



The Wisconsin Public Employer Income Continuation Insurance Administration Manual

Department of Employee Trust Funds
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Employer Communications Center
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etf.wi.gov

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Preface

The *Wisconsin Public Employers Income Continuation Insurance Administration Manual* (ET-1145) is a reference source intended to aid your administration of 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 number is 1-877-533-5020, 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 us.

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100 Introduction

The Income Continuation Insurance Program provides replacement income during periods of short-term and long-term disability.

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. The plan's third-party administrator, currently The Hartford, processes initial applications, manages claims, pays benefits and provides case management.

Rules governing ICI are addressed in Wis. Stat. §§ 40.61 and 40.62, Wisconsin Administrative Code ETF 50.10, and the ICI Plan Language.

Other disability programs administered by the Department of Employee Trust Funds include the following:

- Disability Retirement Benefits (§ 40.63)
- Duty Disability and Survivor Benefits (§ 40.65)
- Long-Term Disability Insurance (LTDI) (ETF 50, Subchapter III)—Closed to new claims as of January 1, 2018, but ETF is administering the remaining open claims.

Visit ETF's Internet site at etf.wi.gov or contact ETF for more information on these programs.

101 Program Features

The following lists the features of the ICI Program:

- Replaces up to 75% of a subscriber's annual WRS earnings up to \$120,000.
- Maximum benefit of \$7,500 per month.
- Elimination periods: 30, 60, 90, 120 or 180 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.
- Premium contributions are made by both the employee and the employer. The employer's minimum contribution must be equal to 100% of the premium for the 180-calendar-day elimination period. Employees who choose a shorter elimination period will pay the additional premium. If they choose to do so, employers may pay an amount equal to 100% of the premium for one of the shorter elimination periods.
- 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. However, employees disabled after their 60th birthday will receive benefits for a maximum period of five years from the date they became disabled.
- 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.

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.
- 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) toll free 1-877-533- 5020, option 2, or by email at ETFSMBEmployerInsurance@etf.wi.gov
Claims, Benefits, Customer Service, Payments, Complaints	The Hartford toll free 1-800-960-0052 The Hartford P.O. Box 14869 Lexington, KY 40512-4869 ICIQuestions@thehartford.com To expedite the email request, please use the following subject lines: ICI – Customer Service Issue ICI – Payment Information ICI – Pending Claim ICI – Overpayment ICI – Other ICI – 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) 608-261-7947
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 use the most current revisions of the ICI forms and brochures available on ETF's website, <https://etf.wi.gov/>. Find a filterable list of ICI forms on ETF's website by following these steps:

- Click on the word “Employers” in the top menu.
- Click on the “Insurance Programs” card.
- Click on the “Income Continuation Insurance (ICI)” card under the “Additional Program Offerings” header.
- Click on the “Read More” button under the “Income Continuation Insurance Employer Forms” section.

or

- In the top menu, hover your cursor over the Employers tab. Do not click on the word “Employers.”
- In the dropdown menu that appears, click on the “Insurance Programs” option.
- Click on the “Income Continuation Insurance (ICI)” card under the “Additional Program Offerings” header.
- Click on the “Read More” button under the “Income Continuation Insurance Employer Forms” section.

To order physical copies of forms and brochures from ETF, start on ETF's website, <https://etf.wi.gov/> and follow these steps:

- Click on the word “Employers” in the top menu.
- Scroll down to the “Forms and Brochures” section.
- Click on the “All Employer Forms and Brochures” button.

or

- In the top menu, hover your cursor over the Employers tab. Do not click on the word “Employers.”
- In the dropdown menu that appears, click on the “Employer Forms, Brochures and Publications” option.

Then

- On the Employer Forms, Brochures and Publications webpage, click the “Employer Forms Order” link near the top.
- On the Employer Forms page, complete the information requested.
- Click the “Send” button at the bottom of the page.

After submitting your order, you can expect to receive your paper forms in 1-3 weeks.

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 “Insurance” tab. The site provides an overview of ICI for local employees including the [Local Employee ICI \(ET-2129\)](#) brochure.

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

Chapter 2—Eligibility Criteria

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200 Eligibility for ICI Coverage

All employees, including part-time, limited-term (LTE), seasonal and non-represented employees, are eligible for and **must** be offered, Income Continuation Insurance (ICI) coverage provided they meet all the following:

- Participate in the Wisconsin Retirement System (WRS).
- Employed by an employer who participates in the ICI Program.
- Receive earnings for services rendered.

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 must be offered ICI coverage.

201 Initial Enrollment Period and Coverage Effective Date

An eligible employee can become insured by filing an Income Continuation Insurance Application (ET-2366) with their employing agency's payroll/personnel office within 30 calendar days of first becoming eligible for ICI.

Coverage will be effective the first day of the calendar month that first occurs during the 30-day enrollment period. After the 30-day enrollment period, employees desiring coverage must apply through evidence of insurability. For more information about new hire enrollment, see Appendix A.

The following chart gives a few examples of hire dates, application due dates and effective dates for WRS eligible employees.

Hire (WRS Eligibility) Date	ICI Application Received Date	ICI Application Due Date	Effective Date of Coverage
01/05	01/25	02/04	02/01
06/01	06/13	07/01	06/01
08/01	08/24	08/31	08/01
11/15	12/03	12/15	12/01

202 Rehired/Returning Employee Eligibility

The following charts depict situations in which employees are either rehired or returning from an unpaid leave of absence. The charts indicate whether the employees are eligible to enroll in the ICI program or whether evidence of insurability is required.

Chart I represents **previously eligible but uninsured** employees.

Chart II represents **previously insured** employees.

Chart I		
ICI Eligibility for <i>PREVIOUSLY ELIGIBLE UNINSURED</i> Rehired/Returning Employees		
Situation	ICI Eligible?	ICI Coverage Effective Date
1. On leave of absence, returns to covered employment with the same employer.	No, must apply through Evidence of Insurability (EOI).	N/A
2. On military leave, returns to the same employer.	No, must apply through EOI.	N/A
3. Terminates, takes separation benefit (withdraws available contributions) from WRS, returns to covered employment with the same employer.	Yes; must submit application within 30 days of rehire.	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; must submit application within 30 days of rehire.	First of month that first occurs during the 30-day enrollment period.

