

Wisconsin Local Government Employees

# INCOME CONTINUATION INSURANCE

Wisconsin Retirement System



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## What is an Income Continuation Insurance (ICI) Benefit?

The Income Continuation Insurance (ICI) benefit is a voluntary “income replacement” benefit payable if you become disabled. This insurance is available to all local government employees whose employers have elected to participate. The ICI program is authorized by Wisconsin Statute § 40.62 and is funded by premium contributions. ETF contracts with an external company (the plan administrator) to issue eligibility determinations and process individual claims. See the *Contact Us* section for their information.

ICI benefits provide **up to 75% of your average monthly earnings** based on your previous calendar year earnings rounded to the next highest \$1,000 and divided by 12. For newly hired employees, your estimated annual earnings are rounded to the next highest \$1,000 and divided by 12.

**Standard Coverage** covers up to \$64,000 of annual earnings.

- The maximum benefit is \$4,000 per month.
- The premiums are paid by the employer and employee.

**Supplemental Coverage** is available to employees whose annual earnings exceed \$64,000 (between \$64,000 and \$120,000 of annual earnings).

- The maximum combined benefit is \$7,500 per month.
- You must have standard coverage to apply for supplemental coverage.
- You must insure your entire earnings are above \$64,000. There is no partial coverage.
- The premiums are paid entirely by the employee.
- Each January, your employer will review your prior year’s earnings to determine if you are eligible to enroll in supplemental coverage. If your earnings drop below the \$64,000 limit, the supplemental coverage will cease.

ICI provides replacement income for short- and long-term disabilities. The benefit usually lasts until you are no longer disabled or you reach age 65 (with some exceptions), whichever is sooner.

Before the benefit starts, you must serve an elimination period (also called a waiting period). You may select an elimination period of up to 180 days. *You must be completely off work during this time.*

ICI benefits will not duplicate benefits available from other WRS programs, the Social Security Administration, workers’ compensation, unemployment compensation or certain other sources. You will be required to repay duplicate benefits back to the ICI program.

## How do I Enroll?

### **Option 1: Initial Enrollment**

You may enroll by completing the *Income Continuation Insurance Application (ET-2366)* and returning it to your payroll/personnel office within 30 days of hire (or within 30 days of becoming a WRS-participating employee, if you were not considered a participating employee at the time you were initially hired).

If you are employed at more than one WRS employer and fall under a different ICI plan with a different elimination period, you must file an enrollment application for each position held.

### **Option 2: Evidence of Insurability**

If you do not enroll under option 1, you may enroll if you are medically insurable. You may request an *ICI Application and Evidence of Insurability (ET-2308)* from the Department of Employee Trust Funds.

This form asks you to answer questions concerning your past and present health. Approval/denial of your *Evidence of Insurability* application will be based on this medical information.

An employee with standard ICI coverage may not use EOI to enroll in supplemental coverage. However, if you have no ICI coverage and your earnings exceed \$64,000, you may apply for both standard and supplemental ICI coverage through EOI.



# Coverage

## Coverage During Leave of Absence

Your coverage may be continued while on temporary layoff or an approved leave of absence by paying premiums in advance.

The maximum time ICI coverage can be continued on an approved leave of absence is 36 months, except that an insured employee on union leave or military leave\* may continue to be insured for the duration of that leave.

You are required to pay the entire premium due (employee and employer portion). Payments must be received by your payroll/personnel office so that there is no lapse in coverage.

If you allow your coverage to lapse while you are on leave of absence, coverage may be reinstated with the same elimination period and without furnishing evidence of insurability if you submit a new [Income Continuation Insurance Application \(ET-2366\)](#) to your employer within 30 days of resuming active employment. Coverage will be effective the first of the month that first occurs during the 30-day enrollment period.

## Termination of Coverage

ICI coverage ends on the date your employment ends. This includes resigning, retiring, turning age 70, being dismissed or dying. If coverage ends, a full month's premium is due for any month or portion of a month for which earnings are paid. If your employer withdraws from the program, coverage shall terminate at the end of the calendar year.

