

## Income Continuation Insurance Elimination Period During Summer Break

Certain UW System Faculty, Academic Staff, and Limited Appointees have academic year (C-Basis/9-month) contracts. In addition, some Faculty, Academic Staff, and Limited Appointees on academic year contracts have summer service and/or summer session contracts. The UW System also has University Staff employees who work only during the academic year. These employees are not eligible to use to their sick leave during the summer break. See [UW System Administrative Policy 1212 \(formerly BN 3\) Sick Leave](#), section 4.C.(4), (5), (6).

### Applicable Statute and [Income Continuation Insurance \(ICI\) Plan Document](#) references:

Wis. Stat. 40.62(1): Employees shall be eligible for benefits upon exhaustion of accumulated sick leave and completion of the elimination period.

Wis Stat. 40.62(1m): ...no employee may be required to use more than 130 days of accumulated sick leave unless required to exhaust accumulated sick leave under s. 40.63(1)(c)

ICI Section 2.13(4) of the ICI Plan Document: The elimination period or use of sick leave or both shall begin on the first date of disability and continue without a break even if the claimant has a summer, seasonal or semester break in service. If the claimant does not have access to sick leave during a summer, season or semester break in service, and if the claimant's accumulated sick leave exceeds the selected elimination period, the benefit will not start until the number of days of sick leave up to 130 days has elapsed.

Section 2.13(2) of the ICI Plan Document: The first day of the elimination period shall be the day after the last day worked or the day the claimant becomes continuously and totally disabled, whichever is later...

### Policy:

ICI coverage is available for employees during the period that they are not working.

Employees are eligible for benefits once the elimination period has been completed regardless of eligibility to use accrued sick leave (employee may have to serve elimination period without pay since [UW System Administrative Policy 1212 \(formerly BN 3\) Sick Leave](#) does not allow for sick leave use while employee is not in working contract period).

The employee's sick leave exhaustion date is calculated by adding on the sick leave hours to the last day worked (LDW) as if the individual were working their normal schedule. The ICI benefit begin date would be based on the latter of the elimination period end date or the sick leave exhaustion date.

### Example 1:

Jane Doe is a UW-Eau Claire employee and only works during the academic year. Her LDW is May 22 and her date of disability is June 22. She has 130 days of sick leave and a 125-day elimination period. The school year contract starts on August 22. In this case, the employee's sick leave (130 days) exceeds her elected elimination period (125 days) so she will need to serve a 130 day elimination period before ICI benefits will begin. This will start on the day after her disability (June 23) and end in 130 days (December 28). Her ICI benefit begins on December 29.

The school year starts on August 22. From June 23 to August 22, she will not receive any income because she is not eligible to use her sick leave. During this period, her accrued sick leave balance does not change. Once her contract starts again on August 22, she will begin using sick leave to fulfill the remainder of her elimination period (85 days) until her ICI benefit begins on December 29.

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### Example 2:

John Doe is a UW-Stevens Point employee and only works during the academic year. His LDW was May 29. He had 48 hours of sick leave. His sick leave exhaustion date is June 6. He has a 30 day elimination period (last day of elimination period is June 28). His ICI benefit begin date is June 29.

He cannot use sick leave during summer break. Once the new contract period started (September) and he is eligible to use his sick leave, ETF would still continue to pay ICI benefits because ETF has already taken into consideration his sick leave when determining his benefit begin date. So, unless the employee decides to use his sick leave for some reason, his sick leave would just remain for future use.

### Rationale:

- ETF does not have access to, authority over, or ability to monitor an employee's accrued sick leave. Use of accrued sick leave is determined by employer policy.
- The intent of Wis. Stat. 40.62 was to reduce the financial liability of the ICI program if sick leave was available to the participant. This policy achieves that as the elimination period is still served, regardless if the participant chooses to use their sick leave to cover that time period.
- Ease of administration. It would be difficult for employers, administrators, and ETF to stop and start elimination period and ICI benefits based on employer policies.
- Equity. All state ICI participants serve the required elimination period based on their accrued sick leave.