



Welcome!

Income Continuation Insurance Program (ICI)



This webinar uses the audio from your computer for sound. Please plug your headphones directly into your computer.

Presentation will begin shortly...

Asking Questions



Chat Box

- Always follow up if not answered



Employer Communication Center

- Toll-Free: (877) 533-5020 opt 2
- ETF Agent
- ETFSMBEmployerInsurance@etf.wi.gov

Topics

- **What is ICI?** _____ Slide 5
- **Third-Party Administration** _____ Slide 9
- **Eligibility** _____ Slide 10
- **Enrollment** _____ Slide 11
- **ETF Responsibilities** _____ Slide 18
- **Employer Error** _____ Slide 19
- **Benefit Begin Date** _____ Slide 23
- **Applicable Forms** _____ Slide 24
- **Returning to Work** _____ Slide 27
- **Resources** _____ Slide 29

What is Income Continuation Insurance?

- ICI is a voluntary income replacement program
- It can cover employees for short-term and long-term disabilities

12
months
or less

Short-term disability

(first twelve months)

claimant must be unable to perform the duties of their job

12+
months

Long-term disability

Claimant must be unable to engage in any “substantially gainful activity” for which they are reasonably qualified

- ICI benefits will be reduced (offset) by income from other sources

What is Income Continuation Insurance?

Employees must serve an “elimination period” (EP) before benefits become payable:

State Employees

30 days or exhaustion of sick leave up to 130 days (whichever is longer)

UW Faculty and Academic Staff

Employee’s chosen elimination period (30, 90, 125, or 180 days), or exhaustion of sick leave up to 130 days (whichever is longer)

Local Employees

Employee’s chosen elimination period (30, 60, 90, 120, or 180 days)

Benefit Amounts

- Benefit amount is 75% of the average monthly earnings

Standard Coverage

Covers annual salaries
up to \$64,000

(maximum benefit of \$4,000/month)

Supplemental Coverage

Covers annual salaries
between \$64,000 and
\$120,000

(maximum benefit of \$7,500/month)

- Benefit ceases when members are no longer disabled or reach age 65, whichever comes first. (benefits may be paid for a longer period if the employee is age 62 or older at the time of disablement)

ICI to Offsets

- ICI benefits will not duplicate benefits available from:
 - other WRS programs
 - Social Security
 - Worker’s Compensation
 - Unemployment Compensation
- Any part-time earnings are also an offset to ICI benefits.
- A member would be required to repay duplicate benefits back to the ICI program.



The Third Party Administrator: Aetna

Aetna is the third party administrator for the state's ICI and Long-Term Disability Insurance (LTDI) programs. Aetna handles:



Enrollment applications



Evidence of Insurability



Claims status and questions



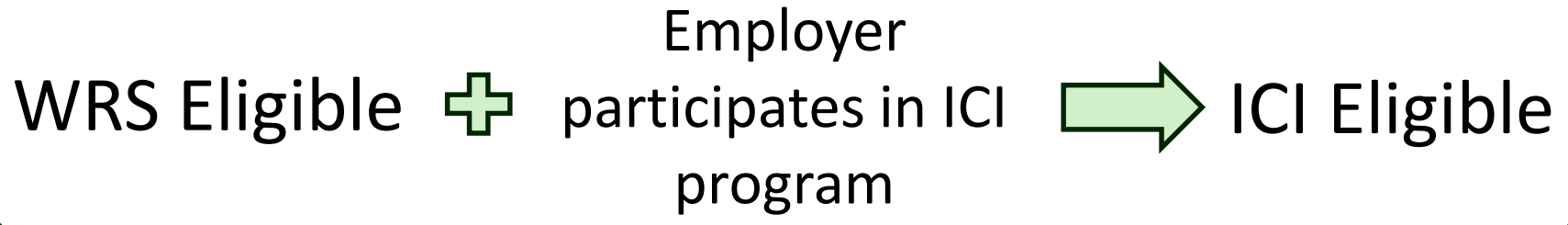
Overpayments

Eligibility

State Employees



Local Employees



Enrollment (State Employees)

Initial Enrollment: New hires are eligible to enroll (without evidence of insurability) in Income Continuation Insurance (ICI) coverage as of the 1st of the month following the hire date (or the hire date, if it is the 1st of the month).

