

State of Wisconsin Employees

INCOME CONTINUATION INSURANCE

To Protect Your Income During
Periods of Disability



Department of Employee Trust Funds
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Wisconsin Department of Employee Trust Funds

Income Continuation Insurance (ICI)

Program Features For State Employees

Benefits Payable

- 75% of previous calendar year salary to a maximum of \$4,000 per month for standard ICI coverage and up to \$7,500 per month with supplemental coverage
- For physical or mental disabilities
- Paid first of the month following the benefit month
- For length of disability, up to maximum duration (usually age 65)
- After a minimum of a 30 calendar day elimination period beginning with the first day of disability. Benefits are paid the later of, the day after the 30 day elimination period or when all sick leave is exhausted up to a maximum of 130 days of sick leave
- Earnings for vacation, holiday and compensatory time paid after the elimination are offset at 100%

Coverage

- May be continued during authorized leave of absence and temporary layoffs
- May include rehabilitative training
- Supplemental coverage available to eligible employees
- Noncancelable except by employee

Premium

- Based upon previous calendar year salary and accumulated sick leave (selected elimination period for University of Wisconsin Faculty)
- Up to 100% paid by the State for standard coverage
- Employee may purchase supplemental coverage for annual salary exceeding \$64,000 up to a maximum of \$120,000.
- Employee responsible for 100% of the premium for supplemental coverage
- Premium plateaus based on accumulated sick leave

INTRODUCTION

The Income Continuation Insurance (ICI) plan is authorized by Wisconsin Statute § 40.62, and is administered according to the provisions of a contract between the Group Insurance Board and the third party administrator (currently Aetna). The plan is available to all State employees who have completed six months of service under the Wisconsin Retirement System (WRS). If you enroll, the plan will provide up to 75% of your previous calendar year earnings, as reported to WRS, in the event you become disabled. If your annual salary exceeds \$64,000 you may be eligible to purchase supplemental coverage. The plan provides replacement income for disabilities which are considered short term in nature as well as those which may last for extended periods. Depending on your age at the time disability begins, the plan may continue disability payments until age 70. Benefits normally end at age 65. For disabilities that last over one year, a supplement of \$75.00 per month is added to the normal benefit amount. This is a one time supplement. There are no cost of living increases.

Benefits under the plan will not duplicate benefits available from the WRS, Social Security Administration or employer sponsored programs such as WRS Retirement (regular or disability retirement and lump sum payments), Long-Term Disability Insurance (LTDI), Social Security, Worker's Compensation, Unemployment Compensation, Federal programs, etc. While the ultimate amount available under the ICI plan is a fixed 75% of the previous calendar year earnings as reported to WRS, the sources which constitute the payment may vary according to your eligibility for benefits from other programs. **You will be required to repay duplicate benefits back to the ICI plan.**

The ICI plan is self-insured and is financed by employer and employee premium contributions. Collected premiums are deposited in an employee trust fund rather than paid to an insurance company. The third party administrator performs the administrative services required to process, pay and manage benefits.

The gross premium for the insurance is computed as a percentage of WRS covered earnings. For most State employees the State will contribute a portion or pay the total premium for those employees who accumulate sufficient sick leave. Because the percentage of premium contributed by the State increases according to the amount of sick leave accumulated, prudent use of sick leave generally will mean lower premiums for employees. University of Wisconsin Faculty who have one year of state creditable service receive 100% State paid premium contribution based on a 180 calendar day elimination period. If faculty employees desire a shorter elimination period, they are required to pay the necessary additional premium. The percentage of premium paid by the employer as a fringe benefit determines what percentage of benefits received is taxable. If you purchased the supplemental coverage, you must pay the entire premium for the portion of the coverage that exceeds \$64,000.00.

PREMIUM RATES—EXCEPT UNIVERSITY FACULTY EMPLOYEE CONTRIBUTIONS

As you accumulate sick leave, the State begins to pay a higher percentage of the premium for you.

PERMANENT PLATEAUS

Any insured employee who accumulates at least 520 hours of sick leave by the end of any calendar year is said to have reached a “permanent plateau” level. This means that once an employee has reached this level, future premiums will be determined using that category, even though later use of sick leave may cause the total to drop below that plateau. Of course, continued accumulation of sick leave may move the employee to a higher premium category and premium rates would be based on the higher category.

Plateaus: 520 hours	–Premium Category 4
728 hours	–Premium Category 5
more than 1,040 hours	–Premium Category 6

It is fairly simple to determine your monthly premium.

1. Determine the appropriate premium category (1, 2, 3, 4, 5 or 6 – higher category indicates lower premium) based on your accumulated sick leave hours credited as of the last complete payroll period in the previous calendar year.
2. Find the monthly premium in the corresponding column opposite your monthly salary range.
 - *Projected annual salary rounded to the next higher thousand and divided by 12, if you are a newly hired employee.*
 - OR
 - *The total earnings paid to the employee by the employer during the previous calendar year as reported to the Wisconsin Retirement System (WRS) rounded to the next higher thousand and divided by 12.*
 - *For employees with an interruption of service of 3 consecutive months or more, the estimated annual salary, for the ensuing 12 months, rounded to the next higher thousand and divided by 12.*
 - *Employers must adjust premiums when an employee's salary is permanently adjusted (excluding Union and Non-Representative general wage adjustments only). Salary adjustments would include, but are not limited to, an employee going from a full-time job to a part-time job, part-time to full-time, promotion, demotion, reclassification, etc. If the employee is full-time, calculate the projected earnings for the current year by multiplying the employee's base hourly salary (including any permanent salary adjustment) by 2080. These estimated monthly earnings are used as a basis for coverage until, at the time of the annual adjustment, a full calendar year of WRS reportable salary is available.*
 - *Annual premium adjustment effective every February 1:
Based on the total earnings paid to the employee by the employer during the previous calendar year as reported to the WRS rounded to the next higher thousand and divided by 12.*

- **NOTE:** *If your appointment is a 50% appointment but you are required to permanently work 100%, your ICI coverage should be based on the 100% work. If you are not required to work 100% on a permanent basis, then your ICI coverage will initially be calculated at the 50% appointment. Once your premiums are adjusted due to the annual adjustment period (February 1) your coverage will then be based on the previous calendar year earnings as reported to WRS, which will include all of the hours you actually worked.*

Example 1: Employee with standard coverage only:

<i>Sick leave</i>	<i>610 hours (Category 4)</i>
<i>Salary</i>	<i>\$2350.00 per month</i>
<i>Premium</i>	<i>\$1.74 per month</i>

Example 2: Employee with standard and supplemental coverage:

<i>Sick Leave</i>	<i>610 hours (Category 4)</i>
<i>Salary</i>	<i>\$9001.00 per month</i>
<i>Premium</i>	<i>\$3.94 (standard) plus \$14.60 (supplemental coverage) per month</i>
<i>Total employee premium</i>	<i>\$18.54 per month</i>