**Note:** If you are disabled under the terms of the plan at the time coverage terminates, you will continue to be eligible to receive benefits as long as the disability continues, up to the maximum duration of benefits as explained in the *When Will My Benefit End?* section.

## Disabilities Not Covered

Benefit payments are not available for total disability that begins prior to the effective date of coverage (standard or supplemental) or disability that is:

- the direct result of war, declared or undeclared. The act of war shall be determined by the Group Insurance Board.
- the direct or indirect result of intentional self-inflicted injury for monetary gain.
- the direct or indirect result of participation in the commission of a crime other than a misdemeanor.
- the direct or indirect result from cosmetic surgery, except for complications thereof.

A condition which is present but not disabling prior to the effective date of coverage is not excluded from benefits.

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\*Note: ICI benefits are not payable for disabilities caused by acts of war (direct or indirect). However, you may have—or develop—a medical condition unrelated to war service that may qualify you for ICI benefits.

# How Much Are the Premiums?

## Premium Rates

**Note:** The Local ICI program is currently under a premium holiday. The premium holiday covers standard and supplemental coverage. Rates outlined in this brochure were in effect prior to the premium holiday and are for illustration purposes only.

Monthly premiums are based on:

1. Your previous calendar year earnings, as reported to the WRS (or your estimated annual earnings, if applicable), rounded to the next higher \$1,000 and divided by 12.
2. Your selected elimination period (see the *Definitions* section).

## Annual Premium Adjustment

Effective every April 1, your employer will adjust your premium based on changes to your previous year's earnings. If you were either a new hire or had a permanent change in your percentage of appointment in the previous calendar year, your ICI premium will not be adjusted until the next annual review when a full calendar year of WRS-reportable salary is available.

If you have a 50% appointment but you are required to permanently work 100%, your ICI coverage should be based on a 100% appointment. If you are not required to work 100% on a permanent basis, then your ICI coverage will initially be calculated at the 50% appointment. When your premiums are adjusted during the annual adjustment period, your coverage will then be based on the previous calendar year earnings as reported to WRS. This will include all of the hours you actually worked.

## Premium Change Based on Change in Appointment

Employers must adjust premiums when an employee's percentage of appointment is permanently changed. In these situations, the employer determines the premium rate by estimating earnings for the following 12 months, rounding it to the next higher \$1,000, and dividing by 12. These estimated monthly earnings are used as a basis for coverage until, at the time of the annual adjustment, a full calendar year of WRS-reportable earnings are available.

## Calculating Your Premium

Using the following tables, you can calculate the monthly cost of ICI premiums.

### Example 1:

#### Employee with standard coverage only:

Elimination period	90 calendar days
Salary	\$35,000.00 per year
Premium	\$10.94 per month

### Example 2:

#### Employee with standard and supplemental coverage:

Elimination period	90 calendar days
Salary	\$110,000.00 per year
Premium	\$20.00 (standard) + \$24.00 (supplemental coverage)
Total employee premium:	\$44.00 per month

Contact your payroll/benefits representative if you have questions about your premium rate.

## Employee Share of Monthly Premium for Standard Coverage

If you have supplemental coverage, add the supplemental premium to the premium due for the standard coverage to determine your share of the premium.