Chart II				
ICI Eligibility for <i>PREVIOUSLY INSURED</i> Rehired/Returning Employees				
	Situation	ICI Eligible?	Effective Date	Can Elimination Period Be Shortened?
1.	On leave of absence, coverage lapsed, returns to covered employment with the same employer.	Yes*	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*	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*	First of month that first occurs during the 30-day enrollment period.	N/A; can choose any elimination period.
4.	Terminates, leaves WRS contributions in system, returns to covered employment with the same employer within 30 days.	Yes* (since coverage was in effect at time of termination)	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*	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*	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*	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.

203 Leaves of Absence (LOA)

For ICI purposes, LOA refers to an *unpaid LOA*.

LOA for employee currently covered under ICI:

ICI-covered employees who take an unpaid LOA may continue ICI coverage during the approved LOA. The first three months of authorized leave qualify for the employer contribution. Beyond three months, the employee is responsible for the full premium.

Premium payments must be received by the employer prior to the end of coverage so there is no lapse in coverage. The maximum time ICI coverage may be continued is 36 months, except for insured employees on union service leave, as defined under Wis. Stat. § 40.02 (56), or on military leave, who may continue to be insured for the duration of the leave.

ICI-covered employees on unpaid LOA who allow coverage to lapse may reinstate their previous coverage by filing an ICI enrollment application with the employer no later than 30 days after their return to work. The employee is not required to file for coverage under evidence of insurability as long as their application is filed timely.

Coverage will be effective the first day of the month that first occurs during the 30-day enrollment period. Premiums resume in the same amount as before the LOA, unless an annual premium or salary adjustment has occurred in the interim. For more information about employees returning from a leave of absence and enrollment, see Appendix A.

Note: Per Wis. Stat. § 40.02 (40), an unpaid LOA is not considered to have ended unless the employee resumes active performance of duty for 30 consecutive calendar days for at least 50% of what is considered that employee's normal work schedule. If an employee returns to work and completes an application for ICI benefits, but then does not work enough for his or her LOA to be considered ended, they would not be eligible to re-enroll for ICI until such time that their LOA is considered ended.

204 Reinstatement Due to Compromise Agreements

Some employee/employer disputes are the result of discharge from employment. ICI coverage immediately terminates on the date of discharge; ICI coverage cannot be continued during a process of appeal or arbitration. Should resolution of the dispute result in reinstatement:

- The employee may re-enroll, but only 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.

CHAPTER 3—Enrollment and Application

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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. See Appendix A for additional information.
 - 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.

- 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 (those who are actively employed and not on a leave of absence or layoff) may apply at any time 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*.

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.
- **Note:** An employee who wants to *shorten* their elimination period after coverage has gone into effect must request this change 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 \(ET-2366\)](#).
- 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 page 2 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. Date Application Provided to Employee.

B. Date Received from Employee. The date the employer received the employee's completed application.

C. Reason to Submit Application and Occurrence Date. Check only **one** box in this section.

- **Began WRS Participation with Current Employer On.** Check this box and complete the date to show when WRS participation began.
- **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.
- **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.
- **Enrollment Through Employer Error Provision.** If the application is approved, coverage will be effective on the first of the month following the date the employer received the application. See Chapter 10 for more information on submitting an application through the "employer error" provision.

- **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, compromise agreements, and reinstatements.
- D. Annual Earnings.** Unless one of the exceptions below applies, use the employee's WRS earnings as reported in the preceding calendar year, and round the earnings figure up to the next higher thousand.
- E. 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.
- 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. Employer Agent Signature.** The WRS Employer Agent or designated representative must certify that the information on the application is true and correct.
- I. Telephone Number.** The telephone number of the employer contact person.
- J. Effective Date.** Coverage becomes effective on the first of the month that first occurs during the employee's 30-day enrollment period.
(Refer to subchapters 201 and 202 for information on ICI eligibility dates, application due dates, and coverage effective dates.)



Income Continuation Insurance Application

Local Government Employee
Wis. Stat. § 40.61

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

- This form is being submitted due to an employer error. (Employers should refer to chapter 10 of *The Wisconsin Public Employers Income Continuation Insurance Administration Manual (ET-1145)* for more information on "employer error" submissions.)

Employee Information Type or print in ink. Sign and return to employer.			
Name (first, middle, last, former/maiden)			
Birth date (MM/DD/YYYY)	Member ID	Social Security number	
Address (street)			
City	State	ZIP code	Country and Mail Code (if not USA)
			Sex <input type="checkbox"/> Male <input type="checkbox"/> Female
<p>1. Income Continuation Insurance (ICI) coverage. Check one:</p> <p><input type="checkbox"/> I elect ICI coverage and authorize payroll deductions for premiums.</p> <p><input type="checkbox"/> I do not elect ICI coverage. <i>Sign below.</i></p> <p><input type="checkbox"/> I wish to cancel my ICI coverage. Cancellation is effective the first day of the month which occurs on or after the date the application is received. <i>Sign below.</i></p>			
<p>2. I elect the following calendar day elimination period for ICI coverage:</p> <p><input type="checkbox"/> 30-day <input type="checkbox"/> 60-day <input type="checkbox"/> 90-day <input type="checkbox"/> 120-day <input type="checkbox"/> 180-day</p>			
Sign and Return to Employer			
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 from my earnings to provide ICI coverage. I understand that if premiums are not deducted, I do not have ICI coverage.			
Employee signature	Date	Telephone ()	

Submit this completed form to your employer. Your employer will complete the next page and then submit to ETF.



This page is for the employer to complete. Refer to *The Wisconsin Public Employers Income Continuation Insurance Administration Manual (ET-1145)* for instructions.

Application Information (To be completed by Employer)
Date application provided to employee: _____
Date received from employee: _____
Reason to submit application—check one box and list date event occurred:
<input type="checkbox"/> Began WRS participation with current employer on: _____
<input type="checkbox"/> Reinstating coverage upon return from temporary layoff or leave of absence. Date temporary layoff or leave of absence began: _____ Date employee returned: _____
<input type="checkbox"/> Changed to a longer elimination period effective on: _____ Note: Evidence of insurability is required to change to a shorter elimination period.
<input type="checkbox"/> Enrollment through employer error provision. Note: More information available in chapter 10 of the ICI administration manual (ET-1145).
<input type="checkbox"/> Other (specify): _____ _____

Annual Earnings (Rounded up to the next higher thousand)
\$ _____ <i>*Refer to Chapter 3 of the ICI Administration Manual (ET-1145) for instructions on determining the annual earnings amount to use.</i>
Basis of employment <input type="checkbox"/> Full time <input type="checkbox"/> Part-time: _____%

Employer Information		
Employer name	EIN 69-036-	
Employer agent signature	Telephone ()	Effective date / 01 /

Copy and distribute: ETF Employee Employer

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 and Earnings	Application Due Date	Coverage Effective Date
Initial Enrollment – New Employee ICI Application (ET-2366)	For new employees, estimate the base salary the employee is expected to earn over the next 12 months, and round this figure up to the next higher thousand.	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)	Earnings reported to WRS in the previous calendar year are rounded up to the next higher thousand. Exceptions: For the following employees, estimate the annual base salary the employee is expected to earn over the next 12 months (i.e. "projected" earnings), and round this figure up to the next higher thousand: <ul style="list-style-type: none"> • Newly hired employee • Employee who has had a permanent change in their percentage of appointment since January 1st of the prior calendar year. • Employee who was on an unpaid leave of absence in the prior calendar year 	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	The earnings amount that premiums are based on remains the same throughout the leave of absence, even if there is an annual adjustment period during the leave of absence. However, the premium amount should be adjusted during the annual adjustment period if the premium <i>rates</i> change.	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.