**MONTHLY PREMIUM RATES
EMPLOYEE CONTRIBUTIONS
(Except University Faculty)**

Category				PREMIUM CATEGORIES					
				Determine by hours of accumulated sick leave					
				1	2	3	4	5	6
Minimum Sick Leave Hours				0	184	80*	520	728	1040
Biweekly Salary		Monthly Salary		(less than 23 days)	(23-64 days)	(see footnote)	(65-90 days)	(91-130 days)	(More than 130 days)
Up to-	230.33	Up to-	500.99	3.81	2.82	0.63	0.34	0.15	0.00
230.34-	276.31	501.00-	600.99	4.61	3.42	0.83	0.44	0.25	0.00
276.32-	322.29	601.00-	700.99	5.51	4.12	0.93	0.44	0.25	0.00
322.30-	368.27	701.00-	800.99	6.31	4.72	1.13	0.54	0.35	0.00
368.28-	414.24	801.00-	900.99	7.11	5.32	1.23	0.64	0.35	0.00
414.25-	460.22	901.00-	1,000.99	8.01	5.92	1.43	0.74	0.35	0.00
460.23-	506.20	1,001.00-	1,100.99	8.71	6.62	1.53	0.74	0.45	0.00
506.21-	552.17	1,101.00-	1,200.99	9.61	7.22	1.73	0.84	0.45	0.00
552.18-	598.15	1,201.00-	1,300.99	10.41	7.82	1.83	0.94	0.55	0.00
598.16-	644.13	1,301.00-	1,400.99	11.31	8.52	2.03	1.04	0.55	0.00
644.14-	690.10	1,401.00-	1,500.99	12.11	9.12	2.13	1.04	0.55	0.00
690.11-	736.08	1,501.00-	1,600.99	12.91	9.72	2.33	1.14	0.65	0.00
736.09-	782.06	1,601.00-	1,700.99	13.81	10.42	2.43	1.24	0.65	0.00
782.07-	828.04	1,701.00-	1,800.99	14.61	11.02	2.63	1.34	0.75	0.00
828.05-	874.01	1,801.00-	1,900.99	15.51	11.62	2.73	1.34	0.75	0.00
874.02-	919.99	1,901.00-	2,000.99	16.31	12.22	2.93	1.44	0.75	0.00
920.00-	965.97	2,001.00-	2,100.99	17.11	12.92	3.03	1.54	0.85	0.00
965.98-	1,011.94	2,101.00-	2,200.99	17.91	13.42	3.23	1.64	0.85	0.00
1,011.95-	1,057.92	2,201.00-	2,300.99	18.81	14.12	3.33	1.64	0.95	0.00
1,057.93-	1,103.90	2,301.00-	2,400.99	19.61	14.72	3.53	1.74	0.95	0.00
1,103.91-	1,149.87	2,401.00-	2,500.99	20.41	15.32	3.63	1.84	0.95	0.00
1,149.88-	1,195.85	2,501.00-	2,600.99	21.31	16.02	3.83	1.94	1.05	0.00
1,195.86-	1,241.83	2,601.00-	2,700.99	22.11	16.62	3.93	1.94	1.05	0.00
1,241.84-	1,287.81	2,701.00-	2,800.99	23.01	17.22	4.13	2.04	1.15	0.00
1,287.82-	1,333.78	2,801.00-	2,900.99	23.81	17.82	4.23	2.14	1.15	0.00
1,333.79-	1,379.76	2,901.00-	3,000.99	24.61	18.42	4.43	2.24	1.15	0.00
1,379.77-	1,425.74	3,001.00-	3,100.99	25.41	19.02	4.53	2.24	1.25	0.00
1,425.75-	1,471.71	3,101.00-	3,200.99	26.21	19.72	4.73	2.34	1.25	0.00
1,471.72-	1,517.69	3,201.00-	3,300.99	27.11	20.32	4.83	2.44	1.35	0.00
1,517.70-	1,563.67	3,301.00-	3,400.99	27.91	20.92	5.03	2.54	1.35	0.00
1,563.68-	1,609.64	3,401.00-	3,500.99	28.71	21.52	5.13	2.54	1.35	0.00
1,609.65-	1,655.62	3,501.00-	3,600.99	29.51	22.12	5.23	2.64	1.45	0.00
1,655.63-	1,701.60	3,601.00-	3,700.99	30.41	22.72	5.43	2.74	1.45	0.00
1,701.61-	1,747.58	3,701.00-	3,800.99	31.21	23.42	5.53	2.74	1.55	0.00
1,747.59-	1,793.55	3,801.00-	3,900.99	32.11	24.02	5.73	2.84	1.55	0.00
1,793.56-	1,839.53	3,901.00-	4,000.99	32.91	24.62	5.83	2.94	1.55	0.00
1,839.54-	1,885.51	4,001.00-	4,100.99	33.71	25.32	6.03	3.04	1.65	0.00
1,885.52-	1,931.49	4,101.00-	4,200.99	34.51	25.92	6.13	3.04	1.65	0.00
1,931.50-	1,977.47	4,201.00-	4,300.99	35.41	26.62	6.33	3.14	1.75	0.00
1,977.48-	2,023.44	4,301.00-	4,400.99	36.21	27.22	6.43	3.24	1.75	0.00
2,023.45-	2,069.42	4,401.00-	4,500.99	37.01	27.82	6.63	3.34	1.75	0.00
2,069.43-	2,115.40	4,501.00-	4,600.99	37.91	28.52	6.73	3.34	1.85	0.00
2,115.41-	2,161.37	4,601.00-	4,700.99	38.71	29.12	6.93	3.44	1.85	0.00
2,161.38-	2,207.35	4,701.00-	4,800.99	39.51	29.72	7.03	3.54	1.85	0.00
2,207.36-	2,253.33	4,801.00-	4,900.99	40.41	30.32	7.23	3.64	1.95	0.00
2,253.34-	2,299.31	4,901.00-	5,000.99	41.21	31.02	7.33	3.64	1.95	0.00
2,299.32-	2,345.28	5,001.00-	5,100.99	42.01	31.62	7.53	3.74	2.05	0.00
2,345.29-	2,391.26	5,101.00-	5,200.99	42.91	32.22	7.63	3.84	2.05	0.00
2,391.27-	2,437.24	5,201.00-	5,300.99	43.71	32.92	7.83	3.94	2.05	0.00
2,437.25-	and up	5,301.00-	and up	44.01	33.12	7.83	3.94	2.15	0.00

* Category 3 is a special rate category which permits employees to qualify for employer contribution by accruing 80 hours of sick leave in the previous calendar year. Premium category 3 is also available to part time employees on a prorated basis. For example, those employed on a half time basis only have to accumulated 40 hours (5 days) of sick leave in the prior year instead of the 80 hours (10 days) required for full time employees. This proration applies only to category 3.

**MONTHLY SUPPLEMENTAL PREMIUM RATES
EMPLOYEE CONTRIBUTIONS
All Except UW Faculty**

Category				PREMIUM CATEGORIES					
				Determine by hours of accumulated sick leave					
				1	2	3	4	5	6
Minimum Sick Leave Hours				0	184	80*	520	728	1040
Biweekly Salary		Monthly Salary		(less than 23 days)	(23-64 days)	(see footnote)	(65-90 days)	(91-130 days)	(More than 130 days)
2,488.73-	2,520.29	5,333.34-	5,400.99	0.60	0.50	0.40	0.20	0.10	0.20
2,520.30-	2,566.96	5,401.00-	5,500.99	1.70	1.20	1.00	0.60	0.50	0.60
2,566.97-	2,613.62	5,501.00-	5,600.99	2.60	2.00	1.40	1.00	0.80	1.00
2,613.63-	2,660.28	5,601.00-	5,700.99	3.60	2.80	2.00	1.40	1.20	1.20
2,660.29-	2,706.95	5,701.00-	5,800.99	4.70	3.50	2.50	1.80	1.40	1.60
2,706.96-	2,753.61	5,801.00-	5,900.99	5.60	4.20	3.00	2.20	1.80	1.90
2,753.62-	2,800.28	5,901.00-	6,000.99	6.60	5.00	3.60	2.60	2.00	2.20
2,800.29-	2,846.94	6,001.00-	6,100.99	7.70	5.80	4.10	3.00	2.40	2.50
2,846.95-	2,893.60	6,101.00-	6,200.99	8.60	6.50	4.70	3.40	2.80	2.90
2,893.61-	2,940.27	6,201.00-	6,300.99	9.60	7.30	5.20	3.70	3.10	3.10
2,940.28-	2,986.93	6,301.00-	6,400.99	10.70	8.00	5.80	4.10	3.40	3.50
2,986.94-	3,033.59	6,401.00-	6,500.99	11.60	8.80	6.20	4.60	3.70	3.80
3,033.60-	3,080.26	6,501.00-	6,600.99	12.60	9.60	6.80	4.90	4.00	4.20
3,080.27-	3,126.92	6,601.00-	6,700.99	13.70	10.30	7.30	5.30	4.30	4.40
3,126.93-	3,173.58	6,701.00-	6,800.99	14.60	11.00	7.80	5.60	4.70	4.80
3,173.59-	3,220.25	6,801.00-	6,900.99	15.60	11.80	8.40	6.10	5.00	5.20
3,220.26-	3,266.91	6,901.00-	7,000.99	16.70	12.60	8.90	6.50	5.30	5.40
3,266.92-	3,313.57	7,001.00-	7,100.99	17.60	13.30	9.50	6.80	5.60	5.80
3,313.58-	3,360.24	7,101.00-	7,200.99	18.60	14.00	10.00	7.30	5.90	6.10
3,360.25-	3,406.90	7,201.00-	7,300.99	19.70	14.90	10.60	7.70	6.20	6.40
3,406.91-	3,453.57	7,301.00-	7,400.99	20.60	15.60	11.00	8.00	6.60	6.70
3,453.58-	3,500.23	7,401.00-	7,500.99	21.60	16.30	11.60	8.40	7.00	7.10
3,500.24-	3,546.89	7,501.00-	7,600.99	22.70	17.00	12.10	8.80	7.20	7.40
3,546.90-	3,593.56	7,601.00-	7,700.99	23.60	17.90	12.70	9.20	7.60	7.70
3,593.57-	3,640.22	7,701.00-	7,800.99	24.60	18.60	13.20	9.60	7.80	8.00
3,640.23-	3,686.88	7,801.00-	7,900.99	25.70	19.30	13.80	10.00	8.20	8.40
3,686.89-	3,733.55	7,901.00-	8,000.99	26.60	20.20	14.30	10.30	8.50	8.60
3,733.56-	3,780.21	8,001.00-	8,100.99	27.60	20.90	14.90	10.80	8.90	9.00
3,780.22-	3,826.87	8,101.00-	8,200.99	28.70	21.60	15.40	11.20	9.10	9.40
3,826.88-	3,873.54	8,201.00-	8,300.99	29.60	22.40	16.00	11.50	9.50	9.60
3,873.55-	3,920.20	8,301.00-	8,400.99	30.60	23.20	16.40	12.00	9.80	10.00
3,920.21-	3,966.86	8,401.00-	8,500.99	31.70	23.90	16.90	12.40	10.10	10.30
3,966.87-	4,013.53	8,501.00-	8,600.99	32.60	24.60	17.50	12.70	10.40	10.60
4,013.54-	4,060.19	8,601.00-	8,700.99	33.60	25.40	18.00	13.10	10.80	10.90
4,060.20-	4,106.85	8,701.00-	8,800.99	34.70	26.20	18.60	13.40	11.00	11.30
4,106.86-	4,153.52	8,801.00-	8,900.99	35.60	26.90	19.10	13.90	11.40	11.60
4,153.53-	4,200.18	8,901.00-	9,000.99	36.60	27.70	19.70	14.30	11.80	11.90
4,200.19-	4,246.85	9,001.00-	9,100.99	37.70	28.40	20.20	14.60	12.00	12.20
4,246.86-	4,293.51	9,101.00-	9,200.99	38.60	29.20	20.60	15.00	12.40	12.60
4,293.52-	4,340.17	9,201.00-	9,300.99	39.60	30.00	21.20	15.50	12.70	12.80
4,340.18-	4,386.84	9,301.00-	9,400.99	40.60	30.70	21.70	15.80	13.00	13.20
4,386.85-	4,433.50	9,401.00-	9,500.99	41.60	31.40	22.30	16.20	13.30	13.60
4,433.51-	4,480.16	9,501.00-	9,600.99	42.60	32.20	22.80	16.70	13.70	13.80
4,480.17-	4,526.83	9,601.00-	9,700.99	43.60	33.00	23.40	17.00	13.90	14.20
4,526.84-	4,573.49	9,701.00-	9,800.99	44.60	33.70	23.90	17.40	14.30	14.50
4,573.50-	4,620.15	9,801.00-	9,900.99	45.60	34.40	24.50	17.80	14.60	14.90
4,620.16-	and over	9,901.00-	and over	46.60	35.30	25.00	18.10	14.90	15.10

