The Wisconsin Public Employers Income Continuation Insurance Administration Manual

Wisconsin Department of Employee Trust Funds
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Table of Contents

Preface

Chapter 1 - General Information (Revised 5/11/2016)

100 Introduction
101 Program Features
102 Employer Responsibilities
103 Contacts
104 Complaint Resolution
105 ETF Ombudsperson Services
106 Confidentiality of Records
107 Ordering ICI Forms
108 Internet Address

Chapter 2 - Eligibility Criteria (Revised 6/29/2016)

200 Eligibility for ICI Coverage
201 Determining ICI Eligibility Date and Coverage Effective Date
202 Eligibility Dates for New Hires without Previous Service
203 Rehired/Returning Employee Eligibility
204 Interrupted Service/Leaves of Absence
205 Compromise Agreements and Reinstatements
206 WRS Previous Service Check

Chapter 3 - Enrollment and Application (Revised 6/29/2016)

300 Enrollment Opportunities
301 Completion of ICI Application
302 Distribution of Copies
303 Application Due Date, Premiums and Effective Date of Coverage
304 Instructions for Completing the Evidence of Insurability Application

Chapter 4 - Employee and Employer Premiums (Revised 1/24/2017)

400 Basis for Premium Rates
401 Calculating Employer Contributions and Employee Premium
402 Annual Review and Premium Update

Chapter 5 - Monthly Premium Report (Revised 9/2015)

500 Completion of the Monthly Premium Report Group Income Continuation Insurance Form
501 Online Payments
502 Due Date
503 Late Reporting Interest Charge
504 Permanent Change in Percentage of Appointment

Chapter 6 - Termination of Coverage (Revised 9/2015)

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

Chapter 7 - Benefits (Revised 9/2015)

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

Chapter 8 - Claim Processing (Revised 9/2015)

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

Chapter 9 - Claimant Change in Work Status (Revised 9/2015)

900 Change in Work Status
901 Reporting Offsets from Part-Time Employment and Worker's Compensation Temporary Benefits

Chapter 10 - Reinstatement of Coverage Lost Due to Employer Error (Revised 9/2015)

1000 Introduction
1001 How to Correct an Employer Error
1002 Errors Not Eligible for Correction
1003 How to Avoid Employer Errors

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,.

Chapter 1—General Information

100 Introduction
101 Program Features
102 Employer Responsibilities
103 Contacts
104 Complaint Resolution
105 ETF Ombudsperson Services
106 Confidentiality of Records
107 Ordering ICI Forms
108 Internet Address

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 usually end 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. Employees, with some exceptions, must have a minimum of six months of WRS service to be eligible for coverage. The plan's third party administrator, currently Aetna, 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 (ETF) include the following:

- Disability Retirement Benefits (§ 40.63)
- Duty Disability and Survivor Benefits (§ 40.65)
- Long-Term Disability Insurance (LTDI) (ETF 50, Subchapter III)

Visit ETF's Internet site at http://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 etfhealthandins@etf.wi.gov.
Claims, Benefits, Customer Service, Payments, Complaints	Aetna toll free 1-800-960-0052 Aetna PO Box 14560 Lexington, KY 40512-4560 iciltdi@aetna.com To expedite the email request, please use the following subject lines: ICI/LTDI – Customer Service Issue ICI/LTDI – Payment Information ICI/LTDI – Pending Claim ICI/LTDI – Overpayment ICI/LTDI – Other ICI/LTDI – 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

200 Eligibility for ICI Coverage
201 Determining ICI Eligibility Date and Coverage Effective Date
202 Eligibility Dates for New Hires without Previous Service
203 Rehired/Returning Employee Eligibility
204 Interrupted Service/Leaves of Absence
205 Compromise Agreements and Reinstatements
206 WRS Previous Service Check

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 *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, 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 *PREVIOUSLY INSURED* 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 ef-fect at time of termina-tion)	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.