Application Type	Premiums and Earnings	Application Due Date	Coverage Effective Date
Union or Military Leave of Absence	The earnings amount that premiums are based on remains the same throughout the leave of absence, even if there is an annual adjustment period during the leave of absence. However, the premium amount should be adjusted during the annual adjustment period if the premium <i>rates</i> change.	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.
Return to work after receiving ICI benefits, or after leave of absence and no lapse in premiums.	Annual earnings used to determine premiums prior to the leave will continue to be used until the employee has worked one full calendar year, after which time 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. Annual 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 up to next higher thousand.	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 \(ET-2308\)](#) 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

ICI premiums for insured employees are based on their earnings level and their selected elimination period of 30, 60, 90, 120, or 180 days.

Earnings are either estimated for the ensuing 12 months or are based on the employee's actual WRS-reportable earnings from the previous calendar year (CY). The chart below shows when an estimate should be used and when the actual, previous calendar year earnings should be used.

Event	Application Required?	Earnings to be Used
New Hire	Yes	Estimated
Enrolling during Deferred Enrollment Period or through Evidence of Insurability Employee has full year of earnings in previous CY (i.e. no unpaid Leave of Absence or military leave in the previous CY, and no change in percentage of appointment since beginning of previous CY)	Yes	Actual
Enrolling during Deferred Enrollment Period or through Evidence of Insurability Employee does not have full year of earnings in previous CY (due to being newly hired or having an unpaid leave), or employee had a permanent change in percentage of appointment since the beginning of the previous CY	Yes	Estimated
Returning from an unpaid Leave of Absence or Military Leave , during which time ICI coverage lapsed	Yes	Same salary, either actual or estimated, used immediately prior to leave (unless change in percentage of appointment upon return—see below)
Percentage of Appointment Change (Change in percentage of appointment must be permanent)	No (Employer needs to recalculate premiums and update the employee's payroll deduction)	Estimated—based on new percentage of appointment

401 Calculating Employer Contribution and Employee Premium

Employer contribution is based on the employee's annual earnings in the preceding calendar year (or estimated annual earnings for those employees noted in subchapter 400) and the employee's selected elimination period.

Employers must pay a *minimum* contribution equal to the total premium for the 180-day elimination period. An employer may elect to pay a greater amount towards premium. However, the employer contribution must always be equal to the total premium for one of the elimination periods. For example, an employer may choose to contribute an amount equal to the *total* premium for the 90-day elimination period.

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. 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.

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. See Appendix A for more information about the Annual Premium Review Process and how various events will affect it.

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

1. Determine each insured employee's annual earnings for ICI premium purposes by taking their WRS-reportable earnings for the preceding calendar year and rounding them up to the next higher thousand. Exceptions:
 - For employees who were **newly hired**, continue to use their previously projected WRS earnings amount until such time that the employee has a full calendar year of WRS-reportable earnings.
 - For employees who have had a **permanent change in percentage of appointment** since January 1st of the previous year, continue to use their previously projected earnings amount until such time that the employee has a full calendar year of earnings at their new FTE percentage.
 - For employees who were on an **unpaid leave of absence (LOA)** in the previous year, continue to use the earnings amount that was in effect prior to the LOA until such time that the employee has a full calendar year of WRS-reportable earnings.

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 \(ET-1629\)](#) form.

CHAPTER 5 – Monthly Premium Report

- 500 Monthly Income Continuation Insurance Premium Reporting and Payment
- 501 Due Date
- 502 Late Reporting Interest Charge
- 503 Permanent Change in Percentage of Appointment

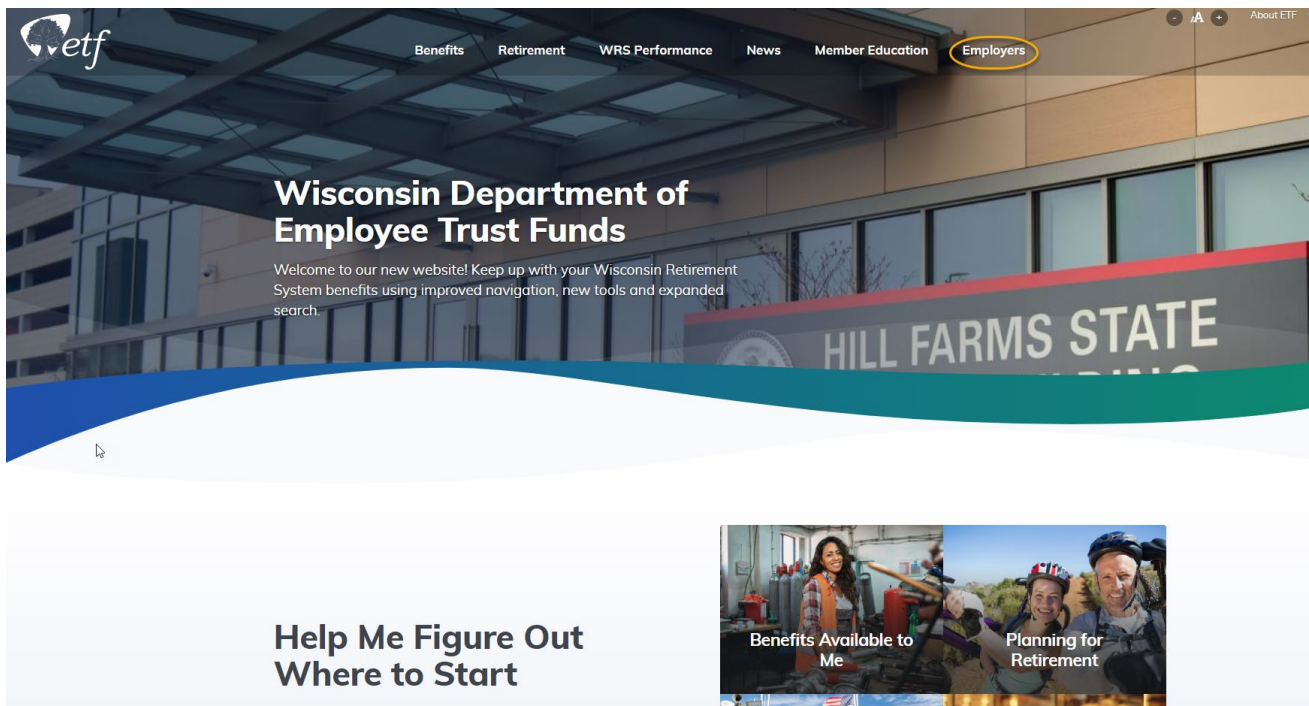
500 Monthly Income Continuation Insurance Premium Reporting and Payment