Note - These premiums must be added to the ICI premium rates for standard coverage to determine the total employee contributions.

PREMIUM RATES—UNIVERSITY FACULTY ONLY EMPLOYEE CONTRIBUTIONS

It is fairly simple to determine your monthly premium.

1. Select an elimination period—30, 90, 125 or 180 days—which is the minimum number of consecutive calendar days which must elapse after it is determined your disability begins.

Benefits will not begin until the elimination period has been satisfied or sick leave is exhausted, whichever is longer. Exception: If you also apply for a Wisconsin Retirement System disability annuity, Long-Term Disability Insurance (LTDI) benefit, or duty disability benefit which is approved, and you elect to convert your unpaid sick leave credit to an account for payment of group health insurance premiums, the converted balance is not considered sick leave in determining the date that ICI benefits can begin. For employees who are not entitled to a WRS disability annuity or LTDI benefit, ICI benefits cannot begin until credits for sick leave have been exhausted up to 130 days; however, if an employee still has sick leave hours remaining after using 130 days, the employee may choose between continuing sick leave until part or all of the remaining hours are used or may begin ICI benefits effective the day after the last day of sick pay.

2. Find your monthly premium in the corresponding column opposite your monthly salary range:
 - *Projected annual salary, rounded to the next higher thousand and divided by 12, for newly hired UW faculty or whose service is interrupted by 3 consecutive months or more.*
 - *Employers must adjust premiums when an employee's salary is permanently adjusted (excluding Union and Non-Representative annual adjustments). Salary adjustments would include, but are not limited to, an employee going from a full-time job to a part-time job, part-time to full-time, promotion, demotion, reclassification, etc. In these situations, projected earnings for the current year, rounded to the next higher \$1,000 and divided by 12 would be used to determine the premium rate. If the employee is full-time, calculate the projected earnings for the current year by multiplying the employee's base hourly rate (including any permanent salary adjustment) by 2080. These estimated monthly earnings are used as a basis for coverage until, at the time of the annual adjustment, a full calendar year of WRS reportable salary is available.*
 - *Note: If your appointment is a 50% appointment but you are required to permanently work 100%, your ICI coverage should be based on the 100% work. If you are not required to work 100% on a permanent basis, then your ICI coverage will initially be calculated at the 50% appointment. Once your premiums are adjusted due to the annual adjustment period (February 1) your coverage will then be based on the previous calendar year earnings as reported to WRS, which will include all of the hours you actually worked.*

OR

- *Annual premium adjustment effective February 1:
Annual salary as reported to the WRS, rounded to the next higher thousand and divided by 12.*

Example 1: Employee with standard coverage only:

<i>Elimination period</i>	<i>90 calendar days</i>
<i>Salary</i>	<i>\$2,850.00 per month</i>
<i>Premium</i>	<i>\$3.48 per month</i>

Example 2: Employee with standard and supplemental coverage

<i>Elimination period</i>	<i>90 calendar days</i>
<i>Salary</i>	<i>\$9,101.00 per month</i>
<i>Premium</i>	<i>\$6.28 (standard) + \$17.90 (supplemental coverage)</i>
<i>Total employee premium</i>	<i>\$24.18 per month</i>

**Standard Coverage Premium Rates
Employee Contributions*
(University Faculty Only)**

Monthly Salary Range		ELIMINATION PERIOD (In calendar days)					State Share
		30 Days	90 Days	125 Days	180 Days		
Up to-	500.99	2.07	0.58	0.39	0.00	1.29	
501.00-	600.99	2.57	0.68	0.49	0.00	1.49	
601.00-	700.99	2.97	0.78	0.59	0.00	1.79	
701.00-	800.99	3.47	0.88	0.69	0.00	2.09	
801.00-	900.99	3.97	1.08	0.79	0.00	2.29	
901.00-	1,000.99	4.37	1.18	0.89	0.00	2.59	
1,001.00-	1,100.99	4.77	1.28	0.99	0.00	2.89	
1,101.00-	1,200.99	5.27	1.38	1.09	0.00	3.09	
1,201.00-	1,300.99	5.77	1.58	1.19	0.00	3.39	
1,301.00-	1,400.99	6.17	1.58	1.19	0.00	3.69	
1,401.00-	1,500.99	6.67	1.78	1.29	0.00	3.89	
1,501.00-	1,600.99	7.07	1.88	1.39	0.00	4.19	
1,601.00-	1,700.99	7.57	1.98	1.49	0.00	4.49	
1,701.00-	1,800.99	8.07	2.18	1.59	0.00	4.69	
1,801.00-	1,900.99	8.47	2.18	1.69	0.00	4.99	
1,901.00-	2,000.99	8.97	2.38	1.79	0.00	5.29	
2,001.00-	2,100.99	9.47	2.48	1.89	0.00	5.59	
2,101.00-	2,200.99	9.87	2.58	1.89	0.00	5.79	
2,201.00-	2,300.99	10.37	2.68	1.99	0.00	6.09	
2,301.00-	2,400.99	10.87	2.88	2.19	0.00	6.29	
2,401.00-	2,500.99	11.27	2.98	2.19	0.00	6.59	
2,501.00-	2,600.99	11.77	3.08	2.29	0.00	6.89	
2,601.00-	2,700.99	12.17	3.18	2.39	0.00	7.19	
2,701.00-	2,800.99	12.67	3.28	2.49	0.00	7.39	
2,801.00-	2,900.99	13.17	3.48	2.59	0.00	7.69	
2,901.00-	3,000.99	13.57	3.58	2.69	0.00	7.89	
3,001.00-	3,100.99	13.97	3.68	2.69	0.00	8.19	
3,101.00-	3,200.99	14.47	3.78	2.89	0.00	8.49	
3,201.00-	3,300.99	14.87	3.88	2.89	0.00	8.79	
3,301.00-	3,400.99	15.37	3.98	2.99	0.00	8.99	
3,401.00-	3,500.99	15.77	4.08	3.09	0.00	9.29	
3,501.00-	3,600.99	16.27	4.28	3.19	0.00	9.49	
3,601.00-	3,700.99	16.67	4.38	3.29	0.00	9.79	
3,701.00-	3,800.99	17.17	4.48	3.39	0.00	10.09	
3,801.00-	3,900.99	17.57	4.58	3.39	0.00	10.39	
3,901.00-	4,000.99	18.07	4.68	3.59	0.00	10.59	
4,001.00-	4,100.99	18.57	4.88	3.69	0.00	10.89	
4,101.00-	4,200.99	19.07	4.98	3.79	0.00	11.19	
4,201.00-	4,300.99	19.47	5.08	3.89	0.00	11.39	
4,301.00-	4,400.99	19.97	5.28	3.99	0.00	11.69	
4,401.00-	4,500.99	20.37	5.38	4.09	0.00	11.99	
4,501.00-	4,600.99	20.87	5.48	4.09	0.00	12.19	
4,601.00-	4,700.99	21.37	5.58	4.29	0.00	12.49	
4,701.00-	4,800.99	21.77	5.68	4.29	0.00	12.79	
4,801.00-	4,900.99	22.27	5.78	4.49	0.00	12.99	
4,901.00-	5,000.99	22.67	5.98	4.49	0.00	13.29	
5,001.00-	5,100.99	23.17	6.08	4.59	0.00	13.59	
5,101.00-	5,200.99	23.67	6.18	4.69	0.00	13.79	
5,201.00-	5,300.99	24.07	6.28	4.79	0.00	14.09	
5,301.00-	and up	24.27	6.28	4.79	0.00	14.19	