CHAPTER 3—Enrollment and Application

300 Enrollment Opportunities
301 Completion of ICI Application
302 Distribution of Copies
303 Application Due Date, Premiums and Effective Date of Coverage
304 Instructions for Completing the Evidence of Insurability Application

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.
   - 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. Local elected officials are not required to have 6 months of WRS service prior to becoming eligible for ICI coverage. 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 prior to age 70 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.

- 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.

- **Immediately Eligible On.** Check this box for employees who previously completed six months of service under the WRS, or for local elected officials in the WRS. Indicate the employee's date.
- **New Employee Will have Participated in WRS for Six Calendar Months On**. Check this box for new employees and rehired employees who have not previously completed six calendar months of service under the WRS (State and/or Local service) and indicate the employee's ICI eligibility date. (Refer to subchapters 201 and 202 for information on determining eligibility dates.)
- **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. (Exception: If the leave of absence occurred during the employee's first 6 months of WRS service, the "occurrence date" would be the ICI Eligibility date as determined under subchapter 204.)
- **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 eligiblity dates, application due dates and coverage effective dates.)

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

Local Government Employee
Wis. Stat. § 40.61

INCOME CONTINUATION INSURANCE APPLICATION

I. EMPLOYEE: COMPLETE PART I *TYPE OR PRINT IN INK, SIGN, AND RETURN TO EMPLOYER*

Member ID

Name	Last	First	Middle I.	Maiden/Former	Social Security Number
Address	Street No.	Street Name			Birthdate *(MM/DD/CCYY)*
	City	State	Zip	Country and Mail Code (if not USA)	Sex ☐ Male ☐ Female

Complete sections 1 – 3 (2 and 3 if applicable) and sign at section 4.

1. ICI COVERAGE

Check One

☐ I elect ICI coverage and authorize payroll deductions for premiums. *If your annual earnings exceed $64,000.00, go to #2. If not, proceed to #3.*

☐ I do not elect ICI coverage. *Sign below at #4.*

☐ I wish to cancel my ICI coverage. (Checking this box also cancels Supplemental ICI coverage, if in effect.) *Sign below at #4.*

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.

Check One:

☐ 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. *If you elected ICI coverage in #1, go to #3. If you already have ICI coverage, sign below at #4.*

☐ I do not elect Supplemental ICI coverage. *If you elected ICI coverage in #1, go to #3. If not, sign below at #4.*

☐ I wish to cancel my Supplemental ICI coverage. *Sign below at #4.*

3. I elect the following calendar day elimination period for ICI coverage and Supplemental ICI coverage (if applicable):
☐ 30-day ☐ 60-day ☐ 90-day ☐ 120-day ☐ 180-day

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.

Sign and Return to Employer

Signature of Employee	Telephone Number ( )	Date *(MM/DD/CCYY)*

Return to employer

II. EMPLOYER: COMPLETE PART II

Reason to submit *application (Check appropriate box and indicate occurrence date)*

☐ Immediately eligible on:

☐ New employee will have participated in WRS for six calendar months on:

☐ Reinstating coverage upon return from temporary layoff or leave of absence.
Date temporary layoff/LOA began: _____
Date employee returned: _____

☐ Changed to a longer elimination period effective on:
(Evidence of insurability is required to change to a shorter elimination period.)

☐ Other (*specify*):

Previous Service - Complete Information

1. Did employee participate under WRS prior to being hired by you? ☐ Yes ☐ No
2. Previous service check, completed ☐ Yes ☐ No
   Source of previous service ☐ ONE Site ☐ ETF
3. Date WRS participation began with the current employer *(MM/DD/CCYY)*

Earnings	Basis of Employment	ICI Monthly Premium		Supplemental ICI Monthly Premium
		Employee Share	Employer Share	Employee Share
$ ☐ Monthly	☐ Full-Time ☐ Part-Time _____ %	$	$	$

Employer Name		Date Application Provided to Employee	Date Received by Employer *(MM/DD/CCYY)*
Employer Identification Number (EIN) 69-036	Employer Agent Signature	Telephone Number ( )	Effective Date *(MM/DD/CCYY)*

