

Income Continuation Insurance – Annual Base Benefit Rate Rules

This chart outlines a comprehensive set of rules to be used when setting the premium category and annual salary amount used to determine the premium for Income Continuation. The annual salary amount in HRS is referred to as the Annual Base Benefit Rate (ABBR).

Example	Event	Coverage in Force at Time of Event	Application Required	Eligible to Enroll in Standard	Eligible to Enroll in Supplemental	Coverage Level Basis	Annual Update Process	Comments
HIRE								
1	New hire	N/A	Yes	Yes	Yes	Projected earnings as of the effective date of coverage	Bypassed until the employee has a full calendar year of earnings.	New EE could move to Category 3 during 2 nd CY of coverage provided requirements are met
JOB CHANGE (PROMOTION OR DEMOTION)								
2	Promotion with salary increase at same agency – no FTE change. Current coverage level based on last year's WRS earnings	Not enrolled	NA – not eligible to enroll	Can enroll through EOI or deferred enrollment only		NA	NA	This information also applies if an employee is newly hired and coverage is based on a projected salary at the time of the salary increase. For premium and ABBR purposes, if an employee's coverage was based on projected earnings at the time of the salary increase, the projected salary will remain in place until the employee has a full calendar year of earnings.
		Standard	No	NA - already enrolled	No - even if earnings will exceed \$64,000 due to promotion. May enroll in supplemental coverage during any January enrollment period in which the prior year's WRS earnings exceed \$64,000.	No coverage or premium change until annual update. ICI benefits based on the previous CY earnings <u>unless</u> the employee is newly hired (does have a full year of CY earnings). In this situation, the ICI benefits will be based on the projected earnings for the ensuing 12 months.	ABBR - Previous CY Classified – review & update category if applicable	
		Standard & Supplemental		NA - already enrolled				
3	Demotion with salary decrease at same agency – no FTE change. Current coverage level based on last year's WRS earnings (see comments if employee on a projected salary)	Not enrolled	NA – not eligible to enroll	Can enroll through EOI or deferred enrollment only		NA	NA	If an employee was on projected earnings of more than \$64,000 and the salary decrease dropped the employee's salary under \$64,000, the employee would NOT lose eligibility for supplemental coverage until the first annual update in which their calendar year earnings fell below \$64,000.
		Standard	No	NA - already enrolled	No	No coverage or premium change until annual update.	ABBR - Previous CY	
		Standard & Supplemental		NA - already enrolled	If new salary < \$64,000, remain eligible for Supplemental coverage until next annual update; may voluntarily cancel coverage at any time.	ICI benefits based on projected rate of pay or previous CY earnings – whichever is higher.	Classified – review & update category if applicable	

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TRANSFER TO/FROM STATE AGENCY								
4	Transfer to a Different State Agency – classified to classified	None	NA – not eligible to enroll	Can enroll through EOI or deferred enrollment only		NA	NA	
		Standard at previous agency	Yes – within 30 days of transfer	NA - already enrolled	No - even if earnings will exceed \$64,000 at new agency. May enroll in supplemental coverage during any January enrollment period in which the prior year's WRS earnings exceed \$64,000.	Projected earnings as of coverage date at new agency	ABBR - Bypassed year 1	
		Standard & Supplemental at previous agency	Yes – within 30 days of transfer	NA - already enrolled	NA - already enrolled; If new salary < \$64,000, remain eligible for Supplemental coverage until next annual update; may voluntarily cancel coverage at any time.		Classified – review & update category if applicable	
MOVEMENT WITHIN BETWEEN EMPLOYMENT CLASSIFICATIONS (UNIVERSITY STAFF [CLASSIFIED] TO/FROM FACULTY, ACADEMIC STAFF AND LIMITED APPOINTEES (FASLa)/ [UNCLASSIFIED])								
5	Move from classified to UW unclassified position; Covered under classified ICI program when unclassified appointment starts	Standard Classified ICI	<ul style="list-style-type: none"> • Must submit application to maintain ICI coverage and enroll in Unclassified ICI plan • May enroll in both Standard and Supplemental ICI coverage (enroll is Supplemental only if projected earnings > \$64,000) • May select any elimination period • Enrollment deadline based on amount of WRS state service • If at least 1 year of WRS state service, 30-day enrollment deadline 			Projected earnings as of coverage effective date in Unclassified ICI program	ABBR - Bypassed year 1	
		Standard & Supplemental Classified ICI						