* Subject to Wis. Stat. Section 40.05(5)(a), this table applies to UW faculty who have one or more years of State creditable service. Employees who have less than one year of State creditable service are required to pay the State share in addition to the employee premium.

**Monthly Supplemental Premiums
UW Faculty Only**

		Premium Category - Elimination Period			
		(In calendar days)			
Monthly Salary		30 Days	90 Days	125 Days	180 Days
5,333.34-	5,400.99	0.60	0.40	0.40	0.20
5,401.00-	5,500.99	1.60	0.80	0.70	0.50
5,501.00-	5,600.99	2.40	1.30	1.20	0.80
5,601.00-	5,700.99	3.20	1.80	1.70	1.20
5,701.00-	5,800.99	4.10	2.20	2.00	1.40
5,801.00-	5,900.99	5.00	2.60	2.50	1.80
5,901.00-	6,000.99	5.90	3.10	2.90	2.20
6,001.00-	6,100.99	6.70	3.60	3.40	2.40
6,101.00-	6,200.99	7.60	4.10	3.80	2.80
6,201.00-	6,300.99	8.50	4.60	4.20	3.10
6,301.00-	6,400.99	9.40	5.00	4.70	3.40
6,401.00-	6,500.99	10.20	5.40	5.00	3.70
6,501.00-	6,600.99	11.00	5.90	5.50	4.10
6,601.00-	6,700.99	12.00	6.40	6.00	4.30
6,701.00-	6,800.99	12.80	6.80	6.40	4.70
6,801.00-	6,900.99	13.70	7.30	6.80	5.00
6,901.00-	7,000.99	14.50	7.80	7.20	5.30
7,001.00-	7,100.99	15.50	8.20	7.70	5.60
7,101.00-	7,200.99	16.30	8.60	8.20	6.00
7,201.00-	7,300.99	17.20	9.10	8.50	6.20
7,301.00-	7,400.99	18.00	9.60	9.00	6.60
7,401.00-	7,500.99	19.00	10.10	9.40	7.00
7,501.00-	7,600.99	19.80	10.60	9.80	7.20
7,601.00-	7,700.99	20.60	11.00	10.30	7.60
7,701.00-	7,800.99	21.50	11.40	10.70	7.90
7,801.00-	7,900.99	22.40	11.90	11.20	8.20
7,901.00-	8,000.99	23.30	12.40	11.50	8.50
8,001.00-	8,100.99	24.10	12.80	12.00	8.90
8,101.00-	8,200.99	25.00	13.30	12.50	9.10
8,201.00-	8,300.99	25.90	13.80	12.80	9.50
8,301.00-	8,400.99	26.80	14.30	13.30	9.80
8,401.00-	8,500.99	27.60	14.60	13.70	10.10
8,501.00-	8,600.99	28.40	15.10	14.20	10.40
8,601.00-	8,700.99	29.40	15.60	14.60	10.80
8,701.00-	8,800.99	30.20	16.10	15.00	11.00
8,801.00-	8,900.99	31.10	16.60	15.50	11.40
8,901.00-	9,000.99	31.90	17.00	15.80	11.80
9,001.00-	9,100.99	32.90	17.40	16.30	12.00
9,101.00-	9,200.99	33.70	17.90	16.80	12.40
9,201.00-	9,300.99	34.60	18.40	17.20	12.70
9,301.00-	9,400.99	35.40	18.80	17.60	13.10
9,401.00-	9,500.99	36.20	19.30	18.00	13.30
9,501.00-	9,600.99	37.20	19.80	18.50	13.70
9,601.00-	9,700.99	38.00	20.30	19.00	14.00
9,701.00-	9,800.99	38.90	20.60	19.30	14.30
9,801.00-	9,900.99	39.70	21.10	19.80	14.60
9,901.00-	and over	40.70	21.60	20.20	15.00

Note - These premiums must be added to the ICI premium rates for standard coverage to determine the total employee contributions.

ACCRUAL AND RECORDING OF SICK LEAVE - ALL EMPLOYEES

For most classified service employees, sick leave is accrued and credited on a biweekly basis. University faculty earn sick leave on a monthly basis. The accrual and recording of accumulated sick leave is not a function of the Department of Employee Trust Funds (ETF) and will be subject to the appropriate statutory or contractual provisions. If your sick leave is accrued on a biweekly basis, then your annual accrual period will be based on amounts credited as of the final period of each calendar year and this amount will be used to determine your premium in February of the following calendar year. You should check with your payroll/personnel representative to determine which pay periods constitute the beginning and ending of the calendar year for determining annual accrual of sick leave.

INCOME CONTINUATION INSURANCE (ICI) COVERAGE

The Income Continuation Insurance plan consists of standard and supplemental coverage. For most employees, both the standard and supplement coverage are based on the previous calendar year earnings rounded to the next highest thousand and divided by 12.

Standard coverage consists of your WRS earnings not to exceed an annual amount of \$64,000. The supplemental coverage is based on your WRS earnings exceeding the annual amount of \$64,000 up to a maximum of \$120,000. If you enroll in the supplemental coverage, your coverage is based on the entire amount of WRS earnings that exceed the \$64,000. You cannot elect to be covered for only a portion of your earnings that meet the supplemental coverage limitations. In order to enroll in the supplemental coverage, you must also elect the standard coverage.

Each January, your employer will review your salary to determine if you are eligible to enroll in supplemental coverage. If you didn't enroll when initially eligible, your employer will review your salary each January to determine if you are eligible to elect the supplemental coverage.

If your salary drops below the \$64,000 limit, the supplemental coverage will cease.

COST OF INSURANCE

Your monthly premiums are determined based on the previous calendar year salary as reported to WRS or the projected annual salary rounded to the next higher thousand and divided by 12 (for new employees or employees whose service is interrupted by 3 consecutive months or more) and the amount of accumulated sick leave for most state employees and the selected elimination period for the University Faculty. The charts on pages 5, 6, 8, and 9 provide your share of the monthly premium. You will find a chart for the standard coverage and a chart for the supplemental coverage. If you have supplemental coverage you will need to add the premiums to the premiums due for the standard coverage to determine your share of the premium.

HOW TO ENROLL

The ICI plan (standard and supplemental coverage) is available to all eligible State employees. An eligible employee is any person receiving earnings as payment for personal services rendered to or for the benefit of the State of Wisconsin and who is contributing a portion of those earnings to the Wisconsin Retirement System (WRS). Most employees must have six months service under the WRS before becoming eligible for coverage.

An employee who is employed at more than one employer or falls under a different ICI plan with a different elimination period must file an enrollment application for each position held.