WRS Earnings In The Previous Calendar Year	Elimination Period (in calendar days)				
	30 DAYS	60 DAYS	90 DAYS	120 DAYS	180 DAYS
0.00 - 5,000.00	3.13	2.19	1.56	0.94	0.00
5,000.01 - 6,000.00	3.75	2.63	1.88	1.13	0.00
6,000.01 - 7,000.00	4.37	3.06	2.19	1.31	0.00
7,000.01 - 8,000.00	5.00	3.50	2.50	1.50	0.00
8,000.01 - 9,000.00	5.63	3.94	2.81	1.69	0.00
9,000.01 - 10,000.00	6.25	4.37	3.12	1.87	0.00
10,000.01 - 11,000.00	6.88	4.81	3.44	2.06	0.00
11,000.01 - 12,000.00	7.50	5.25	3.75	2.25	0.00
12,000.01 - 13,000.00	8.12	5.69	4.06	2.44	0.00
13,000.01 - 14,000.00	8.75	6.13	4.38	2.63	0.00
14,000.01 - 15,000.00	9.38	6.56	4.69	2.81	0.00
15,000.01 - 16,000.00	10.00	7.00	5.00	3.00	0.00
16,000.01 - 17,000.00	10.63	7.44	5.31	3.19	0.00
17,000.01 - 18,000.00	11.25	7.88	5.63	3.38	0.00
18,000.01 - 19,000.00	11.87	8.31	5.94	3.56	0.00
19,000.01 - 20,000.00	12.50	8.75	6.25	3.75	0.00
20,000.01 - 21,000.00	13.13	9.19	6.56	3.94	0.00
21,000.01 - 22,000.00	13.75	9.62	6.87	4.12	0.00
22,000.01 - 23,000.00	14.38	10.06	7.19	4.31	0.00
23,000.01 - 24,000.00	15.00	10.50	7.50	4.50	0.00
24,000.01 - 25,000.00	15.62	10.94	7.81	4.69	0.00
25,000.01 - 26,000.00	16.25	11.38	8.13	4.88	0.00
26,000.01 - 27,000.00	16.88	11.81	8.44	5.06	0.00
27,000.01 - 28,000.00	17.50	12.25	8.75	5.25	0.00
28,000.01 - 29,000.00	18.13	12.69	9.06	5.44	0.00
29,000.01 - 30,000.00	18.75	13.13	9.38	5.63	0.00
30,000.01 - 31,000.00	19.37	13.56	9.69	5.81	0.00
31,000.01 - 32,000.00	20.00	14.00	10.00	6.00	0.00
32,000.01 - 33,000.00	20.63	14.44	10.31	6.19	0.00
33,000.01 - 34,000.00	21.25	14.87	10.62	6.37	0.00
34,000.01 - 35,000.00	21.88	15.31	10.94	6.56	0.00
35,000.01 - 36,000.00	22.50	15.75	11.25	6.75	0.00
36,000.01 - 37,000.00	23.12	16.19	11.56	6.94	0.00
37,000.01 - 38,000.00	23.75	16.63	11.88	7.13	0.00
38,000.01 - 39,000.00	24.38	17.06	12.19	7.31	0.00
39,000.01 - 40,000.00	25.00	17.50	12.50	7.50	0.00
40,000.01 - 41,000.00	25.63	17.94	12.81	7.69	0.00
41,000.01 - 42,000.00	26.25	18.38	13.13	7.88	0.00
42,000.01 - 43,000.00	26.87	18.81	13.44	8.06	0.00
43,000.01 - 44,000.00	27.50	19.25	13.75	8.25	0.00
44,000.01 - 45,000.00	28.13	19.69	14.06	8.44	0.00
45,000.01 - 46,000.00	28.75	20.12	14.37	8.62	0.00
46,000.01 - 47,000.00	29.38	20.56	14.69	8.81	0.00
47,000.01 - 48,000.00	30.00	21.00	15.00	9.00	0.00
48,000.01 - 49,000.00	30.62	21.44	15.31	9.19	0.00
49,000.01 - 50,000.00	31.25	21.88	15.63	9.38	0.00
50,000.01 - 51,000.00	31.88	22.31	15.94	9.56	0.00
51,000.01 - 52,000.00	32.50	22.75	16.25	9.75	0.00
52,000.01 - 53,000.00	33.13	23.19	16.56	9.94	0.00
53,000.01 - 54,000.00	33.75	23.63	16.88	10.13	0.00
54,000.01 - 55,000.00	34.37	24.06	17.19	10.31	0.00
55,000.01 - 56,000.00	35.00	24.50	17.50	10.50	0.00
56,000.01 - 57,000.00	35.63	24.94	17.81	10.69	0.00
57,000.01 - 58,000.00	36.25	25.37	18.12	10.87	0.00
58,000.01 - 59,000.00	36.88	25.81	18.44	11.06	0.00
59,000.01 - 60,000.00	37.50	26.25	18.75	11.25	0.00
60,000.01 - 61,000.00	38.12	26.69	19.06	11.44	0.00
61,000.01 - 62,000.00	38.75	27.13	19.38	11.63	0.00
62,000.01 - 63,000.00	39.38	27.56	19.69	11.81	0.00
63,000.01 - 64,000.00	40.00	28.00	20.00	12.00	0.00