The [Monthly Premium Report Group Income Continuation Insurance – Locals \(ET-1629\)](#) is available as a resource for employers and should be sent to ETF via fax or email only when the employer does not have access to submitting the information online. This form provides a detailed breakdown of employee and employer premium contributions by elimination period. The report is available on ETF's website at etf.wi.gov.

Instructions for reporting online:

Log in to the ETF website (etf.wi.gov), select Employers from the menu across the top, then select myETF Benefits Administrator for Employers from the Online Tools menu. Follow the screen shots below to report your ICI premiums/enrolled members and payments.

Note: There is a print screen button available to print at any time during this process.



Recent Employer News

- Employer News NOV 26, 2019
- Department News NOV 26, 2019
- Department News NOV 25, 2019

Log in to myETF Benefits Administration for Employers as normal.



- EmployerInfo
- myMembers
- Health
- Life
- Disability
- WRS
- Other Benefits
- Reports
- Maintenance
- Help
- Log Off

Employer Specific Function - Employer Number Required

Use this screen to specify the employer whose data you would like to access. You must provide the employer's seven digit employer number. You must have the authority to access the employer's data.

Enter your Employer Number and click Verify.

Please enter the seven digit Employer Number and click Verify
Employer Number:

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



- EmployerInfo
- myMembers
- Health
- Life
- Disability
- WRS
- Other Benefits
- Reports
- Maintenance
- Help
- Log Off

Enter the Coverage Month and Year you are paying and the Payment Due Date will populate.

Employer No:

Employer Name:

Coverage Month/Year:

Payment Due Date:

Regular ICI

Supplemental ICI

Premium Due

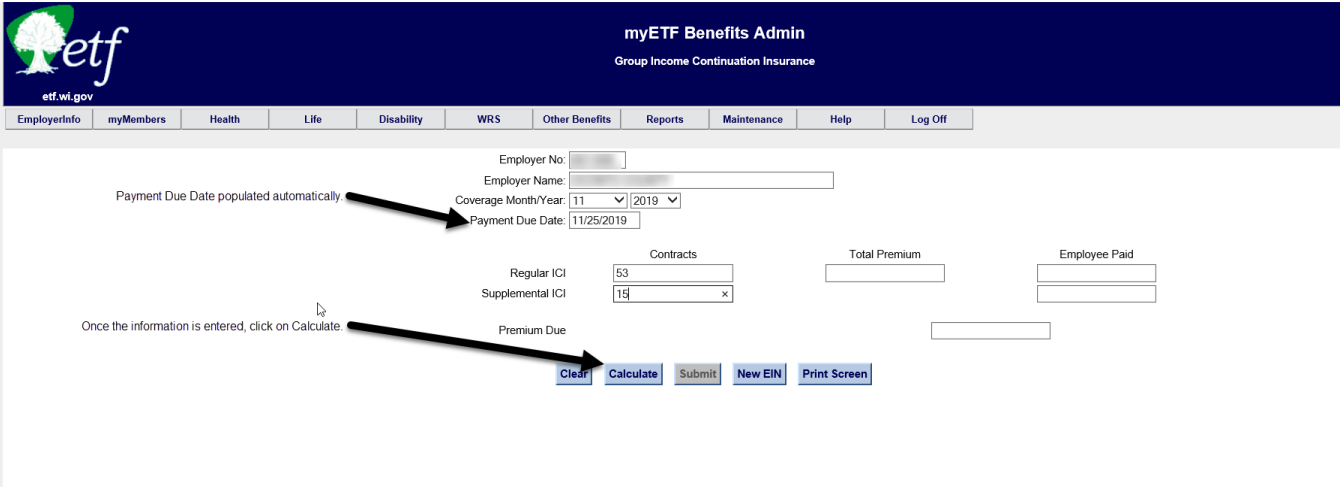
Contracts

Total Premium

Employee Paid

Then enter the information related to Regular ICI contracts and enter the Supplemental ICI contract count. (Were there not a premium holiday you would also enter the Premium information requested.)

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



myETF Benefits Admin
Group Income Continuation Insurance

etf
etf.wi.gov

EmployerInfo myMembers Health Life Disability WRS Other Benefits Reports Maintenance Help Log Off

Employer No:
 Employer Name:
 Coverage Month/Year: 11 | 2019
 Payment Due Date: 11/25/2019

Regular ICI: 53
 Supplemental ICI: 15 x

Contracts:
 Total Premium:
 Employee Paid:

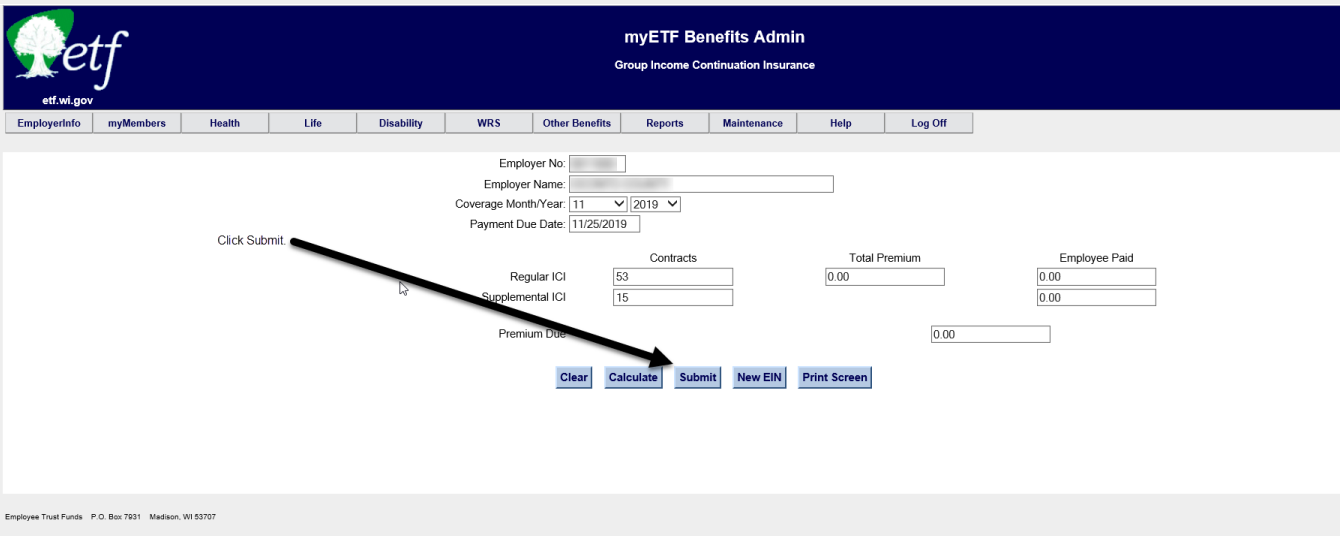
Premium Due:

Clear Calculate Submit New EIN Print Screen

Payment Due Date populated automatically.

Once the information is entered, click on Calculate.

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



myETF Benefits Admin
Group Income Continuation Insurance

etf
etf.wi.gov

EmployerInfo myMembers Health Life Disability WRS Other Benefits Reports Maintenance Help Log Off

Employer No:
 Employer Name:
 Coverage Month/Year: 11 | 2019
 Payment Due Date: 11/25/2019

Regular ICI: 53
 Supplemental ICI: 15 x

Contracts:
 Total Premium: 0.00
 Employee Paid: 0.00

Premium Due: 0.00

Clear Calculate Submit New EIN Print Screen

Click Submit

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

501 Due Date

Monthly Premium Reports and remittances are due on the 24th day of the calendar 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).

502 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.

503 Permanent Change in Percentage of Appointment

A permanent change in an ICI covered employee's percentage of appointment will 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 – Locals \(ET-1629\)](#) form during the following payroll period to reflect the change in salary for the effective coverage month. (Refer to 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 | <u>- \$6.25</u> |
| • 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, or dies, whichever occurs first. An *Income Continuation Insurance Application (ET-2366)* does not need to be completed in order 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.)

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 – Locals (ET-1629)* form and these adjustments must be applied to the payment remitted to ETF.

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. However, 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 subchapter 707 for information on maximum duration of benefits.)

Employers may contact ETF's Employer Services Section at 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

In order to receive ICI benefits, the claimant must have had ICI coverage in effect on the date they were first disabled. ICI benefit payments do not begin until a claimant has been totally and continuously disabled for the entire elimination period. ICI benefits are first payable on the calendar day *following* the last day of the elimination period. Benefits continue to be payable 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. No ICI benefit payments can be made while earnings are still being paid for vacation, holiday pay, etc.

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.

Note: Claimants shall be considered engaged in substantial gainful activity when earnings from that activity are equal to or greater than the gross ICI benefit for the same period of time.

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 determines the begin date of the elimination period.

A. First Date of Disability

The first date of disability is the first date certified by a physician that the claimant is no longer able to perform the duties of their position due to a medical condition. This date may not be earlier than the last date on which the claimant performed any work.

B. First Day of the Elimination Period

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.

If the claimant did not see a physician for the medical condition on or before the last day worked, the claimant must be examined by a physician after ceasing work to determine whether the medical condition meets the plan’s disability definition. The elimination period will begin on the date the physician indicates that the medical condition meets the plan’s disability definition but may be no earlier than the day after the last day worked.

To determine the elimination period, the third-party administrator will begin with the first date of disability or the day after the last day worked, whichever is later, and count consecutive calendar days to the end of the elimination period.

Effect of Leave Time on the Elimination Period

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 used to calculate ICI benefits will be the previous calendar year's WRS-reportable earnings, rounded to the next higher thousand and divided by 12. Exceptions:

- A. If the employee is newly hired or had a permanent change in percentage of appointment that is not accurately reflected in the previous year's earnings, the estimated annual base salary earnings that were used to determine the most recent premiums will be rounded to the next higher thousand and divided by 12. That projection will be the basis for establishing average monthly earnings for the determination of benefits.
- B. If the employee has had a permanent change in their rate of pay but has had no change in their percentage of appointment, the average monthly earnings will be based on either a new projection of annual earnings using the new rate of pay OR the total WRS-reported earnings from the previous calendar year, whichever is higher. Employers must report all new earnings projections on the *ICI Employer Statement (ET-5351)*.
- C. If the employee returns to employment after a period of disability or authorized leave and then goes out on a new disability, earnings will be the same as those used for the prior disability/authorized leave OR the total WRS-reportable earnings from the previous calendar year, rounded to the next higher thousand and divided by 12. Use whichever amount 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 \$7,500 per month.

ICI benefits are payable beginning the first calendar day **following** the last day of the elimination period and for every day of continuing disability, including weekends. ICI benefits are paid only for full days of disability, not partial days.

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	\$38,323.16
Round to the Next Thousandth	\$39,000.00
Divide by 12	\$39,000.00 ÷ 12
Monthly Earnings	= \$3,250.00

Monthly Earnings	\$3,250.00 x 75% =
Monthly ICI Benefit	\$2,437.00 ÷ 30
Daily ICI Benefit	= \$81.25

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. ACH ensures that benefits are received timely and prevents checks from being delayed, lost, stolen or fraudulently cashed.

706 Continuation of Benefits

As long as the claimant remains disabled, benefits will continue to be paid, even if the claimant terminates their WRS-covered employment. The 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 of the disability.

707 Maximum Duration of Benefits

ICI benefits are normally 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. However, if a claimant's first date of disability is after their 60th birthday, benefits will be payable for a period of five years from their date of disablement.

The maximum duration of benefits for disabled, insured employees is:

Age on Date of Disability	Maximum Duration of Benefits from Date of Disablement
On or before 60 th birthday	To age 65
After 60 th birthday	5 years

Coverage for Pregnancies:

The duration of disability for a woman who has a normal, vaginal delivery is considered to be six weeks from the date of delivery (eight weeks for an uncomplicated cesarean delivery). These time periods are standard durations used in the disability industry. However, if the claimant has complications prior to or after delivery, ICI benefits may be paid longer, depending on whether the complication is considered disabling.