THREE ENROLLMENT OPPORTUNITIES

Initial Enrollment Period

When you are initially hired by the State, you may obtain coverage (standard and supplemental) by completing an application form and returning it to your Payroll/Personnel Section within 30 calendar days after serving six months under the Wisconsin Retirement System.

Example:

Date of hire	October 15
Six months service under Wisconsin Retirement System completed	May 1 (of following year)
Application must be returned to your Payroll/ Personnel Section no later than	May 30
Application returned to employer on or prior to May 1, coverage is effective:	May 1
Application returned to employer after May 1, coverage is effective:	June 1
Application returned to employer after May 30, coverage is denied.	

NOTE: Employees who have previously served and still have credited at least six months under the WRS (with state or local government employers) are immediately eligible and must enroll within 30 days of date of hire. Wis. Stat. § 40.02 (25)(a) 2., provides immediate eligibility for members or employees of the legislature, state constitutional officers, district attorneys, supreme court justices, circuit and court of appeals judges, the chief clerk/sergeant-at-arms of the senate and assembly. Such employees and officials must enroll within 30 days of taking office or appointment.

Insured employees who transfer employment from one state agency to another must file a new enrollment application with the new agency within 30 days of hire date to prevent coverage from lapsing.

If you do not enroll during the “initial enrollment period,” then you may enroll at a later date by either demonstrating good health through evidence of insurability, or accruing sufficient sick leave to qualify under the deferred coverage.

Deferred Coverage

If you do not enroll when initially eligible or you become eligible for the supplemental coverage, you still have additional opportunities to enter the plan (standard and supplemental) even if you are considered medically uninsurable. These opportunities occur the first time you become eligible for state contribution, or the first time you become eligible for an increase in state contribution toward premium, under premium category 3, 4, 5 or 6. These opportunities occur by accumulating additional amounts of sick leave. During the deferred coverage enrollment period you will also be given the opportunity to elect the supplemental coverage for the portion of your salary that exceeds \$64,000 up to a maximum of \$120,000. You must complete an application form (ET-2307) and return it to your Payroll/Personnel Section on or before January 30 following the calendar year in which you accumulated the qualifying amount of sick leave. Coverage is effective April 1 of that year.

For UW faculty, the application must be submitted to the employer within 30 days after completing one year of WRS covered employment. Coverage is effective the first of the month which occurs on or after the date the employer receives the application.

In addition to the above, all employees have an enrollment opportunity at the end of any calendar year in which their accumulated sick leave exceeds 130 days (1040 hours for a full-time employee). The application for coverage must be filed with the employer on or before January 30. Coverage will be effective April 1.

Example: Deferred Coverage Enrollment (All Employees Except UW Faculty)

<u>Sick Leave</u>	<u>Remarks</u>
544 hours	Balance at end of 2005
616 hours	Balance at end of 2006

The employee failed to enroll when previously eligible. Both the 2005 and 2006 balances meet the category 4 qualification (between 520 hours and 728 hours). Since the 2006 balance did not qualify the employee for a higher premium category than the 2005 balance, enrollment under deferred coverage is not possible at the end of 2006. The employee must wait until the balance at the end of a calendar year is at least 728 hours to enroll under deferred coverage. (The employee may, however, consider enrolling by evidence of insurability.)

Example: Deferred Coverage Effective Date

<u>UW Faculty:</u>	<u>Submit Application</u>	<u>Insurance Effective</u>
Upon completion of 12 months of state employment.	Within 30 days	First of month after the employer received the application
<u>All other employees:</u>		
Upon accumulation of sufficient sick leave to <u>initially</u> qualify for premium category 3, 4, 5 or 6.	January 1–30	April 1

Evidence of Insurability

If you do not enroll during the initial enrollment period, and have not accumulated sufficient sick leave to qualify under the deferred coverage concept, then you must prove that you are medically insurable. This applies to the ICI standard coverage only. This is done by completing an *Evidence of Insurability Application* form (ET-2308) and forwarding it directly to the ETF. This form requires you to answer various questions concerning your past and present health status. Your application will be approved or denied based on the information provided by you and your physician(s). The cost for any medical exam or copies of the medical records is your responsibility.

If you are denied coverage, you will have the right to request reconsideration of the denial. The third party administrator will be responsible for the review. You must submit a written request to the third party administrator within ninety (90) days of the date of the initial denial. If the third party administrator upholds the initial denial on reconsideration, you have the right to request ETF to review the denial. If ETF upholds the denial, a new application may not be considered until a period of one (1) calendar year has elapsed from the date of the evidence of insurability application denial.

EMPLOYER ERROR

If, as a result of employer error, an eligible employee has not filed an application for ICI or made premium contributions within 60 days after becoming eligible for ICI coverage, the employee is considered not to be insured for that coverage. The employee may become insured by filing a new application within 30 days after the employee receives from the employer written notice of the error. The employee is not required to furnish evidence of insurability to become insured. The employee becomes insured on the first day of the first month beginning after the date on which the employer receives the employee's new application and upon approval by ETF.

An employee who has been paying premiums for a period of twelve (12) consecutive months, even though not properly enrolled, is deemed to be insured. Following ETF's notice of improper enrollment, insurance shall continue in effect for thirty (30) days during which time proper enrollment must be completed by the employee. Coverage shall cease after thirty (30) days unless proper enrollment has been completed.

COVERAGE DURING LEAVE OF ABSENCE

Coverage may be continued for an insured employee while on temporary layoff or an approved leave of absence by paying premiums in advance. The maximum time ICI coverage can be continued on an approved leave of absence is 36 months, except that an insured employee on union leave, as defined under Wis. Stat. § 40.02 (56), or military leave may continue to be insured for the duration of that leave. The employer continues to pay its portion of the premium for the first three months. For the rest of the time period, you must pay the entire premium yourself (employee and employer portions). Payments must be received by your payroll/personnel office prior to the end of coverage so there is no lapse in coverage.

Coverage for an insured employee which lapses while on leave of absence because premiums were not paid on a timely basis, may be reinstated with the same elimination period and without furnishing evidence of insurability if an application is received by the employer within 30 days of resuming active employment. Coverage will be effective the beginning of the month that occurs on or after the application is received by the employer. Premiums shall resume in the same amount as before unless there has been an annual premium or salary adjustment in the interim.

COVERAGE DURING MILITARY LEAVE

Wisconsin Act 162, published March 30, 2004, applies to State employees activated for military service on or after January 1, 2003. This law allows state employees on military leave to receive benefits and state salary (less military pay and allowances), as well as accumulate sick leave and vacation, as though no interruption of state service had occurred. With the enactment of Wisconsin Act 162, State employees activated to serve military duty are no longer considered on unpaid leaves of absence as long as the employee did not terminate employment.

An employee may meet the six months eligibility criteria for ICI coverage while on military leave. An employee may complete the enrollment application prior to the military leave for an effective date in the future or a person empowered through a Power of Attorney may sign the ICI application for the employee on military leave and premium deductions and coverage will begin effective after meeting the eligibility criteria.

An employee on military leave who accumulates sufficient sick leave to be eligible to file for ICI coverage under the deferred enrollment opportunity may submit an ICI application (ET-2307) for coverage to the employer within 30 days of the return to work. The employer must receive the employee's completed *Income Continuation Insurance Application* (ET-2307) within 30 days of the return to work. Coverage is effective the first of the month following the receipt of the completed application by the employer.

Employees, with ICI coverage who allow that coverage to lapse while on military leave, can reinstate coverage within 30 days of the return to work by filing a completed ICI application (ET-2307). The employer must receive the employee's completed *Income Continuation Insurance Application* (ET-2307) within 30 days of their return to work. Premiums resume at the same amount as prior to the leave unless an interim annual premium or salary adjustment occurred (reported to the WRS). If the State employee's military salary is greater than the state employment salary, the employer only reports the earnings that the employee would have earned under state employment.

ICI benefits are not payable for disabilities caused by acts of war (direct or indirect). However, an employee may have or develop a medical condition unrelated to war service that may qualify the employee for ICI benefits.

TERMINATION OF COVERAGE

ICI coverage terminates on the date the employee resigns, is dismissed, terminates, retires, turns age 70, or dies, whichever occurs first. If coverage ends, a full month's premium is due for any month or portion of a month for which earnings are paid.

If an employee is disabled under the terms of the plan at the time coverage terminates, the employee will continue to be eligible to receive benefits as long as disability continues, up to the maximum duration of benefits as explained later in this booklet under *Reduction or Termination of Benefits*.