# Employee Share of Monthly Premium for Supplemental Coverage

WRS Earnings In The Previous Calendar Year	Elimination Period (in calendar days)				
	30 DAYS	60 DAYS	90 DAYS	120 DAYS	180 DAYS
64,000.01 - 65,000.00	0.80	0.60	0.50	0.40	0.20
65,000.01 - 66,000.00	1.70	1.30	1.00	0.80	0.40
66,000.01 - 67,000.00	2.50	1.90	1.60	1.20	0.60
67,000.01 - 68,000.00	3.30	2.60	2.10	1.60	0.80
68,000.01 - 69,000.00	4.20	3.20	2.60	2.00	1.00
69,000.01 - 70,000.00	5.00	3.90	3.10	2.40	1.30
70,000.01 - 71,000.00	5.80	4.50	3.60	2.80	1.50
71,000.01 - 72,000.00	6.70	5.20	4.20	3.20	1.70
72,000.01 - 73,000.00	7.50	5.80	4.70	3.60	1.90
73,000.01 - 74,000.00	8.30	6.50	5.20	4.00	2.10
74,000.01 - 75,000.00	9.20	7.10	5.70	4.40	2.30
75,000.01 - 76,000.00	10.00	7.80	6.30	4.80	2.50
76,000.01 - 77,000.00	10.80	8.40	6.80	5.10	2.70
77,000.01 - 78,000.00	11.70	9.00	7.30	5.50	2.90
78,000.01 - 79,000.00	12.50	9.70	7.80	5.90	3.10
79,000.01 - 80,000.00	13.30	10.30	8.30	6.30	3.30
80,000.01 - 81,000.00	14.20	11.00	8.90	6.70	3.50
81,000.01 - 82,000.00	15.00	11.60	9.40	7.10	3.80
82,000.01 - 83,000.00	15.80	12.30	9.90	7.50	4.00
83,000.01 - 84,000.00	16.70	12.90	10.40	7.90	4.20
84,000.01 - 85,000.00	17.50	13.60	10.90	8.30	4.40
85,000.01 - 86,000.00	18.30	14.20	11.50	8.70	4.60
86,000.01 - 87,000.00	19.20	14.90	12.00	9.10	4.80
87,000.01 - 88,000.00	20.00	15.50	12.50	9.50	5.00
88,000.01 - 89,000.00	20.80	16.10	13.00	9.90	5.20
89,000.01 - 90,000.00	21.70	16.80	13.50	10.30	5.40
90,000.01 - 91,000.00	22.50	17.40	14.10	10.70	5.60
91,000.01 - 92,000.00	23.30	18.10	14.60	11.10	5.80
92,000.01 - 93,000.00	24.20	18.70	15.10	11.50	6.00
93,000.01 - 94,000.00	25.00	19.40	15.60	11.90	6.30
94,000.01 - 95,000.00	25.80	20.00	16.10	12.30	6.50
95,000.01 - 96,000.00	26.70	20.70	16.70	12.70	6.70
96,000.01 - 97,000.00	27.50	21.30	17.20	13.10	6.90
97,000.01 - 98,000.00	28.30	22.00	17.70	13.50	7.10
98,000.01 - 99,000.00	29.20	22.60	18.20	13.90	7.30
99,000.01 - 100,000.00	30.00	23.30	18.80	14.30	7.50
100,000.01 - 101,000.00	30.80	23.90	19.30	14.60	7.70
101,000.01 - 102,000.00	31.70	24.50	19.80	15.00	7.90
102,000.01 - 103,000.00	32.50	25.20	20.30	15.40	8.10
103,000.01 - 104,000.00	33.30	25.80	20.80	15.80	8.30
104,000.01 - 105,000.00	34.20	26.50	21.40	16.20	8.50
105,000.01 - 106,000.00	35.00	27.10	21.90	16.60	8.80
106,000.01 - 107,000.00	35.80	27.80	22.40	17.00	9.00
107,000.01 - 108,000.00	36.70	28.40	22.90	17.40	9.20
108,000.01 - 109,000.00	37.50	29.10	23.40	17.80	9.40
109,000.01 - 110,000.00	38.30	29.70	24.00	18.20	9.60
110,000.01 - 111,000.00	39.20	30.40	24.50	18.60	9.80
111,000.01 - 112,000.00	40.00	31.00	25.00	19.00	10.00
112,000.01 - 113,000.00	40.80	31.60	25.50	19.40	10.20
113,000.01 - 114,000.00	41.70	32.30	26.00	19.80	10.40
114,000.01 - 115,000.00	42.50	32.90	26.60	20.20	10.60
115,000.01 - 116,000.00	43.30	33.60	27.10	20.60	10.80
116,000.01 - 117,000.00	44.20	34.20	27.60	21.00	11.00
117,000.01 - 118,000.00	45.00	34.90	28.10	21.40	11.30
118,000.01 - 119,000.00	45.80	35.50	28.60	21.80	11.50
119,000.01 - 120,000.00	46.70	36.20	29.20	22.20	11.70



