



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

801 W Badger Road
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax (608) 267-4549
<http://etf.wi.gov>

Correspondence Memorandum

Date: April 20, 2017
To: Group Insurance Board
From: Deb Roemer, Director
Benefit Services Bureau
Division of Retirement Services
Subject: Acceptance of Local Income Continuation Insurance (ICI) Plan Language Revisions

Staff requests that the Group Insurance Board (Board) approve revisions to the Local ICI plan effective May 1, 2017.

Clearinghouse Rule CR 16-034 became effective on May 1, 2017. This rule modified the eligibility requirements in Administrative Rule ETF 50.10 for ICI for employees of local units of government, to make the requirements consistent with changes made in 2015 Wisconsin Act 55 for state employees. The rule removed from the definition of “eligible employee” the requirement that an employee participate in the Wisconsin Retirement System (WRS) for at least six months. In addition, other minor changes were made to make the local ICI program eligibility rules consistent with the program for state employees.

The changes to 50.10 require an update to the local ICI plan language. Specifically, the proposed modifications to the local ICI plan language include removal of the six-month WRS service requirement from the definition of “employee” in the local plan.

The revisions also incorporate 60-day enrollment opportunities for employees returning from leave of absence, to match the requirement under the state plan. The revisions also make technical corrections to remove and/or replace incorrect language related to reinstatement of premiums for enrollees returning from a leave of absence.

A copy of the proposed changes are attached to this memo.

Staff from ETF will be in attendance to answer any questions.

Attachment: Proposed Local ICI plan language changes

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services

Electronically Signed 5/5/17

Board	Mtg Date	Item #
GIB	5.24.17	5C

Attachment

ICI Plan Changes
 April 20, 2017
 Effective May 1, 2017

Item	Article/Section	Proposed Change	Plan	Comments
1.	1.04 - "EMPLOYEE", when referring to the Wisconsin Public Employers Income Continuation Insurance Plan means the same as prescribed in § 40.02 (46) of the Wisconsin Statutes and for the Wisconsin Public Employers Income Continuation Insurance Plan an eligible employee who has been participating under the Wisconsin Retirement System for a period of at least 6 months and who is not on leave of absence at the time of enrollment; except that elected officials who meet the requirements of § 40.02 (46), Wis. Stats. are immediately eligible.	1.04. "EMPLOYEE", when referring to the Wisconsin Public Employers Income Continuation Insurance Plan means the same as prescribed in § 40.02 (46) of the Wisconsin Statutes and for the Wisconsin Public Employers Income Continuation Insurance Plan an eligible employee who has been participating under the Wisconsin Retirement System for a period of at least 6 months and who is not on leave of absence at the time of enrollment; except that elected officials who meet the requirements of § 40.02 (46), Wis. Stats. are immediately eligible.	Local	Elimination of 6-month eligibility requirement for coverage.
2.	2.03 (4) (e). Eligible EMPLOYEES on LEAVE OF ABSENCE during the SUPPLEMENTAL COVERAGE open enrollment period have 30 days from their return to work to apply for SUPPLEMENTAL COVERAGE. EMPLOYEES currently receiving ICI benefits may enroll in SUPPLEMENTAL COVERAGE, if eligible, when they return to work and are no longer receiving ICI benefits.	2.03 (4) (e). Eligible EMPLOYEES on LEAVE OF ABSENCE during the SUPPLEMENTAL COVERAGE open enrollment period have 30 <u>60</u> days from their return to work to apply for SUPPLEMENTAL COVERAGE. EMPLOYEES currently receiving ICI benefits may enroll in SUPPLEMENTAL COVERAGE, if eligible, when they return to work and are no longer receiving ICI benefits. <u>An enrollment application must be submitted within 60 days after termination of ICI benefits. Coverage shall be effective on 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.</u>	Local	Attaches 60 day supplemental coverage enrollment opportunity for employees who return from leave of absence. Matches up with state ICI plan language.

3.	2.05 (4). The gross premium shall remain the same throughout the period of authorized leave. Upon the EMPLOYEE's return to employment, the premium shall be reinstated using the same elimination period which was in effect prior to the date of the authorized leave until the EMPLOYEE has worked one full calendar year after which the premium shall be adjusted at the time of the annual adjustment (April 1) or if there has been a permanent change in the EMPLOYEE's percentage of appointment (whichever is earlier).	2.05 (4). The gross premium shall remain the same throughout the period of authorized leave. Upon the EMPLOYEE's return to employment, the premium shall be reinstated using the same elimination period which was <u>monthly earnings that were</u> in effect prior to the date of the authorized leave until the EMPLOYEE has worked one full calendar year after which the premium shall be adjusted at the time of the annual adjustment (April 1) or if there has been a permanent change in the EMPLOYEE's percentage of appointment (whichever is earlier).	Local	Remove and replace incorrect language.
4.	2.05 (5) Any insured EMPLOYEE who allows coverage to lapse during a period of unauthorized or authorized leave, or MILITARY LEAVE by not authorizing or making advance premium payments under sub. (2) or (3) may reinstate coverage with the same premium category or elimination period and without furnishing medical evidence of insurability by submitting an application to the EMPLOYER within thirty (30) days following the return to active employment or return to active employment after MILITARY LEAVE. Coverage shall be effective on the first day of the month that first occurs during the 30-day enrollment period. Premiums shall resume in the same amount as before unless there has been an annual premium or salary adjustment in the interim.	(5) Any insured EMPLOYEE who allows coverage to lapse during a period of unauthorized or authorized leave, or MILITARY LEAVE by not authorizing or making advance premium payments under sub. (2) or (3) may reinstate coverage with the same premium category or elimination period and without furnishing medical evidence of insurability by submitting an application to the EMPLOYER within thirty (30) days following the return to active employment or return to active employment after MILITARY LEAVE. Coverage shall be effective on the first day of the month that first occurs during the 30-day enrollment period. Premiums shall resume in the same amount as before unless there has been an annual premium or salary adjustment in the interim.	Local	Remove incorrect language