DISABILITY DEFINITIONS

The first date of the elimination period is the day after your last day worked or the date the physician indicates you are disabled according to plan provisions, whichever is later. For this reason, it is important for you to be under the continuing care of your physician.

While you are not excluded from receiving benefits for a preexisting condition, you must be insured at the time the total disability begins in order to qualify for benefits.

You must remain completely off work and must be totally disabled from your own position because of a physical or mental impairment for a minimum of 30 calendar days for most state employees or the selected elimination period for University faculty. Except as explained below, ICI benefits cannot be paid for days for which you would be entitled to receive sick leave pay. If you receive earnings for vacation, holiday or comp time after your elimination period, the ICI plan will not pay benefits for those hours/days. Employees who are approved for a Wisconsin Retirement System (WRS) disability, Long-Term Disability Insurance (LTDI) benefit or duty disability benefit can either use sick leave until exhausted or convert it to credits to pay health insurance premiums. If the sick leave is converted, you will become eligible for ICI benefits after the last day you use sick leave or satisfy the elimination period, whichever is longer. If you are not entitled to a WRS disability, LTDI or duty disability, you will become eligible for ICI benefits after exhausting your accumulated sick leave, or after the elimination

period, whichever is later. You are not required to use more than 1040 hours (for a full-time employee) of sick leave.

To qualify for ICI benefits, you must be completely off work during the entire 30 calendar days or the selected elimination period. If, at your employer's request, you are required to perform incidental work functions for a minimal period of time, you need to contact the third party administrator before doing so. The third party administrator will discuss with the employer to determine if you need to start the elimination period again or if the elimination period can be extended to take into consideration the days worked.

Totally disabled means, for purposes of ICI:

During the first 12 months of disability (short term disability), where the employee is under the regular care and attendance of a physician, the employee's inability by reason of any medically determinable physical or mental impairment, as supported by objective medical evidence, to perform the duties of his or her position.

After the first 12 months (long-term disability), the employee's complete inability by reason of any medically determinable physical or mental impairment, as supported by objective medical evidence, to engage in any substantial gainful activity for which the employee is reasonably qualified, with due regard to the employee's education, training, and experience. An activity is considered a substantial gainful activity if the earnings from that activity would be at least equal to the gross ICI benefit for the same period of time, excluding the \$75.00 per month supplement payable to the long-term disability claimant.

House confinement shall not be a requirement as a condition of disability, but an employee must be under the regular care and attendance of a licensed physician, other than yourself during the period of disability.

Objective medical evidence means test results such as blood tests, MRI, CAT scan, X-rays, etc. and physician's notes of regular visits recording the physician's observations of disabling symptoms and conditions. The physician's opinion may rely in part on records of care provided by other medical professionals under the supervision of a physician, including but not limited to nurse practitioners, physician's assistants, midwives, psychologists and psychotherapists (MMSW). The actual certification of disability will need to be provided by the licensed medical doctor, doctor of osteopath or surgeon.

REGULAR CARE AND ATTENDANCE

You must be under the regular care and attendance of a licensed medical doctor, doctor of osteopath, or surgeon licensed to practice by a state within the United States of America. A licensed physician does not include the employee. However, a physician does include other licensed medical professionals, such as a podiatrist, dentist, nurse practitioner, physician's assistant or psychologist who is acting within the lawful scope of his or her license and performs a service which is supervised by a licensed medical doctor, doctor of osteopath or surgeon (note that this last provision is not required for a D.P.M. (podiatrist) or D.D.S. (dentist)).

Regular care and attendance means a planned program of observation and treatment requiring the personal attendance of the employee by a physician, which once initiated, is continued in accordance with existing standards of medical practice for the condition or conditions rendering the employee sick or injured.

FIRST DAY DISABLED

The first day disabled can be no earlier than the day after the last day worked, or the date the physician indicates you are disabled according to the plan provisions. At no time can the first date of disability be prior to your last day worked.

ELIMINATION PERIOD

An insured employee qualifies for ICI benefits on the day after which she or he has not worked and has been continuously and totally disabled for 30 calendar days, or in the case of UW Faculty, for the selected elimination period. Incidental work performed during the elimination period by the employee at the employer's request may extend the elimination period. Before performing any work during the elimination period, you should discuss the issue with the third party administrator. No benefit payments can be made while earnings are still payable for accumulated sick leave hours or paid vacation, holiday or comp time. In no event can the elimination period begin until the first date disabled.

The elimination period for benefits for an employee who continues to pay ICI premiums and is on an authorized leave of absence shall be the same period the employee would have been required to serve if the employee would have been in pay status at the time disability began.

The elimination period and/or the use of sick leave will begin on the first date disabled and will continue without a break even if the employee is on a summer, seasonal or semester break from work.

Benefits will not begin until the minimum 30 calendar day elimination period has been satisfied or sick leave is exhausted, whichever is longer. If you apply for a WRS disability annuity, Long-Term Disability Insurance (LTDI) benefit, or duty disability benefit which is approved, and you elect to convert your unpaid sick leave credit to an account for payment of group health insurance premiums, the converted balance is not considered sick leave in determining the date that ICI benefits can begin. For employees who are not entitled to a WRS disability annuity or LTDI benefit, ICI benefits cannot begin until credits for sick leave have been exhausted up to 1,040 hours. If an employee still has sick leave hours remaining after using 1,040 hours, the employee may choose between continuing sick leave until part or all of the remaining hours are used or may begin ICI benefits effective the day after the last day of sick pay.

BENEFIT PAYMENTS

Vacation, personal holidays and compensatory time paid after the elimination period are offset at 100%. Subject to personnel policies and rules, you may use such time at your discretion. However, your accumulated sick leave credits at the time disability begins, plus sick leave earned while on paid leave, must be considered in determining the beginning date of ICI benefits. (See *Disability Definitions*.) When you have served your elimination period and your sick leave credits are exhausted and you are not receiving earnings for vacation, holiday or comp time, ICI benefits are paid for every calendar day of continuing disability.

For most employees, the amount of ICI benefit payable is based upon the previous calendar year earnings as reported to WRS, rounded to the next higher thousand and divided by 12. Benefits will be paid at 75% of the average monthly salary (previous year WRS earnings). The maximum benefit payable is \$4,000 per month for the standard coverage. If you enrolled in the supplemental coverage, the maximum benefit payable is \$7,500. However, for disabilities lasting longer than 12 months, on a one-time only \$75 per month is added to the normal benefit amount.

Benefit payments are made monthly at the beginning of the month for the previous benefit month (i.e. January benefits are paid February 1). Any fraction of a month is paid at the rate of 1/30th of the monthly benefit for each calendar day. This includes those working part time hours.

Disability benefit payments will be denied, suspended or terminated if information necessary to determine if benefits are payable is not received within 90 days of the date of the initial request by the third party administrator. You will be notified by the third party administrator of the documentation that is missing. You will be asked to contact your physician (medical) or employer (salary, etc.) for documentation needed in order to pay benefits.

Disability benefit payments will be terminated if medical evidence shows that the employee is capable of performing the duties of his or her own position. If the employee had a medical condition while employed which was accommodated by the employer, and that condition has not significantly changed, that condition is not considered in determining whether the employee is capable of returning to his or her own position.

Checks are mailed through the U.S. Postal Service two calendar days prior to the check date. While most checks arrive on the check date, there may be delays in the mail process which cannot be controlled by the Department or third party administrator. Direct deposit (ACH) is available for ICI claimants whose benefits are paid for a period of six months or more. To ensure timely receipt of payments, ACH is the preferred form of payment as we must allow the U.S. Postal Service twelve days to deliver a check before a stop payment can be issued and a new check created.

LIMITATIONS

Benefit payments are not available for total disability which begins prior to the effective date of coverage or disability which is:

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

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

WAIVER OF PREMIUM

ICI premiums are waived effective the first of the month following the date ICI benefits begin. (Exception: If benefits begin on the first day of a month, the premium waiver begins on the same day.) The waiver of premium remains in effect for as long as you continue to be eligible for benefits. If benefits are terminated because you return to full time employment with a state employer, premium payments will resume. If you choose to remain on a leave of absence after your disability ceases and have not terminated employment, you must immediately make arrangements for payment of premium through your employer. Otherwise, coverage will terminate and can be reinstated only after you return to work and reapply for coverage.