Copy and Distribute: ☐ ETF ☐ Employee ☐ Employer

ET-2366 (REV 12/2013) etf.wi.gov

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:

$ 23,000.00
÷12 (months)
$ 1,916.67
x .25%
$ 4.79 (employer contribution)

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

$ 23,000.00
÷12 (months)
$ 1,916.67
x .375%
$ 7.19 (employee contribution)

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:

$ 36,000.00
÷12 (months)
$ 3,000.00
x .25%
$ 7.50 (employer contribution)

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

$ 36,000.00
÷12 (months)
$ 3,000.00
x .75%
$ 22.50 (employee contribution)

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
5,001.01 - 6,000.00	500.00	1.25
6,001.01 - 7,000.00	583.33	1.46
7,001.01 - 8,000.00	666.67	1.67
8,001.01 - 9,000.00	750.00	1.88
9,001.01 - 10,000.00	833.33	2.08
10,001.01 - 11,000.00	916.67	2.29
11,001.01 - 12,000.00	1,000.00	2.50
12,001.01 - 13,000.00	1,083.33	2.71
13,001.01 - 14,000.00	1,166.67	2.92
14,001.01 - 15,000.00	1,250.00	3.13
15,001.01 - 16,000.00	1,333.33	3.33
16,001.01 - 17,000.00	1,416.67	3.54
17,001.01 - 18,000.00	1,500.00	3.75
18,001.01 - 19,000.00	1,583.33	3.96
19,001.01 - 20,000.00	1,666.67	4.17
20,001.01 - 21,000.00	1,750.00	4.38
21,001.01 - 22,000.00	1,833.33	4.58
22,001.01 - 23,000.00	1,916.67	4.79
23,001.01 - 24,000.00	2,000.00	5.00
24,001.01 - 25,000.00	2,083.33	5.21
25,001.01 - 26,000.00	2,166.67	5.42
26,001.01 - 27,000.00	2,250.00	5.63
27,001.01 - 28,000.00	2,333.33	5.83
28,001.01 - 29,000.00	2,416.67	6.04
29,001.01 - 30,000.00	2,500.00	6.25
30,001.01 - 31,000.00	2,583.33	6.46
31,001.01 - 32,000.00	2,666.67	6.67
32,001.01 - 33,000.00	2,750.00	6.88
33,001.01 - 34,000.00	2,833.33	7.08
34,001.01 - 35,000.00	2,916.67	7.29
35,001.01 - 36,000.00	3,000.00	7.50
36,001.01 - 37,000.00	3,083.33	7.71
37,001.01 - 38,000.00	3,166.67	7.92
38,001.01 - 39,000.00	3,250.00	8.13
39,001.01 - 40,000.00	3,333.33	8.33
40,001.01 - 41,000.00	3,416.67	8.54
41,001.01 - 42,000.00	3,500.00	8.75
42,001.01 - 43,000.00	3,583.33	8.96
43,001.01 - 44,000.00	3,666.67	9.17
44,001.01 - 45,000.00	3,750.00	9.38
45,001.01 - 46,000.00	3,833.33	9.58
46,001.01 - 47,000.00	3,916.67	9.79
47,001.01 - 48,000.00	4,000.00	10.00
48,001.01 - 49,000.00	4,083.33	10.21
49,001.01 - 50,000.00	4,166.67	10.42
50,001.01 - 51,000.00	4,250.00	10.63
51,001.01 - 52,000.00	4,333.33	10.83
52,001.01 - 53,000.00	4,416.67	11.04
53,001.01 - 54,000.00	4,500.00	11.25
54,001.01 - 55,000.00	4,583.33	11.46
55,001.01 - 56,000.00	4,666.67	11.67
56,001.01 - 57,000.00	4,750.00	11.88
57,001.01 - 58,000.00	4,833.33	12.08
58,001.01 - 59,000.00	4,916.67	12.29
59,001.01 - 60,000.00	5,000.00	12.50
60,001.01 - 61,000.00	5,083.33	12.71
61,001.01 - 62,000.00	5,166.67	12.92
62,001.01 - 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.