As with any disability claim, the claimant must serve their elimination period prior to receiving an ICI benefit.

708 Offsets Due to Income 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.

The ICI Program’s third-party administrator determines whether claimants are required to apply for other benefits based on medical evidence. Should medical evidence support the application, the claimant is notified that they are required to apply for the benefit and complete the application process. For example, applications for Social Security Disability Insurance must be pursued through the administrative law judge level of appeal. Claimants are also notified of the possibility that ICI benefits will need to be repaid due to the approval of the other income.

Claimants who do not apply or follow through with an application process for other available benefits will have their ICI benefit reduced by the amount (or an estimated amount) they would have been eligible to receive from the other source(s).

Other income sources include, but are not limited to:

- A. Any Social Security (disability or retirement) benefits the employee is eligible to receive.
- B. 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.
- C. Any employer liability law benefits, such as Wis. Stat. § 40.65 Duty Disability benefits.
- D. Any WRS retirement, disability retirement, or separation benefit.

- E. Any employer-sponsored salary continuation plan, including any plan whose premiums are paid or collected via payroll deduction.
- F. Earnings, including but not limited to: paid sick leave, vacation, holiday pay, and sabbatical paid on a regular basis or as a lump sum.
- G. Unemployment compensation.

If an employee returns to work, 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 computed 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:

- A. 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. The claim may be reopened if the employee becomes disabled with the same or a related disability within the time limits below. The employee needs to contact the third-party administrator to reopen their claim:
 - less than 14 consecutive calendar days (for claimants disabled fewer than 12 months)
 - or*
 - less than 6 months (for claimants disabled for more than 12 months).
- B. 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. The third-party administrator will contact the employers of any claimant released to return to part-time employment with restrictions to determine whether that employer can/will accommodate the restrictions.

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. Therefore, ICI benefits received during the first six months include the Social Security (FICA) withholding deduction.

The percentage of the benefit subject to Social Security withholding is equal to the percentage of the gross premium paid by the employer. Social Security withholding ceases when a claimant terminates employment during the first six months of disability due to the approval of a WRS disability retirement benefit.

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. The form is available from the Wisconsin State Department of Revenue or the third-party administrator.

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 initiate a claim by calling the third-party administrator (refer to subchapter 104 for contact information) or submitting a paper claim. **Filing claims by telephone is recommended as it reduces paperwork and eliminates delays associated with mailing claim forms to ETF.**

A. Filing Claims by Phone:

- The third-party administrator's customer service representative collects basic information from the claimant including name, Social Security number, date of birth and current mailing address.
- The claimant provides related information to the third-party administrator such as the nature of the disability, last day worked, contact information for their attending and/or treating physician and any additional work-related information.

B. Filing Paper Claims:

- The employer provides the claimant the [Income Continuation Insurance Claim Form \(ET-5352\)](#).
- The claimant submits the paper claim to ETF.

Claims should not be filed prior to an employee's last day worked; however, exceptions are made in cases of scheduled surgery or impending childbirth. Under these circumstances, a claim can be filed up to thirty (30) days prior to the employee's last day at work. No benefits are payable more than 90 days retroactively from the date the claim is received by the third-party administrator, or ETF if a paper claim is filed. Claims received more than 12 months from the last day in pay status will be denied.

Note: Employees who file a workers' compensation claim should also file an ICI claim as soon as possible. They should not wait until they have a workers' compensation determination, or they may miss out on ICI benefits.

Upon receipt of the claim, the third-party administrator mails the claimant the following:

- Introductory letter explains how the program works and what to expect while the claim is pending.
- Medical release forms that the claimant must sign. One copy should be returned to the third-party administrator and the other to the claimant's attending and/or treating physician.

Note: The attending and/or treating physician, clinic, and medical records departments will not release confidential medical information to the claim administrator without the claimant's consent. Until that release is given, the claim cannot be processed. The claimant is responsible for any costs associated with obtaining medical records and exams.

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.

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 1-608-267-4549.

Note: Continue collecting ICI premiums until notified of the claim determination.

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.

The claimant has the right to request, in writing, reconsideration of the third-party administrator's approval, denial, termination or other benefit determination. The third-party administrator must receive the written request and any additional information no later than ninety (90) days after the date of the initial benefit determination letter.

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.

805 Waiver of Premium

ICI premiums are waived effective the first of the month on or after the date of the first ICI benefit payment or upon termination of employment, whichever occurs first.

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

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.

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 \(ET-5901\)*](#).

Delays in submitting the *ICI Report of Employment and Earnings* may cause an overpayment in Income Continuation Insurance (ICI) benefits that must be repaid.

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.

901 Reporting Earnings 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).

Continue to send this form each payroll period until you are notified that the ICI claim has been terminated.

Direct questions regarding claims and benefit eligibility to the third-party administrator. (Refer to subchapter 104.)

Send ETF a copy of the ICI Report of Employment and Earnings (and any attachments) using one of the following methods:

- Fax to ETF at 608-267-4549.
- Mail to ETF, P.O. Box 7931, Madison WI 53707-7931.
- E-mail ETF at ETFWEB@etf.state.wi.gov.

CHAPTER 10 — Reinstatement of Coverage Lost Due to Employer Error

1000 Introduction

1001 Types of Employer Errors that Can be Corrected

1002 How to Correct an Employer Error

1003 Errors Not Eligible for Correction

1004 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. Wis. Stat. § 40.61(5) permits coverage to be obtained without requiring the employee to provide evidence of insurability under certain circumstances.

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 or advise the employee of eligibility.
- 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).
- No more than three years have elapsed since the date of the employee's initial eligibility for ICI.

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.

The Income Continuation Insurance plan language further provides:

- A. An employee who began paying premiums within 60 days after becoming eligible, and has continued to pay premiums, even though not properly enrolled, is deemed to be insured. Following employer notice of improper enrollment, insurance shall continue in effect for 30 days, during which time proper enrollment must be completed by the employee. Coverage shall cease after 30 days unless proper enrollment has been completed.

- B. If an employee completed an application and submitted it to their employer within their initial eligibility period, they have ICI coverage and no employer error request is needed. Submit the application to ETF and collect all back premiums owed if deductions were not started by the employer or they were erroneously stopped. All past due premiums must be remitted to ETF.