# Filing a Disability Claim with the ICI Program

## How to File a Claim

Contact the plan administrator to file a claim. See the *Contact Us* section of this brochure). Telephone filing is encouraged.

1. File your claim as soon as possible after your last day worked.
  - You may file a claim up to 30 days before your anticipated last day worked in cases of impending childbirth or scheduled surgery.
  - A claim will not be approved if received more than 12 months after your last day in pay status.
  - The effective date of your benefit can be no earlier than 90 days before your claim is filed. If you wait, you could miss out on some benefits.
2. The plan administrator will send you an introductory packet. Complete and return the medical release form and the repayment agreement.
3. **A licensed physician** will be required to submit medical information concerning your disability to the plan administrator.
  - A licensed physician as defined in the ICI plan includes a medical doctor, doctor of osteopathy, surgeon, podiatrist, dentist or nurse practitioner licensed to practice by a state within the United States. This also includes a physician's assistant or psychologist who is acting within the lawful scope of his or her license and performs a service that is supervised by a licensed medical doctor, doctor of osteopathy or surgeon.
  - For a short-term disability (a disability lasting 12 months or less), a physician must certify that you are not able to perform the duties of your position.

**Note:** If your physician states that you can return to work if the employer makes reasonable accommodations to your disability, and if your employer agrees to

make those accommodations, your claim will be denied.

- For a long-term disability (a disability lasting longer than 12 months), a physician must certify that you are not able to engage in any substantial gainful activity (see *Definitions*) for which you are reasonably qualified, with due regard to your education, training and experience.
4. The plan administrator will periodically contact your physician to receive updated information on your disability and expected return to work. You will be responsible for costs associated with the medical exams.
  5. Your employer must complete the employment statement that comes from the plan administrator.
  6. After contacting your physician and employer, the plan administrator will determine whether you should be approved for the benefit.

If you are approved, you will receive a letter from the plan administrator describing how much your benefit will be and when it will start. If you are denied, you will receive a letter from the plan administrator stating the reasons for the denial.

## Administrative Review Process

If you do not agree with a decision made by the administrative personnel, you have the right to request, in writing, that they reconsider the determination. They must receive your request for reconsideration within 90 days of the date of the determination letter.

- With the reconsideration request, you must specifically state how you believe the plan administrator erred in interpreting the plan provisions.
- You must provide the plan administrator with all documentation, including medical records relevant to the claimed disability and your position regarding the determination.
- After reviewing all of the new and original information, the plan administrator will send you a letter with the reconsidered decision.

## Filing a Disability Claim with the ICI Program (continued)

If you do not agree with the decision at the reconsideration level of the appeal process, you have the right to request a departmental determination from ETF. Your written request must be received by ETF within 90 days of the date of the reconsideration letter.

If you request a Departmental Determination, ETF will determine whether the plan administrator erred in its decision. ETF relies upon the medical records/notes and the review performed by the plan administrator's medical consultants to make a determination.