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

1. Determine each insured employee's WRS earnings for the preceding calendar year and round to the next higher thousand, ***or,*** continue to use projected WRS earnings for employees who were newly hired or have had a permanent change in percentage of appointment since January 1st of the previous year.
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.) Employers are responsible for informing eligible employees of this enrollment opportunity and providing them with an ICI application if the employee wishes to enroll.

Employees with Standard ICI coverage and earnings exceeding $64,000, who failed to enroll for Supplemental coverage during their initial enrollment period, are also eligible to enroll during the annual open enrollment period.

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 Completion of the Monthly Premium Report Group Income Continuation Insurance Form
501 Online Payments
502 Due Date
503 Late Reporting Interest Charge
504 Permanent Change in Percentage of Appointment

500 Completion of the Monthly Premium Report Group Income Continuation Insurance Form

The *Monthly Premium Report Group Income Continuation Insurance - Local* (ET-1629) form accompanies the monthly ICI premium remittance mailed to ETF, and provides a detailed breakdown of employee and employer premium contributions by elimination period.

The *Monthly Premium Report Group Income Continuation Insurance - Local* is available on ETF's website at http://etf.wi.gov.

Complete the following areas of the *Monthly Premium Report Group Income Continuation Insurance* form (a sample form follows the instructions):

A. Identifying Information Section

1. Employer Name
2. Employer ID No. 69-036 - This is the same number used for WRS reporting. Employer Identification Number (EIN) is a 12-digit number beginning with 69-036. Indicate the last seven digits of this number (XXXX-XXX).
3. Coverage Month/Year - Indicate the month of coverage. If the report is due on February 24, the coverage month is March.

B. Regular ICI Premiums Section

1. Number of Employees - Enter the number of employees for each elimination period.
2. Employee Premiums - Enter the coverage month's employee premium contributions by elimination period. For information on calculating the employee premium refer to subchapter 401.
3. Employer Premiums - Enter the coverage month's employer premium

contributions by elimination period. For information on calculating the employer premium refer to subchapter 401.

4. Subtotal - Add the employee premiums and employer premiums for each elimination period and enter in the Subtotal box.
5. Adjustments - Use this section only when adjusting a ***previous month's*** premium payment. For example, to report a permanent change in percentage of appointment enter the Social Security Number of the employee(s), the month(s) requiring adjustment and the amount of the adjustment(s).
6. Total by Elimination Period - Add the subtotal and adjustments for each elimination period and enter here.
7. Subtotal A - Total ICI Premiums - Add each "Total by Elimination Period" and enter the amount here.

C. Supplemental Premiums Section

1. Number of Employees - Enter the number of employees for each elimination period.
2. Employee Premiums - Enter the coverage month's employee premium contributions by elimination period. For information on calculating the employee premium refer to subchapter 401.
3. Adjustments - Use this section only when adjusting a ***previous month's*** premium payment. For example, to report a permanent change in percentage of appointment enter the Social Security Number of the employee(s), the month(s) requiring adjustment and the amount of the adjustment(s).
4. Total by Elimination Period - Add the employee premiums and adjustments for each elimination period (for supplemental coverage) and enter here.
5. Subtotal B - Total Supplemental Premiums - Add each "Total by Elimination Period" (for supplemental portion) and enter the amount in both 'Subtotal B' boxes on the report.
6. Total Amount Remitted (Subtotal A + Subtotal B) - Add Subtotal A and Subtotal B together and enter here. This total must equal the amount paid.

D. Completed By Section

1. Date - The date the form was completed.
2. Prepared By - The name of the person who prepared the form.
3. Telephone Number - Phone number where the preparer can be reached.