1001 Types of Employer Errors that Can be Corrected

The table below lists different types of errors that employers could make and indicates how the errors should be resolved:

Scenario Number	Was an Application Completed and Received by the Employer Timely?*	Were Premiums Deducted?	Is Employee Considered to have ICI Coverage?	New Application Required?	Coverage Effective Date	What Needs to be Done?
1	YES	NO	YES	NO	First of the month that first occurs during the 30-day enrollment period	Past due premiums must be submitted to ETF.
2	NO. Employer neglected to offer enrollment opportunity	NO	NO	YES	First of the month on or after the date the employer receives the completed application and upon approval by ETF.	Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.†
3	NO. Employer neglected to offer enrollment opportunity	YES	YES	YES	The date for which premiums were first paid.	Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.‡
4	YES. Employee returned from LOA; ICI coverage continued during LOA, or premiums were waived while employee received ICI benefits.	NO; employer fails to re-start ICI deductions.	YES	NO	(No break in coverage.)	Past due premiums must be submitted to ETF. (<i>Employee also has the option to cancel coverage back to the date the premiums lapsed as long as no ICI benefits were paid in the interim.</i>)
5	NO. Employee returned from LOA; ICI coverage lapsed while on LOA. Employer fails to offer re-enrollment opportunity.	NO	NO	YES	First of the month on or after the date the employer receives the completed application and upon approval by ETF.	Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.†
6	NO. Employee returned from LOA; ICI coverage lapsed while on LOA. Employer fails to offer re-enrollment opportunity.	Yes; deductions resumed upon RTW.	YES	YES	(No break in coverage.)	Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.‡

* Regardless of if the employer submitted the application to the Dept. of Employee Trust Funds

† Employer must follow the “employer error” procedure in subchapter 1002. ETF will review and either approve or deny the application.

‡ Because premiums were deducted, the employee is considered to be insured. However, the employer must follow the same “employer error” procedure as outlined in subchapter 1002 when submitting the application to ETF.

1002 How to Correct an Employer Error

When the employer becomes aware that an employee does not have coverage due to employer error, the employer must:

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” along with 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.
 - Applications can be returned to ETF by mail, fax, and through the Box link below.
 - Mail: P.O. Box 7931, Madison, WI 53707-7931
 - Fax: 608-267-4549
 - Box link for electronic submission:
<https://etf.app.box.com/f/7a3fc2c5ca3c45c3848c44d3f6dbafab>
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.

1003 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. For example, the employee notices that there are no premium deductions being taken from their pay.
- Employee completes form and inadvertently cancels coverage. (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.

1004 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 WRS-eligible employees.
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) .

Appendix A: Local Income Continuation Insurance Eligibility and Premium Rules – Effective 01-01-2024 (Revised 3/6/2024)

The alpha-numeric notations in red refer to Local ICI plan language provisions.

Example Number	Event	Coverage in Force at Time of Event?	Eligible to Enroll?	Application Required	Coverage Level Basis (assuming Event does not occur during Annual Premium Review period)	Annual Premium Review Process**	Comments	Effective Date of Coverage / Change / Termination
New Hire								
1	New hire	N/A	Yes	Yes; within 30 days from date of hire	Projected earnings for the ensuing 12 months 2.11 (2) (a)	Annual Earnings Update – Bypassed until the employee has a full calendar year (CY) of earnings. Premium should be adjusted based on the new premium rates for the upcoming year.	For premium purposes, the projected salary will remain in place until the employee has worked for a full calendar year and has a full calendar year of earnings.	Coverage effective the first day of the calendar month that first occurs during the 30-day enrollment period. 2.02 (4)
Job Change (Promotion/Demotion)								
	Promotion with salary increase at same employer – no FTE change.	NO	Can only enroll through EOI	N/A	N/A	N/A		N/A
2	Current coverage based on last year’s WRS earnings (see “Comments” if employee on a projected salary)	YES	N/A - already enrolled	No	No coverage or premium change until Annual Premium Review. (Note: If employee has a subsequent ICI claim, their ICI <i>benefits</i> would be based on their new rate of pay or previous CY earnings – whichever is higher.)	**Annual Earnings Update – Adjusted based on previous CY earnings Premium should be adjusted based on the new premium rates for the upcoming year.	This information also applies to an employee whose coverage is based on a projected salary at the time of the salary increase. For premium purposes, the projected salary will remain in place until the employee has worked for a full calendar year and has a full calendar year of earnings.	N/A
3	Demotion with salary decrease at	NO	Can only enroll through EOI	N/A	N/A	N/A		N/A

Example Number	Event	Coverage in Force at Time of Event?	Eligible to Enroll?	Application Required	Coverage Level Basis (assuming Event does not occur during Annual Premium Review period)	Annual Premium Review Process**	Comments	Effective Date of Coverage / Change / Termination
	same employer – no FTE change. Current coverage based on last year's WRS earnings (see "Comments" if current coverage based on projected salary)	YES	N/A - already enrolled	No	No coverage or premium change until annual premium review. (Note: If employee has a subsequent ICI claim, their ICI <i>benefits</i> would be based on their new rate of pay or previous CY earnings – whichever is higher.)	**Annual Earnings Update – Adjusted based on previous CY earnings. Premium should be adjusted based on the new premium rates for the upcoming year.	This information also applies to an employee whose coverage is based on a projected salary at the time of the salary decrease. For premium purposes, the projected salary will remain in place until the employee has a full calendar year of earnings.	N/A
Appointment Percentage / FTE Changes								
4	FTE increase or decrease [Any permanent change to appointment percentage]	NO	Can only enroll through EOI	N/A	N/A	N/A		N/A
		YES	N/A - already enrolled	No	Projected earnings for the ensuing 12 months at the new appointment percentage. 2.11 (2) (a)	Annual Earnings Update – Bypassed until the employee has a full CY of earnings at new FTE %. Premium should be adjusted based on the new premium rates for the upcoming year.	If someone has a temporary FTE change, is on a partial LOA, or is working a reduced schedule on a temporary basis while on FMLA or Workers Comp, ICI coverage is NOT adjusted and coverage is NOT based on a projected salary.	New coverage amount effective the first day of the calendar month which occurs on or following the effective date of the change in appointment.
Leave of Absence								
5	Employee returns from unpaid LOA (or Military Leave); Did not have coverage prior to LOA	NO	No; No new enrollment opportunity upon return if employee had no coverage prior to leave. (Can apply though EOI.)	No	N/A	N/A		N/A
6	Employee returns from unpaid LOA (or Military Leave), did NOT receive ICI benefits, and ICI coverage did NOT lapse while on LOA	YES	N/A - already enrolled	No	Earnings amount remains the same throughout the LOA. Upon return to work, earnings remains the same until employee works full CY (unless there has been a permanent change in the employee's percentage of appointment). 2.05 (4)	Annual Earnings Update – Bypassed until the employee works a full CY or has a permanent change in FTE. 2.05 (4) Premium should be adjusted based on the new premium rates for the upcoming year.		N/A