RETURN TO WORK

A claimant may return to work with their prior (WRS) employer given the physician's release to return to work and the employer's ability to accommodate any restrictions imposed. Earnings paid to a claimant who returns to work less than full time will be offset at 75%. Earnings include pay for days taken as vacation, holiday or comp time. Sick leave earned will be offset at 100%. Your part-time earnings will be offset based on the date of your earnings check. For example: your earnings check dated July 1 will be offset from the ICI benefit check dated August 1 (which covers the month of July).

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

If your physician releases you to return to work part time but you choose not to, your ICI benefit will be offset by an estimated offset. The offset will be calculated by taking the number of hours released to work times the hourly rate in effect at the time you became disabled.

If you return to part time employment with your prior employer and do not work the number of hours your physician released you to return to work, your ICI benefit may be offset by an estimated offset. The estimated offset will be calculated by the number of hours you were released to return to work times your current hourly rate of pay which may be greater than the hourly rate in effect at the time you became disabled.

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

REHABILITATIVE TRAINING

Rehabilitative training may be approved if, because of disability, you can no longer perform your previous occupation but with proper training and education could be capable of performing other gainful activities. A gainful activity is one which would provide an income equal to or greater than the gross ICI benefit, excluding the \$75.00 per month supplement, payable to long term disability recipients. Expenses, such as tuition or text books associated with an approved rehabilitation program may be paid by the ICI program in addition to regular benefits if rehabilitation expenses are not payable from other sources. If you have a rehabilitation plan that was approved by the Wisconsin Division of Vocational Rehabilitation (DVR) you need to contact the ICI third party contract administrator and provide them with a copy of your approved plan. You will need to sign a release allowing the ICI program access to your pre-approved plan. If DVR is unable to provide rehabilitative services, the ICI plan may have a rehabilitation vendor assist with establishing a rehabilitative plan that will return you to gainful employment. Rehabilitation may include higher education, vocational training, job counseling, on-the-job training, or retraining. Rehabilitative plans must be in writing and include specific goals and dates for meeting those goals which are agreed to by the claimant and approved in advance by ETF.

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

Example:

Monthly ICI Benefit		\$2,416.67
Less: Rehabilitative Earnings	\$1,000.00	
Offset Reduced to 75%	<u>x 75%</u>	<u>\$ 750.00</u>
Net Monthly Income Continuation Insurance Benefit		\$1,666.67
Plus Rehabilitative Earnings		<u>\$1,000.00</u>
Total Monthly Income		\$2,666.67

In certain approved programs, all or part of rehabilitative earnings may be authorized without any reduction in the ICI benefit up to a limit of nine months. ETF will apply the following guidelines in determining whether the waiver is appropriate:

- The third party administrator and/or ETF will review the claimant's job related expenses that are incurred due to the claimant's medical condition, which are over and above the normal expenses, and are not covered by other sources. The claimant must receive prior approval from ETF before waiving the offset of earnings because of the claimant's medical condition.
- The third party administrator or ETF will only consider expenses directly related to accommodating a claimant's needs in getting to work and/or having an appropriate work station. Such items as child care, gasoline, bus fare, etc., will not be considered covered job related expenses. Such expenses must be thoroughly documented.
- The ICI plan will require appropriate documentation (receipts, tax returns, etc.) to support all expenses claimed. Any expenses for a caregiver will be considered only if the care is provided by a properly trained caregiver and approved in advance by ETF.

If a claimant is determined to be physically and mentally capable of rehabilitative training but refuses to participate in such a program or does not work the number of hours indicated by the physician, benefits may be terminated or suspended or the Department may authorize the offset (reduction) of benefits by the amount of earnings that could have been received if engaged in rehabilitative employment.

REASONABLE ACCOMMODATIONS UPON RETURN TO WORK

Under the Americans with Disabilities Act, federal law requires employers to make reasonable accommodations for individuals with disabilities who are qualified to perform the essential functions of a job. Check with your employer, prospective employer, or union, for information on "reasonable accommodations." ICI benefits will not be paid if a claimant no longer meets the definition of disability, even if an employer is unable to make reasonable accommodations.

TAXABLE BENEFITS

As the percentage of the total premium paid by the State as a fringe benefit increases, there is a corresponding increase in the percentage of benefits which is considered taxable income to the employee. The taxable portion is based on an average of the premium percentage paid by the employer over the three years prior to the year in which ICI benefits are first paid. If a portion of the ICI benefit is based on the supplemental coverage, you are required to pay the entire premium for the supplemental coverage. Therefore, that portion of the benefit is not taxable income. However, there have been many recent changes in the tax laws and the interpretation of the revenue code. You should consult both State and Federal tax authorities for answers to any specific questions which you may have concerning the exclusion or inclusion of such benefit payments as taxable income.

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

Classified employees: ICI Premium Category	Approximate Percent of Gross Premium Paid by the State <u>in a Single Year</u>
1	0%
2	0%
3	67%
4	77%
5	85%
6	100%

<u>UW Faculty Only:</u> <u>Selected Elimination Period</u>	<u>Percent of Gross Premium Paid by the State*</u>
30-day plan	37%
90-day plan	69%
125-day plan	76%
180-day plan	100%

* For faculty with one year or more of state service

The third party administrator will automatically withhold Federal income tax from the taxable portion of a benefit at the rate of 25%. If you wish to change the amount of Federal tax withheld, you may submit Form W-4S or W-4, which is available from the IRS, to the third party administrator.

Wisconsin State income tax will only be withheld from a taxable ICI benefit if you submit the Wisconsin withholding exemption form WT-4. It is available from the Wisconsin State Department of Revenue.

FICA: Social Security regulations provide that any income received from a sickness or disability plan during the first six months of a disability is subject to withholding for Social Security contributions if the employer has paid a portion of the premiums. The percent of the benefit subject to Social Security contributions equals the percent of the gross premium paid by the State. Any ICI benefits you receive during the first six months of disability will reflect this deduction for Social Security contributions unless your WRS employment is terminated and you are approved for a 40.63 disability annuity.

HOW AND WHEN TO FILE A CLAIM

You may initiate a claim by calling the third party administrator (Aetna) at 1-800-960-0052 or by completing an ICI claim form (ET-5352) and submitting it directly to ETF. Telephone filing is encouraged.

A claim (either claim form ET-5352 received by ETF or through telephone initiated with the third party administrator) must be filed by you or your representative. A claim, paper or telephonic, received more than 12 months from the first date of disability as determined by the third party administrator will be denied. In no event will benefits be payable for the period which is more than 90 days prior to the date of claim receipt. You may submit a claim up to 30 days prior to the last day worked; however, no benefits will be payable until after the last day worked based on the first date of disability determined by the third party administrator and subject to meeting all of the ICI provisions. Upon filing or receipt of your claim, the third party administrator will send you an introductory packet including a medical release form, an ICI and/or LTDI Repayment Agreement and claims processing information. Please sign and return the medical release promptly to the third party administrator and to your treating physician(s). The signed ICI and/or LTDI Agreement must be returned to ETF.

Your physician will be contacted directly by the claims administrator.

After filing your claim the third party administrator will send your employer an *Income Continuation Insurance (ICI) Employer Statement* (ET-5351).

You:

- Estimate, with advice from your attending physician, whether the disability will continue beyond the minimum elimination period of 30 calendar days, or your selected elimination period.
- File your claim.
- Complete and return the medical release form.
- Complete and return the signed ICI and/or LTDI Repayment Agreement.
- Ensure the third party administrator and your physicians receive all your medical release form(s).

Your Physician (M.D. or D.O.):

- Provides medical information concerning your disability to the claims administrator. Your physician will periodically be asked by the claims administrator to complete supplemental medical forms (called *attending physicians statement* - APS and FCE). **Cost for medical exams and copies of the medical records are your responsibility.**

Your Employer:

- Completes the *Income Continuation Insurance (ICI) Employer Statement* (ET-5351) which they will receive directly from the third party administrator.
- Returns the employer statement directly to ETF. ETF will transmit the employer statement to the third party administrator for processing.

REDUCTION OR TERMINATION OF BENEFITS

Benefits are reduced or terminated for the following reasons:

Vacation, holiday or compensatory pay after the elimination period

Benefits will be reduced at the rate of 100% for any vacation, holiday or compensation pay you receive after your elimination period, but before you return to work. If you have returned to work at a lesser appointment than your pre-disability appointment and you are paid earnings for vacation, holiday or comp time your ICI benefit is reduced by 75% of those earnings based on the date of the earnings check.

Return to Full Time Employment

Benefits are payable up to the date of return, or up to the date the medical evidence indicates you are capable of returning to work full time. Except for claimants participating under approved rehabilitation programs, a return to **full time** employment will mean the ability to perform your normal work schedule for 14 consecutive calendar days if you have been disabled less than 12 months, or for 6 months if you have been disabled more than 12 months.