Sample Monthly Premium Report Group Income Continuation Insurance (ET-1629)

DEPARTMENT OF EMPLOYEE TRUST FUNDS
Division of Trust Finance & Employer Services
P.O. Box 7931
Madison, WI 53707-7931

MONTHLY PREMIUM REPORT
GROUP INCOME CONTINUATION INSURANCE
(Local Government Employers—Wis. Stat. § 40.61 (3))

A

Employer Name	Employer Identification Number	Coverage Month/Year
1	2 69-036-	3

B

ICI Premiums

Waiting Period	No. of Employees	Employee Premium	Employer Premium	Subtotal	Adjustments	Total by Elimination Period
30 Days	1	2	3	4	5	6
60 Days						
90 Days						
120 Days						
180 Days						

Subtotal A – Total ICI Premiums 7

Plus (+)

C

Supplemental ICI Premiums

Waiting Period	No. of Employees	Employee Premium	Adjustments	Total by Elimination Period
30 Days	1	2	3	4
60 Days				
90 Days				
120 Days				
180 Days				

Subtotal B – Total Supplemental Premiums 5

Subtotal B – Total Supplemental ICI Premiums 5

Equals (=)

Total Amount Remitted (Subtotal A + Subtotal B) 6

D

Date (MM/DD/CCYY):	Prepared By:	Telephone Number:
1	2	3 ( )

ET-1629 (REV 01/2005)

501 Online Payments

Employers can pay ICI premiums online. To pay ICI premiums online, employers must have a completed *Online Network for Employers Security Agreement* (ET-8928) on file with ETF.

For employers currently authorized to pay health insurance invoices online, you may also be authorized to submit ICI payments online. No additional form is needed. Employers not participating in the ETF administered Group Health Insurance Program must complete the *Online Network for Employers Security Agreement* and check the 'ICI Premium Payment' box. The Security Agreement can be found on ETF's Internet site at http://etf.wi.gov/publications/et8928.pdf.

Note: Before submitting the ICI payment online, it is recommended that employers complete the *Monthly Premium Report Group Income Continuation Insurance - Local* (ET-1629) and retain it for their records.

To make your ICI premium payment:

1. Go to http://etfonline.wi.gov/one.html.
2. Scroll to the 'Applications' category and select 'myETF Benefits' and log in.
3. Follow the on-screen directions and your contact information will be displayed.
4. Move your cursor over to the Disability tab where there will be two drop-down options: 'Disability' and 'ICI'. Click on the 'ICI' option.
5. The ICI payment process is similar to the Group Health Insurance payment process. The initial screen prompts you to complete the contract counts (i.e., the number of employees), total premium and employee-paid portions categorized by regular and supplemental ICI. (All boxes need to have a number in them. For zero, please enter "0", not "0.00".)

   Note: During a premium holiday, only the contract counts need to be completed, for both regular ICI and supplemental ICI. Do not include dollar amounts.
6. After entering all of the above, click on the calculate button. The premium due amount will be calculated and displayed. Verify all figures on the screen for accuracy and correct as necessary.
7. Click on 'Make Payment' to be taken to the US Bank website where you will be prompted to enter your bank information and select the payment date.
8. You may continue to enter your bank information or opt to register by choosing a user ID and password specifically authorized for accessing the US Bank website. You will receive a confirmation number once completed.

Note: Following submission of the *Online Network for Employers Security Agreement*, it is critical that employers retain the information sent to them confirming their access to the Online Network for Employers (ONE) site. The confirmation includes a PIN, which must be presented when contacting ETF with access questions.

502 Due Date

The original copy of the *Monthly Premium Report Group Income Continuation Insurance* (ET-1629) form and premium check must be sent to ETF at the following address:

PO Box 78761
Milwaukee, WI 53278-0761.

Monthly Premium Reports and remittances (including online payments) are due in the ETF lock box on the 24th day of the calendar month preceding the 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).

503 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.