Example Number	Event	Coverage in Force at Time of Event?	Eligible to Enroll?	Application Required	Coverage Level Basis (assuming Event does not occur during Annual Premium Review period)	Annual Premium Review Process**	Comments	Effective Date of Coverage / Change / Termination
7	Employee returns from unpaid LOA (or Military Leave), did NOT receive ICI benefits, and coverage lapsed while on LOA 2.05 (5)	YES	Yes (previously enrolled prior to LOA)	Yes – within 30 days of RTW	<u>If return to previous FTE percentage:</u> Premiums in effect at the time the coverage lapsed will resume upon return from LOA, unless there has been a premium or salary adjustment in the interim. <u>If employee has a permanent change in their FTE percentage:</u> Estimate earnings for next 12 months.	Annual Earnings Update – Bypassed until the employee works a full CY. Premium should be based on the new premium rates for the upcoming year.		Coverage effective the first day of the calendar month that first occurs during the 60-day enrollment period.
8	Employee returns from unpaid LOA (same FTE level), received ICI benefits while on LOA, but ICI benefits have now ceased (ICI Premium Waiver in effect during LOA.)	YES	N/A - already enrolled	No	Earnings amount in effect at the time the LOA began will resume upon return from LOA. Premium rate will be adjusted if there has been a premium adjustment in the interim.	Annual Earnings Update – Bypassed until the employee works a full CY. Premium should be based on the new premium rates for the upcoming year.		N/A – coverage never lapsed (employee on premium waiver); ICI program administrator will notify the ER as to when premium payments/deductions will need to resume.
9	Employee returns from unpaid LOA, but does NOT return full-time, and is still receiving ICI benefits (ICI Premium Waiver is still in effect.)	YES	N/A - already enrolled	No	Premium Waiver continues to apply through the end of the month in which the employee's LOA ends or the ICI benefit terminates, whichever is later. 2.06	N/A	Premiums are not due while an EE is receiving ICI benefits.	N/A – coverage never lapsed (employee on premium waiver)
Evidence of Insurability (EOI)								

Example Number	Event	Coverage in Force at Time of Event?	Eligible to Enroll?	Application Required	Coverage Level Basis (assuming Event does not occur during Annual Premium Review period)	Annual Premium Review Process**	Comments	Effective Date of Coverage / Change / Termination
10	Employee is approved for coverage through Evidence of Insurability (EOI) 2.03 (1)	N/A	Yes	Yes (Employee should send EOI application directly to ETF.)	Coverage level based on previous CY earnings unless employee is new or had an unpaid LOA in the prior CY (i.e. employee does not have full year of earnings in the previous CY) or has had a permanent change in percentage of appointment since Jan. 1 st of the previous CY - then use projected earnings as of coverage effective date.	Annual Earnings Update – Adjusted based on previous CY earnings (unless using projected earnings in previous year– then bypass until the employee works a full CY.) Premium should be based on the new premium rates for the upcoming year.	Employees may not enroll through EOI while on LOA.	Coverage effective the first day of the calendar month which occurs on or after the date the EOI application is approved.
Changes in Elimination Periods								
11	Change to Longer Elimination Period	YES	No – must already have coverage	Yes	No change in earnings - coverage based on same earnings amount as prior to change in elimination period. New premium rate based on longer elimination period.	Annual Earnings Update – Adjusted based on previous CY earnings. Premium should be adjusted based on the new premium rates for the upcoming year.		Change is effective the first day of the calendar month which occurs on or following the date the application is received by the employer.
12	Change to Shorter Elimination Period 2.03 (1)	YES	No – must already have coverage	N/A - Employee must complete Evidence of Insurability (EOI) application. Must be approved by underwriter.	If EOI approved, coverage based on same earnings amount as prior to change in elimination period. New premium rate based on shorter elimination period.	Annual Earnings Update – Adjusted based on previous CY earnings. Premium should be adjusted based on the new premium rates for the upcoming year.	An employee can request change through the EOI process at any time of the year.	Change is effective the first day of the calendar month which occurs on or after the date the EOI application is approved.
Termination/Cancellation of Coverage								
13	Employee on LOA or Military Leave, and ICI coverage lapses due to non-payment of premiums	YES	N/A	N/A	N/A	N/A		Coverage terminates at the end of the month through which premiums are paid. 2.07 (1)

Example Number	Event	Coverage in Force at Time of Event?	Eligible to Enroll?	Application Required	Coverage Level Basis (assuming Event does not occur during Annual Premium Review period)	Annual Premium Review Process**	Comments	Effective Date of Coverage / Change / Termination
14	Employee Cancels Coverage	YES	N/A	Yes	N/A	N/A	An employee who completes an application to cancel coverage, <i>other than an employee on military leave</i> , is only eligible to re-enroll through evidence of insurability (EOI). An employee on military leave who cancelled coverage may re-enroll without providing EOI by submitting an application to their employer within 30 days of returning to work. 2.03 (2)	Coverage terminates the first day of the calendar month which occurs on or after the date the application is received by the employer. 2.07 (3)
15	Employee Resigns, is dismissed, terminates, retires or dies (whichever occurs first)	YES	N/A	N/A	N/A	N/A		Coverage ends on the date employee resigns, is dismissed, terminates, retires or dies (whichever occurs first). 2.07 (1)
Rehired Annuitants								
16	Annuitant is rehired in WRS-eligible position, and annuity is suspended	N/A	Yes	Yes – within 30 days of rehire	Projected earnings as of the effective date of coverage	Annual Earnings Update - Bypassed until the employee has a full CY of earnings. Premium should be adjusted based on the new premium rates for the upcoming year.		Coverage effective the first day of the calendar month that first occurs during the 30-day enrollment period. 2.02 (4)

****Annual Premium Review Process:**

- **Normal process is to look at the previous calendar year’s earnings, rounded up to the next higher thousand. Exceptions would be:**
 - **Employee was newly hired in the previous year** → Use projected earnings (rounded up to the next higher thousand) until the employee has worked a full calendar year (CY).
 - **Employee was on a LOA the previous year** → Use earnings amount in effect prior to the LOA, unless employee has had a permanent change in percentage of appointment since start of LOA.
 - **Employee had a permanent change in percentage of appointment (FTE) in the previous year** → Use previous projected earnings amount until the employee has worked a full calendar year (CY) at their new FTE percentage.