If you do not agree with the Departmental Determination and you wish to pursue the matter, you may request an appeal to the Group Insurance Board. You must request the appeal in writing. The written appeal request must be received by the Appeals Coordinator within 90 days of the date of the notice. The Appeals Coordinator will provide you with a booklet covering the appeals process and time frames.

## When Will my Benefit Start?

Your ICI benefit will begin after you serve your selected elimination period. Employees have an elimination period of 30, 60, 90, 120 or 180 calendar days.

The elimination period begins on the first full day that you are continuously and completely absent from work due to disability. If you return to work during your elimination period, even to perform incidental work at your employer's request, your elimination period will be extended. Before performing any work during your elimination period, you should talk to the plan administrator.

Using vacation, sick leave, holiday time, and compensatory time are *not* considered in determining when benefits begin. However, using any of the above benefits *after* the elimination period will cause a reduction of your ICI benefit. See *Offsets/Reductions* in the section *How Much Will I Receive*.

## How Much Will I Receive?

### Benefit Amount

The ICI benefit is calculated by multiplying your average monthly earnings from the previous year by 75%.

- *Standard Coverage*—Covers up to \$64,000 of annual earnings. The maximum benefit is \$4,000 per month.
- *Supplemental Coverage*—Covers between \$64,000 and \$120,000 of annual earnings. The maximum combined benefit is \$7,500 per month.

For disabilities lasting longer than 12 months, a supplement of \$75 per month is added to the normal benefit amount.

### Offsets/Reductions

ICI benefits will not duplicate other benefits available to you, but rather will supplement these programs to provide a specified level of disability income.

Therefore, your ICI benefit will be reduced by income received from sources including, but not limited to:

- Social Security based on your work record (regular or disability)\*.
- Unemployment compensation.
- Workers' compensation (except permanent disability awards).
- WRS benefits (retirement, disability retirement, or separation).
- Any employer sponsored / sanctioned salary continuation plan.
- Earnings, including self-employment.
- Duty disability.

In addition, your benefit will be reduced at the rate of 100% for any vacation, holiday or compensation pay you receive after your elimination period.

If you receive a monthly retirement benefit from the WRS, your ICI will be reduced by the largest benefit amount you are eligible to receive, even if you choose an option that pays a reduced benefit. If you take a separation or lump sum benefit, your ICI benefit will be reduced by an equivalent monthly amount.

If you receive income from any of the above sources, it is prudent not to spend it until the ICI amount to be repaid is provided to you by the plan administrator. You will be required to repay any benefits you receive or are eligible to receive that cover the same time period as your ICI benefits.

You must also apply for all other benefits that you might be eligible to receive. If you fail to do this, your ICI benefit will be reduced by the largest benefit you could receive from another source.

If you are approved to return to part-time employment with your prior employer, your benefit will be reduced (offset) at the rate of 75% of your earnings. If medical evidence indicates you are capable of working part-time but you do not return to work, your benefit will be reduced by an estimated earnings offset. See the *Returning to Work* section of this brochure for more information.

### If Social Security Benefits Are Denied...

When Social Security benefits have been initially denied, you are required to pursue the appeal through the hearing level. The ICI program may provide a Social Security advocate to assist you in the appeal process. You are required to cooperate with the Social Security advocate to avoid suspension or termination of your ICI benefits.

The ICI program does not require you to obtain an attorney to assist you in obtaining Social Security benefits. However, if you do decide to obtain an attorney and you win your appeal, the ICI program will not consider the attorney fees as a reduction to the ICI benefit if the Social Security Administration (SSA) approves the amount to be paid to the attorney. Documentation of SSA approval of such fees must be provided to the ICI plan.

## How Much Will I Receive? (continued)

### Payment Dates

Benefits are paid monthly at the beginning of the month for the previous benefit month (i.e. January benefits are paid February 1).

### Waiver of Premium

ICI premiums are waived effective the first of the month following the date ICI benefits begin.

*Note:* If benefits begin on the first day of a month, the premium waiver begins on the same day.

The waiver of premium remains in effect for as long as you continue to be eligible for benefits. If benefits are terminated because you returned to full-time employment with a state employer, premium payments will resume.