504 Permanent Change in Percentage of Appointment

A permanent change in an ICI covered employee's percentage of appointment may 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	- $6.25
• 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, turns age 70 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 in effect on the first date of disability shall be the total earnings paid to the insured employee by the employer during the previous calendar

year as reported to he WRS, rounded to the next higher thousand and divided by 12. Exceptions:

a. If the employee is newly hired, the employer shall estimate the base salary earnings to be received during the ensuing twelve months rounded to the next higher thousand and divided by 12. That projection shall be the basis for establishing average monthly earnings until the employee has a full calendar year of service.

b. A new projection shall be made when there is a permanent change in the employee's percentage of appointment. Projections shall be made based on the new rate of pay.

c. If the employee has a permanent change in their rate of pay and has no change in their percentage of appointment, the employer shall make a new projection based on either the new rate of pay OR the rate from the previous calendar year, whichever is higher. Employers must report all new earnings projections on the *ICI Employer Statement* (ET-5351).

d. If the employee returns to employment after a period of disability or authorized leave and then goes out on a new disability, earnings shall be either the same as earnings calculated for the prior disability/authorized leave OR based on earnings from the previous calendar year, whichever 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 ÷ 12
Monthly Earnings	= $2,416.67

Monthly Earnings	$2,416.67 x 75% =
Monthly ICI Benefit	$1,812.50 ÷ 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 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. Benefits may extend beyond age 65 if the claimant was 62 or older on the first date of the disability. ICI

benefits are not paid beyond the end of the month in which the employee turns age 70.

The maximum duration of benefits is:

Age at Date of Disability	Maximum Duration of Benefit in Years
61 or younger	To age 65
62	3.50
63	3.00
64	2.50
65	2.00
66	1.75
67	1.50
68	1.25
69	To age 70

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.

- 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 call the ICI Program's third party administrator to file a claim. Filing claims by telephone is recommended (refer to subchapter 103 for contact information). For employees who prefer to file a paper claim, the employer should provide a blank *Income Continuation Insurance Claim Form* (ET-5352). Paper claims must be mailed to ETF at PO Box 7931, Madison, WI 53707-7931.

A claim should be filed within 30 days of the date of disability, or as soon as possible. No benefits are payable more than 90 days retroactively from the date the claim is called in to the third party administrator (or paper claim is received by ETF). Claims received more than 12 months from the date the employee was last in pay status will be denied. The third party administrator will contact the claimant to collect further information and will mail an introductory letter and medical release form to be given to the claimant's physician.

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.

Note: Continue collecting ICI premiums until notified of the claim determination and premium waiver. 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 1-608-267-0633.

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. If the employee terminates employment for any reason, dies or turns age 70 after the date of disability, premiums will no longer be collected starting the month after the date of this event.

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.

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.

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

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 How to Correct an Employer Error
1002 Errors Not Eligible for Correction
1003 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. Therefore, under certain circumstances, coverage may be reinstated without requiring the employee to provide evidence of insurability.

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, submit premium payments, or advise the employee of eligibility or perform other enrollment requirements.
- 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).

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.

Insurance coverage will be considered canceled if an employee or the employer fails to make required premium payments during a consecutive 60-day period, commencing with the first day for which premiums have not been paid. Cancellation under this provision shall not preclude the employee from obtaining ICI coverage after the 60 days have elapsed if premiums were omitted as a result of employer error. A new application for coverage must be filed within 30 days after the employer issues written notice of error to the employee.

An eligible employee not properly enrolled due to employer error is considered insured if the employee began paying premiums within 60 days after becoming eligible, and has continued to pay premiums even though not properly enrolled. Following notice of improper enrollment from the employer, insurance shall continue in effect for 30 days. The employee must properly enroll by filing a new *Income Continuation Insurance Application* before the end of this 30-day period in order to continue coverage.

Coverage shall cease after 30 days unless proper enrollment has been completed. The employee is not required to furnish evidence of insurability to enroll if the application is returned timely to the employer.

1001 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.

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.

1002 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.

1003 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 *New Employee Benefit Checklist* (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 employees, provided the employee: • has been covered by the WRS for six (6) months; and • is younger than age 70 on the date coverage becomes effective. (Refer to subchapter 200).
Miscalculates the employee's eligibility date.	Complete a previous service check when a new employee is hired: • Access ETF's Online Network for Employer's Previous Service application (Refer to subchapter 206). • Call the Communication Line at 608-266-3285, option 2, or toll-free at 1-877-533-5020, option 2, and request a previous service check.
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 *WRS Administration Manual* (ET-1127).