



**State of Wisconsin
Local Income Continuation
Insurance Program
Fact Sheet 2018**

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 (GIB) 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, establish reserves, and provide rehabilitative services.
- The GIB contracts with a private administrator to issue eligibility determinations and process claims.

Eligibility and Enrollment

- Local employers are eligible if they adopt a resolution to enroll in the program and if 65% of all eligible employees enroll. The employer may be granted a temporary waiver of the 65% participation requirement by ETF.
- Employer participation may be terminated if employee participation falls below the minimum participation percentage; or, after a minimum of 12 months under the program, the employer may submit a resolution by October of that year to withdraw from the program.
- There is an enrollment opportunity upon hire or upon providing evidence of insurability.
- Coverage may continue during authorized leaves of absence and layoffs.
- Standard ICI coverage is for annual earnings of \$64,000 or less. See reverse side for information on optional supplemental coverage.

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).
- Monthly benefits equal 75% of previous calendar year salary (rounded to the next highest \$1,000 and divided by 12); a \$75 supplement is added to the normal monthly benefit amount, beginning with the second year of disability.
- There is a maximum monthly benefit of \$4,000 for standard ICI coverage.
- Benefits are payable for the length of disability or until age 65. There is an exception for disabilities beginning at age 62 or later.
- Benefits are paid after completion of an employee-selected elimination period.
- Benefits may pay the cost of rehabilitative training.
- Benefits will not duplicate benefits available from other state or federal programs (e.g., WRS, Social Security, Worker's Compensation, etc.).

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Premium

- The monthly premium is based on previous calendar year WRS reported earnings (rounded to the next higher \$1,000 and divided by 12).
- Employers may contribute a portion of or pay the total premium for employees for standard coverage.

Optional Supplemental Coverage

- Optional coverage is available to employees with annual earnings exceeding \$64,000. Allows coverage of salary up to a maximum of \$120,000.
- Employees pay entire premium for optional supplemental coverage; premiums are in addition to required premium payments for standard coverage. Employers are not permitted to pay any portion of the supplemental ICI premium.
- There is a maximum monthly benefit payable of \$7,500 for standard and supplemental coverage.

Statistics

Total Paid in Year Ended December 31

	2017	2016	2015	2014
Number of Claims	184	208	178	168
Average Monthly Benefit	\$2,094	\$2,076	\$2,051	\$1,857

Financial information is available in ETF's [2017 Comprehensive Annual Financial Report \(CAFR\)](#).