[Application ET-2307](#)

(Graduate Assistants are not eligible).

OR

Deferred Enrollment: First time employees are eligible for an increase in employer contribution. Employers notify employees.

OR

[Evidence of insurability \(ET-2308\)](#)

Deferred Coverage Effective Date

Employee Situation	Application Type	Application Due Date	Coverage Effective Date
UW Faculty/Academic Staff who have just completed 1 year of state service (and are now eligible for employer share of premiums)	ICI Application ET-2307	30 Days from 1-year anniversary date	1 st of the month following the date of the member's 1-year anniversary (or the anniversary date, if it is the 1st of a month).
UW Faculty/Academic Staff who have more than 1040 hours of sick leave at the end of the calendar year	ICI Application ET-2307	On or before March 1 st	April 1st
State Employee becomes eligible for premium category 3-5 for first time, or any time in which they have a sick leave balance of more than 1040 hours in the previous calendar year	ICI Application (ET-2307)	On or before March 1 st	April 1st



State Application ET-2307 *Employer Section*

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:

- Began WRS participation with current employer on: _____
- Reinstating coverage upon return from temporary layoff or leave of absence.
Date temporary layoff or leave of absence began: _____ Date employee returned: _____
- Transferred from another state agency on: _____
- Eligible through deferred coverage on: _____
- Other (specify): _____

UW Faculty/Academic Staff only:

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

UW Faculty/Academic Staff only:

1. Did employee participate under WRS prior to being hired by you? Yes No
2. Previous service check, completed? Yes No
3. Source of previous service? ONE Site ETF

Earnings

\$ Monthly
 Biweekly

Basis of employment Full time Seasonal Project
 Part-time: _____% Academic LTE

ICI monthly premium

Employer share: \$ _____ Employee share: \$ _____

Supplemental ICI monthly premium

Employee share: \$ _____

Sick Leave Information for Deferred Coverage or Reinstated or Rehired Employees

Total accumulation of sick leave credits for the preceding two calendar years:

Year	Beginning balance	Sick leave earned	Sick leave used	Ending balance

Employer Information

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

Copy and distribute: ETF Employee Employer

Enrollment (Local Government Employees)

Initial Enrollment: New hires are eligible to enroll (without evidence of insurability) in Income Continuation Insurance (ICI) coverage as of the 1st of the month following the hire date (or the hire date, if it is the 1st of the month).

[Application ET-2366](#)

OR

[Evidence of insurability
\(ET-2308\)](#)



Local Application ET-2366 *Employer Section*

Return to employer

II. EMPLOYER: COMPLETE PART II

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

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

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

Other (*specify*):

Previous Service - Complete Information

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

Earnings	Basis of Employment	ICI Monthly Premium		Supplemental ICI Monthly Premium
\$ <input type="checkbox"/> Monthly	<input type="checkbox"/> Full-Time <input type="checkbox"/> Part-Time _____ %	Employee Share	Employer Share	Employee Share
		\$	\$	\$
Employer Name		Date Application Provided to Employee	Date Received by Employer (MM/DD/CCYY)	
Employer Identification Number (EIN) 69-036	Employer Agent Signature	Telephone Number ()	Effective Date (MM/DD/CCYY)	

Copy and Distribute: ETF Employee Employer



ICI Coverage Termination

ICI coverage terminates when the member:

- Resigns
- Is dismissed
- Terminates employment
- Retires
- Turns age 70
- Passes away



Whichever occurs first

ICI Premiums (State Employees)

Premiums

Based on the previous calendar year's salary (rounded up to the next \$1,000 and divided by 12)

Premium Category

Based on the sick leave accrued as of the final pay period each calendar year

Premium Adjustments

February 1st each year

Premium category
Last year's salary
New premium rates



New adjusted premium

Please see [ET-2106](#) to determine the employee share of the premium.

ICI Premiums (Local Employees)

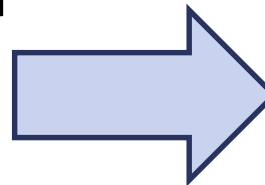
Premiums

Based on the previous calendar year's salary (rounded up to the next \$1,000 and divided by 12)

Local Employers are currently on a premium holiday for 2017.

