



# Employer *Bulletin*

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## 2016 Income Continuation Insurance Premium Rates

Income Continuation Insurance (ICI) premium rates for 2016 will increase effective February 1, 2016. The premium rate charts can be found on the ETF website:

[etf.wi.gov/publications/ici-state-premiums-2016.pdf](http://etf.wi.gov/publications/ici-state-premiums-2016.pdf)

ICI	Completion Date	Effective Date	Report Date
Annual Premium Update	January	February 1	February report due March 24, 2016 <i>STAR agencies:</i> The February report will be due February 24, 2016.
Deferred Enrollment with <a href="#">ICI Application (ET-2307)</a>	Application received by March 1	April 1	April report due May 24, 2016 <i>STAR agencies:</i> The April report will be due April 25, 2016.
Annual Supplemental ICI Enrollment period - Use <a href="#">ICI Application (ET-2307)</a>	Application received by March 1	April 1	April report due May 24, 2016 <i>STAR agencies:</i> The April report will be due April 25, 2016.

In the future, all employers will be required to report and pay in the month of coverage.

Due dates are the 24th of the month. When the 24th falls on a weekend or holiday, the due date is the next business day.

## Annual ICI Premium Review and Update

Please remember to complete the annual ICI premium updates in January (effective February 1, 2016). New premium rates are based on employee 2015 average monthly WRS earnings (total earnings rounded to the next higher thousand and divided by 12) and accumulated sick leave (elimination period for UW faculty and academic staff).

Premium categories are based on the employee's accumulated sick leave hours as of the prior year's last complete payroll period. For 2015, this is pay period 1A (December 13, 2015 through December 26, 2015).

For newly hired employees or employees whose percentage of appointment changed since the last annual review, their estimated salary should continue to be used for premium purposes until a full calendar year of WRS earnings is available.

### Example:

- Employee starts WRS employment in July 2015 – use estimated salary
- January 2016 Annual Adjustment – continue to use estimated salary
- January 2017 Annual Adjustment – use previous calendar year (2016) WRS earnings

Similarly, if an employee had an authorized leave during the prior calendar year, premiums should be calculated using the same earnings amount and premium category in effect prior to the leave, until a full calendar year of WRS earnings is available.

## Open Enrollment Period Ends March 1, 2016

### Deferred Coverage

Deferred enrollment gives employees an opportunity to enroll in ICI based on accumulated sick leave. The employee does not have to provide proof of insurability. The following conditions apply:

- It is the first time an employee becomes eligible for an increase in state contribution toward premium under premium category 4 or 5. An employee is eligible at the end of any year they are in category 6.
- It is the first time an employee qualifies for premium category 3. Category 3 is available to part-time employees on a prorated basis.

Eligible employees on leaves of absence during the open enrollment period have 60 days from their return to work to apply for coverage. Coverage will be effective the first day of the month that first occurs during their 60-day enrollment period, but no earlier than April 1, 2016.

### Supplemental Coverage

Supplemental ICI provides coverage for annual earnings between \$64,000 and \$120,000. (Standard ICI only covers annual earnings up to \$64,000.) Eligible employees electing supplemental coverage must insure their entire salary above \$64,000 up to a maximum of \$120,000. There is no partial supplemental coverage. Enrollment in the supplemental ICI coverage is voluntary.

Employers should notify eligible employees of the supplemental ICI enrollment opportunity and direct interested employees to contact the appropriate human resources or payroll/benefits personnel for an [Income Continuation Insurance Application \(ET-2307\)](#).

Eligible employees on leaves of absence during the open enrollment period have 60 days from their return to work to apply for supplemental ICI coverage. Employees currently receiving ICI benefits may enroll when they return to work and are no longer receiving ICI benefits. Their supplemental coverage will be effective the first day of the month that first occurs during their 60-day enrollment period, but no earlier than April 1, 2016.

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**Who is eligible for supplemental ICI coverage during the annual supplemental coverage enrollment period?**

- Employees applying for ICI coverage during annual deferred enrollment with annual earnings exceeding \$64,000 may apply for supplemental ICI at the same time they apply for standard ICI coverage.
- Employees who currently have standard ICI coverage and whose annual earnings exceeded \$64,000 in 2015.

**Who pays the premium?**

- The employee pays the entire premium for the supplemental ICI coverage; there is no employer share. Employers cannot contribute any portion of the supplemental ICI premium.

**How does supplemental coverage affect the potential benefit level?**

- Employees with supplemental ICI coverage are eligible for a maximum benefit of \$7,500 per month (75% of maximum monthly earnings of \$10,000).
- Employees with annual earnings greater than \$64,000 who are not enrolled in supplemental ICI coverage are limited to a maximum benefit of \$4,000 per month.

**How to apply:**

- Eligible employees must complete the “Employee” section of the [Income Continuation Insurance Application \(ET-2307\)](#), indicating the election of supplemental ICI coverage. The application must be returned to the employer by close of business on March 1, 2016.

**Employers will:**

1. Validate that the employee is eligible for supplemental ICI coverage.
2. Complete the “Employer” section of the application.
3. Make two copies. Give a copy to the employee and retain a copy for verification purposes.
4. Send the original application to ETF.

**Premiums for Deferred and Supplemental Coverage:**

Determine premiums using the same criteria as the annual process. Coverage is effective April 1, 2016.

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