Return to Part Time Employment

Benefits will continue on a reduced basis if return to part time employment is approved as rehabilitative training. Please see the sections on *Return To Work and Rehabilitation Training* for further details. If you return to work for an employer who does not participate in the WRS, it is your responsibility to provide the ICI plan with full documentation of your earnings

Estimated Part Time Wages

If the medical evidence indicates you are capable of working part time, but you do not return to work, the ICI benefit will be reduced by an estimated earnings offset. Please see the sections on *Return to Work and Rehabilitation* for further details.

Termination of Disability

When the objective medical evidence no longer substantiates continued disability, or you are determined to be no longer disabled from your position by your own physician or through an independent medical exam, or you are released from direct care, or you are told you are able to return to work by a physician, benefits are payable only up to the date of such release even though you do not return to work immediately for personal or other reasons.

Death

Benefits are only payable through the date of death. There are no survivor benefits.

Maximum Duration of Benefits

Benefits are payable only through the end of the month in which you turn age 65. However, the length of time benefits are payable will depend on your age at the time you become disabled. The maximum duration of benefits for disabled insured employees is the end of the month in which the following occurs:

<u>Age at Disablement</u>	<u>Maximum Time Benefits Are Paid</u>
61 or younger	To age 65
62	3.50 years
63	3.00 years
64	2.50 years
65	2.00 years
66	1.75 years
67	1.50 years
68	1.25 years
69	To age 70

In no event are benefits payable beyond the end of the month in which you turn age 70.

Nonduplication Provision

Benefits are reduced by the gross amount of disability, retirement, separation, or other income replacement benefits which are paid or payable from other Wisconsin Retirement System, Social Security Administration or employer sponsored sources. You must apply, reapply or pursue all other benefits which you might be eligible to receive and complete the process to the final process. If you fail to complete the process, your ICI benefit will be offset by an amount payable to you. ICI benefits will be reduced by the largest benefit you could receive from another source, even though you might choose an option that pays a reduced benefit. When you complete an application for ICI benefits you are assigning your right to benefits you could receive from other sources. Other benefit sources include, but are not limited to:

- Social Security (regular or disability)
- Worker's Compensation (except PPD or PTD)
- Wisconsin Retirement System (WRS) (retirement, disability retirement, LTDI or separation including lump sums based on the straight life annuity amount)
- Long-Term Disability Insurance (LTDI)
- Unemployment Compensation
- Earnings including self-employment

It is important that you apply for and complete the process to obtain other benefits when requested as some of the other income sources have specific time lines to be followed in order to be eligible for the benefit. The ICI plan requires you to apply for and complete the process to obtain any other benefits. Some of these benefits continue to be paid after the ICI benefit is no longer payable or the combination of the other benefits may exceed your ICI benefit.

NOTE: You will be required to repay any benefits received or are eligible for which cover the same time period as your ICI benefits. If you receive other benefits, it is prudent not to spend them until the ICI amount to be repaid is provided to you by the third party administrator. The ICI and/or LTDI Repayment Agreement explains that ETF or the TPA may begin paying a benefit to you with the understanding that if income from any other sources are paid or payable to you, that you will repay ETF 100% of the gross benefits or income. You will also be notified that ETF or the TPA may intercept any benefit payments from the other sources.

Disabilities Lasting More Than 12 Months

Benefits will terminate after you have been disabled for a period of 12 months if you are then capable of performing other substantial gainful work activities. This does not mean you have to return to your previous job/employer. See *Disability Definitions* and *Rehabilitative Training* for further information.

Failure to Comply

Benefits may be suspended or terminated if you fail to furnish required information within 90 days of the date of the initial request or if you do not otherwise cooperate in meeting the plan requirements. (Examples: failure to obtain updated medical information from your physician; or, in the event there is a question concerning the extent of your disability, refusing to be examined by a physician selected by the third party administrator.)

INCOME REPORTING REQUIREMENTS

An employee who is applying for or receiving ICI disability benefits is responsible for reporting to the ICI program the starting date(s) and starting amount(s) of payment received from any source, including but not limited to:

- Social Security
- Worker's Compensation (including benefits payable under Wis. Stat. § 40.65, § 230.36 or § 66.191)
- Unemployment Compensation
- Part time or full time employment, including self-employment or cash payments
- Rehabilitation training or trial work
- Wisconsin Retirement System (disability, regular retirement, lump sum or separation benefit)
- Long-Term Disability Insurance (LTDI)
- Employer liability law award
- Occupational disease law award
- Other salary continuation program sponsored or sanctioned by your employer including any plan whose premiums are paid or collected via payroll deduction

ANNUAL STATEMENT OF EARNINGS

After the first year of ICI benefits, you will be required to complete and return to the Department the *Annual Statement of Earnings* (ET-5905) which is normally sent out by the third party administrator March 1. You are to report all earnings, except for your ICI or WRS disability payments, for the prior calendar year. These statements are due April 30. Failure to comply could result in suspension and subsequent termination of your ICI benefits.

WAIVER OF OFFSET FOR ATTORNEY OR SOCIAL SECURITY ADVOCATE

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

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

ADMINISTRATIVE REVIEW PROCESS

If you do not agree with a decision or determination made by the third party administrator, you have the right to request, in writing, that the third party administrator reconsider the determination. The third party administrator must receive your request for reconsideration within 90 days of the date of the determination letter. With the reconsideration request you must specifically state how you believe the administrator erred in interpreting the plan provisions. Provide the third party administrator with any and all documentation including medical records relevant to the claimed disability and your position regarding the determination.

The third party administrator may require you to participate in an independent medical exam, functional capacity evaluation, vocational assessment, etc. You must participate in these reviews. Cost of the reviews will be borne by the ICI plan. Travel and other cost will be your responsibility. After reviewing

all of the new and original information, the administrator will send you a letter which contains the reconsidered decision. If you do not agree with the decision at the reconsideration level of the appeal process, you have the right to request a Departmental Determination from ETF. Your written request must be received by ETF within 90 days of the date of the reconsideration letter.

If you request a Departmental Determination, ETF will determine whether the administrator erred in its decision. ETF does not make independent medical evaluations, but relies upon the medical records/ notes and the review performed by the medical consultants in order to make a determination.

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

BOOKLETS AND FORMS

Booklets and forms are periodically revised. Please contact your employer or ETF to determine if an updated version of the form or booklet you are interested in is available.

ALWAYS INCLUDE YOUR NAME, SOCIAL SECURITY NUMBER, AND DATE OF BIRTH ON ALL CORRESPONDENCE TO ETF.

Every effort has been made to ensure that the information in this booklet is accurate. If the information in this booklet should conflict with the law, contract or plan language, the law, contract or plan language must be followed. You may obtain a copy of the plan by writing to:

Department of Employee Trust Funds
PO Box 7931
Madison, WI 53707-7931

To file an ICI claim call Aetna: 1-800-960-0052
Contact the Department of Employee Trust Funds

Self-Service Toll Free Telephone Service

Available 24 hours a day, seven days a week. You must have a touch-tone telephone to use these systems.

SELF-SERVICE LINE: Call 1-877-383-1888 or (608) 266-2323 (local Madison) to request forms and brochures. Wisconsin Retirement System annuitants may also change their home mailing address or tax withholding election through this self-service line.

TELEPHONE MESSAGE CENTER: Call 1-800-991-5540 or (608) 264-6633 (local Madison) to hear detailed recorded messages covering a variety of Wisconsin Retirement System topics.

Note: You will not be able to talk to a "live" person using these systems. To speak to a benefits specialist, call the telephone numbers listed below.

Visit our Internet Site

Access the Internet site at: etf.wi.gov. A tremendous amount of information is online regarding the Wisconsin Retirement System and other benefit programs. You may e-mail the Department through this site.

Call During Office Hours

Office Hours: 7:45 am to 4:30 pm, Monday through Friday
except holidays)

Telephone: 1-877-533-5020 (toll free)
(608) 266-3285 (local Madison)
Wisconsin Relay Service (for hearing & speech impaired)
7-1-1 or
1-800-947-3529 (English)
1-800-833-7813 (Spanish)

Write Us

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

Visit Us

Appointments: 1-877-533-5020 ext. 65717 (toll free)
(608) 266-5717

Madison: **An appointment is recommended**
801 West Badger Road

Waukesha: **An appointment is required**
141 N.W. Barstow Street, Rm. 411