Premium Adjustments

Selected elimination period
Last year's salary
New premium rates



April 1st each year

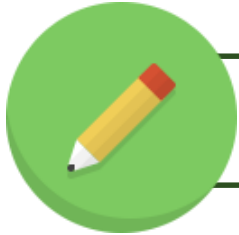
New adjusted premium

Please see [ET-2129](#) to determine the employee share of the premium.

ETF/Employer Services Section (ESS) Responsibilities



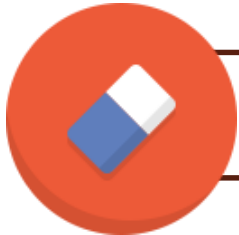
Respond to employer and member inquiries concerning enrollment, coverage, and premiums



Educate employers



Process new employers



Assist employers in correcting errors

Employer Error

Send ETF a new application marked with “Employer Error” and 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, rather than 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?



Employer Error

If **premiums are not already being deducted**, begin premium deductions immediately when the application is filed under the employer error provision.

If **coverage is denied**, the employer must refund any premium deductions.

ETF will notify the employer and the employee if ICI coverage is approved or denied

If **coverage is approved**, it 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 backdated to the first month the employee paid a premium for.

Employer Error

If the error cannot be corrected under the employer error provision, the employee can apply for coverage:



by providing **evidence of insurability**, or



when eligible for deferred enrollment (State employees/UW faculty and academic staff only)

Errors Not Eligible for Correction



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.



Employee completes form incorrectly and cancels more coverage than intended.
(A cancellation form can be withdrawn only before the effective date of the cancellation.)

Benefit Begin Date

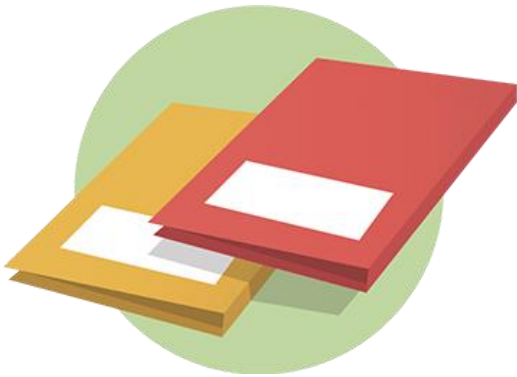


State Employee: ICI benefit will begin after the member exhausts their sick leave (up to 130 working days), or serves their elimination period, whichever is longer.

Local Employee: ICI benefit will begin after the member serves their chosen elimination period.

*The elimination period begins the first full day that a member is continuously and completely absent from work due to disability, or when the doctor indicates they meet the definition of disability (*whichever is later*).

ICI Employer Statement (ET-5351)



The ICI Employer Statement needs to be completed by the employer at the time an employee files an ICI claim.

Benefits cannot be computed until this form is received and processed.

Report of Employment and Earnings (ET-5901)

Employers must complete the *ICI Report of Employment and Earnings* form to notify ETF of a claimant's change in work status and/or earnings paid after an individual's elimination period.



ET-5901 needs to be completed for each check date as long as the ICI claimant works part-time or receives earnings for vacation, holiday, or comp time after their ICI elimination period.

Returning To Work

A member may return to their prior WRS employer if the following is true:



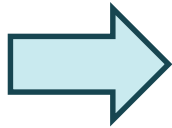
The physician gave the release to return to work

Return to work **full-time**:
ICI benefit will be terminated.

Return to work **part-time**:
Earnings will be offset at 75%.

Refusing to Return to Work

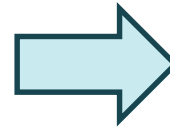
If a member's physician releases them part-time, and:



the member chooses not to return to work

OR

the member works fewer hours than what they were released for



their ICI benefits will be offset by an estimated amount.

If the member is unable to work the set number of hours **because of their medical condition**, they should contact their physician immediately to discuss their inability to work those hours.

Resources

- Income Continuation Insurance-State [ET-2106](#)
- Income Continuation Insurance-Local [ET-2129](#)
- Income Continuation Insurance Application-State [ET-2307](#)
- Income Continuation Insurance Application-Local [ET-2366](#)
- Evidence of Insurability ET-2308
- Initial Offering ICI Application ET-2344
- Wisconsin Statute §40.61 & §40.62
- Wisconsin Administrative Code ETF Chapter 50
- ICI Fact Sheet – State [ET-8918](#)
- ICI Fact Sheet – Local [ET-8931](#)