date of the disputed termination. The premium category would remain the same as the category the employee was in prior to their discharge. UW faculty/academic staff may elect a longer elimination period.
- 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 the reinstatement. Coverage becomes effective the first day of the month that first occurs during the 30-day enrollment period.