



## State of Wisconsin Local Income Continuation Insurance Program Fact Sheet 2025

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Income continuation insurance (ICI) is an optional insurance that provides a replacement income for disabilities that are considered short term in nature, as well as those which may last for extended periods.

### **Program Review**

- Created by Wis. Stat. § 40.62.
- The Department of Employee Trust Funds and the Wisconsin Group Insurance Board (Board) have statutory authority for program administration and oversight [Wis. Stat. § 40.03 (6)].
- The program is self-insured, financed by employer and employee premium contributions.
- Local government employers perform enrollment and premium collection.
- Most of the premium income is allocated to pay benefits and establish reserves.
- The Board contracts with a third-party administrator to issue eligibility determinations and process claims.

### **Eligibility and Enrollment**

- Local employers are eligible to participate in the ICI program if their governing body adopts a resolution to participate and if 65% of all eligible employees enroll. The employer may be granted a temporary waiver of the 65% participation requirement by ETF.
- The Board may terminate an employer's participation under the plan if employee participation falls below the minimum participation percentage. After a minimum of 12 months under the program, the employer may withdraw from the program at the end of any calendar year by submitting a resolution to ETF by October 1 of that year.
- Employees have an enrollment opportunity upon hire or upon providing evidence of insurability.
- When electing coverage, the employee must select an elimination period of either 30, 60, 90, 120, or 180 days. This is the amount of time that must lapse between the onset of a disability and the beginning of ICI benefit payments.
- Coverage may continue during authorized leaves of absence and layoffs.
- The ICI program covers an employee's earnings up to a maximum of \$120,000 per year.

### **Benefits**

- Disability means the inability to perform the duties of the claimant's position (short-term) or the complete inability to engage in any substantial gainful activity for which the claimant is reasonably qualified (long-term).

# Local Income Continuation Insurance Program

## Benefits, continued

- Monthly benefits equal 75% of the previous calendar year's WRS-reported earnings (rounded up to the next \$1,000) divided by 12. Beginning in the second year of disability, a \$75 supplement is added to the normal monthly benefit amount.
- The maximum benefit for covered employees is \$7,500 per month.
- Benefits begin after completion of an employee-selected elimination period.
- Benefits are payable for the length of disability or until age 65. There is an exception for disabilities beginning after an employee's 60<sup>th</sup> birthday.
- The program may pay the cost of rehabilitative training.
- Benefits will not duplicate benefits available from other state or federal programs (e.g., Wisconsin Retirement System, Social Security, Worker's Compensation, etc.).

## Premium

- The monthly premium is based on the previous calendar year's WRS-reported earnings (rounded up to the next \$1,000) and the selected elimination period.
- Employers must make a minimum contribution towards coverage which is equal to the total premium for the 180-day elimination period. An employer may elect to contribute a greater amount toward the premium for any other elimination period selected by their employees.

## Statistics

### Total Paid in Year Ended December 31

	2024	2023	2022	2021
Number of Claims	314	321	329	303
Average Monthly Benefit	\$2,913	\$2,562	\$2,547	\$2,496

Financial information is available in ETF's [Annual Comprehensive Financial Report \(ACFR\)](#).