If you choose to remain on a leave of absence after your disability ceases and have not terminated employment, you must immediately make arrangements for payment of the ICI premium through your employer. Otherwise, coverage will terminate and can be reinstated only after you return to work and reapply for coverage.

### Taxable Benefits

A portion or all of your ICI benefit may be taxable income to you. As the percentage of the total premium paid by your employer as a fringe benefit increases, there is a corresponding increase in the percentage of benefits that is considered taxable income. The taxable portion is based on an average of the premium percentage paid by the employer over the three years prior to the year in which ICI benefits are first paid.

If a portion of the ICI benefit is based on the supplemental coverage, that portion of the benefit is not taxable because you are required to pay the entire premium for the supplemental coverage. However, due to changes in the tax laws and the interpretation of the revenue code, you should consult both state and federal tax authorities for answers to any specific questions you have concerning the exclusion or inclusion of such benefit payments as taxable income.

The following is an aid for tax authorities in determining the extent of state contribution toward premium for the ICI plan:

Taxable Portion of Employer Contribution:	
Select Elimination Period	Minimum Percent of Gross Premium Paid by the Employer
30-day plan	5%
60-day plan	2%
90-day plan	40%
120-day plan	53%
180-day plan	100%

The plan administrator will automatically withhold federal income tax from the taxable portion of a benefit. The amount of federal income tax withheld will equal the deduction for a single person with zero exemptions. If you wish to change the amount of federal tax withheld, you may submit Form W-4S or W-4 (available from the IRS) to the plan administrator.

Wisconsin state income tax will only be withheld from a taxable ICI benefit if you submit the *Wisconsin Withholding Exemption Form WT-4*. It is available from the Wisconsin Department of Revenue.

**FICA:** Social Security regulations provide that any income received from a sickness or disability plan during the first six months of a disability is subject to withholding for Social Security contributions if the employer has paid a portion of the premiums. The percent of the benefit subject to Social Security contributions equals the percent of the gross premium paid by the state. Any ICI benefits you receive during the first six months of disability will reflect this deduction for Social Security contributions unless your WRS employment is terminated and you are approved for disability retirement benefits.

### Annual Tax Documents

The plan administrator will send you tax forms annually.

## Participant's Responsibilities While Receiving the Benefit

### **Annual Statement of Earnings**

After the first year of ICI benefits, you will be required to complete and return to ETF the *Annual Statement of Earnings* (ET-5905) on which you will report all earnings for the prior calendar year. The plan administrator normally sends this form out on March 1 and the statements are due April 30.

### **Medical Reports to Substantiate Disability**

Your physician and the plan administrator will work together to determine how often your physician should follow up with you to certify that you are still disabled. The plan administrator will periodically ask your physician to complete supplemental medical forms. Cost for medical exams and copies of the medical records are your responsibility.

### **Failure to Comply**

Benefits may be suspended or terminated if you fail to provide required information within 60 days of the date of the initial request or if you do not otherwise cooperate in meeting the program requirements.



## Returning to Work

You may return to work with your prior WRS employer given the physician's release to return to work and the employer's ability to accommodate any restrictions imposed. Earnings paid when you return to work less than full-time will be offset at 75% (see example below). Earnings include pay for days taken as vacation, holiday or compensation time. Paid sick leave will be offset at 100%.

Your part-time earnings will be offset based on the date of your earnings check. For example, your earnings check dated July 1 will be offset from the ICI benefit check dated August 1 (which covers the month of July).

If you are receiving long term ICI benefits, you will be required to provide objective medical evidence (see *Definitions*) on a quarterly basis to continue to substantiate the disability. If you are released to return to work full-time and your employer can accommodate your restrictions, if any, and you do not return, benefits will be reduced by your estimated earnings or terminated.

If your physician releases you to return to work part-time but you choose not to, or you return to work but you do not work the number of hours your physician released you to return to work, your ICI benefit will be offset. This offset amount will be calculated by multiplying the number of hours

released to work by the hourly rate in effect at the time you became disabled.

If you are unable to work the number of hours your physician released you to work because of your medical condition, you should contact your physician immediately to discuss your inability to work those hours. Your physician will need to amend your restrictions. It is extremely important that your medical records reflect your ability to work for benefit payment purposes.

### Rehabilitative Training

If you have a rehabilitation plan that was approved by the Wisconsin Division of Vocational Rehabilitation (DVR), you need to contact the plan administrator and provide them with a copy of your approved plan. You will need to sign a release allowing the ICI program access to your pre-approved plan.

As an incentive to return to work, only 75% of earnings from approved rehabilitative employment may apply to the reduction of your ICI benefits. Earnings from non-approved rehabilitative employment will reduce your ICI benefit amount dollar-for-dollar (100%). The offset for the rehabilitative earnings are based on the date of the earnings check. See example below.

*Example: Benefit reduction due to earnings from part-time return to work.*

Monthly income continuation benefit		\$2,416.67
Less: earnings with prior employer	\$1,000.00	
Offset reduced to 75%	x 75%	- 750.00
<b>Net monthly income continuation benefit</b>		<b>\$1,666.67</b>
Plus: earnings		+ 1,000.00
<b>Total monthly income</b>		<b>\$2,666.67</b>

## When Will my Benefit End?

Your ICI benefit will end on the earliest of the following dates:

- When medical evidence shows that you are capable of performing the duties of your position (or of any position if the disability is long term).
- When you return to your former employment status (see the *Returning to Work* section);
- When you die.
- When you reach age 65. However, if you become disabled when you are age 62 or older, your benefit may be payable longer. See table at right.

<b>Age at Disablement</b>	<b>Maximum Time Benefits Are Paid</b>
61 or younger	To age 65
62	3.5 years
63	3 years
64	2.5 years
65	2 years
66	1.75 years
67	1.5 years
68	1.25 years
69	To age 70

## Definitions

**Date of Disability**—The day after your last day worked or the date your physician indicates that your medical condition meets the program's disability definition, whichever is later.

**Elimination Period**—This is the number of calendar days in which you must be completely off work in order to receive ICI benefits. Employees may select an elimination period up to 180 days.

**Objective Medical Evidence**—Test results such as blood tests, MRI, CAT scan, X-rays, etc. and physician's notes of regular visits recording the physician's observations of disabling symptoms and conditions.

The physician's opinion may rely in part on records of care provided by other medical professionals under the supervision of a physician, including but not limited to physician's assistants, midwives, psychologists and psychotherapists (MMSW).

The actual certification of disability must come from the licensed medical doctor, doctor of osteopathy, surgeon podiatrist, dentist or nurse practitioner.

**Plan Administrator**—External company contracted by the Department of Employee Trust Funds to issue eligibility determinations and process individual claims. This is also sometimes referred to as a third-party administrator.

**Regular Care and Attendance**—Planned program of observation and treatment requiring personal attendance by a physician.

**Substantial Gainful Activity**—Gross earnings that are equal to or greater than the gross ICI benefit for the same period of time.

**Totally Disabled**—The ICI program has two definitions of disability depending on the duration of the disability:

**Short-term Disability**—the first 12 months of disability, while you are under the regular care and attendance of a physician, and your disability makes you unable to perform your job.

**Long-term Disability**—after the first 12 months of disability, while you are under the regular care and attendance of a physician, and your disability makes you unable to engage in any substantial gainful activity for which you are reasonably qualified.

## Contact Us

### **Contacting ETF**

See the back cover for contact information.

### **Contacting the plan administrator: Aetna, (now doing business as The Hartford)**

#### **Phone**

Toll Free: 1-800-960-0052

Fax: 1-866-667-1987

#### **Mail**

The Hartford

P.O. Box 14560

Lexington, KY 40512-4560

#### **Email**

[ICILTDI@Aetna.com](mailto:ICILTDI@Aetna.com)

# Contact ETF



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**1-877-533-5020** or **608-266-3285 (local Madison)**

7:00 a.m. to 5:00 p.m. (CST), Monday-Friday

Benefit specialists are available to answer questions.

Wisconsin Relay: 711



**PO Box 7931**

**Madison, WI 53707-7931**

Write ETF or return forms.