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6	Move from classified to UW unclassified position; <u>NOT</u> Covered by classified ICI program when unclassified appointment starts	None						
			<ul style="list-style-type: none"> Enrollment provisions are the same as #5 except: <ul style="list-style-type: none"> Must select an elimination period that provides an increase in the State contribution from what the employee could have received in classified position based on sick leave balance If employee has at least 1040 hours of sick leave, cannot enroll; must enroll through EOI or deferred enrollment See full provisions in Chapter 208 of ICI manual 			Projected earnings as of coverage effective date in Unclassified ICI program	ABBR - Bypassed year 1	
7	Move from UW unclassified to classified position; Covered by unclassified ICI program when classified appointment starts	Standard Unclassified ICI						
		Standard & Supplemental Unclassified ICI	<ul style="list-style-type: none"> Must submit an application to maintain ICI coverage and enroll in Classified ICI plan May enroll in both Standard and Supplemental ICI coverage (enroll is Supplemental only if projected earnings > \$64,000) 30-day enrollment deadline Premium category based on sick leave balance at end of prior calendar year 			Projected earnings as of coverage effective date in Classified ICI program	ABBR - Bypassed year 1 Review & update category if applicable	
8	Move from UW unclassified to classified position <u>NOT</u> covered by unclassified ICI program when classified appointment starts	Not enrolled	NA – not eligible to enroll	Can enroll through Evidence of Insurability (EOI) or deferred enrollment only		NA	NA	

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APPOINTMENT PERCENTAGE/FTE CHANGE								
9	FTE increase or decrease [Any permanent change to appointment percentage]	Not enrolled	NA – not eligible	Can enroll through EOI or deferred enrollment only		NA	NA	<p>Note: current ICI manual indicates that application is required when there is an FTE change. Per ETF disability staff, this requirement is no longer in effect.</p> <p>If someone has a temporary FTE change, is on a 65% faculty sabbatical, is on a partial LOA or is working a reduced schedule on a temporary basis while on FMLA or Workers Comp, ICI coverage is NOT adjusted and coverage is NOT based on a projected salary.</p>
		Standard	No	NA - already enrolled	<p>No - even if earnings exceed \$64,000 due to the FTE increase.</p> <p>May enroll in supplemental coverage during annual enrollment period in which the prior year's WRS earnings exceed \$64,000.</p>	<p>Projected earnings as of 1st of coverage month on or following FTE change</p> <p>If coverage already based on projected earnings at time of FTE change, must update projected earnings based on FTE change.</p>	<p>ABBR - Bypassed year 1</p> <p>Classified – review & update category if applicable</p>	
		Standard & Supplemental	No	NA - already enrolled	<p>NA - already enrolled; If new salary < \$64,000, remain eligible for Supplemental coverage until next annual update; may voluntarily cancel coverage at any time.</p>			
LEAVE OF ABSENCE (LOA)								
10	Employee returns from unpaid LOA, did NOT receive ICI benefits and ICI coverage did NOT lapse while on LOA	Standard OR Standard & Supplemental	No	NA - already enrolled	<p>NA – if already enrolled; no new enrollment opportunity upon return from LOA</p>	<p>Coverage level remains the same throughout the LOA and until employee works full CY (unless there has been a permanent change in the % of appointment).</p>	<p>ABBR - Bypassed year 1; include in annual update process once employee works entire CY</p> <p>Classified – review & update category if applicable</p>	

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11	Employee returns from unpaid LOA, did NOT receive ICI benefits and coverage lapsed while on LOA	Standard OR Standard & Supplemental	Yes – within 30 days of RTW	Yes – if previously enrolled	Yes – if previously enrolled; no new enrollment opportunity from return from LOA	Coverage level in effect at the time the coverage lapsed will resume upon return from LOA, unless there has been an annual premium or salary adjustment in the interim.	ABBR - Bypassed year 1; include in annual update process once employee works entire CY Classified – review & update category if applicable	
12	Employee returns from unpaid LOA to previous FTE level, received ICI benefits while on LOA but ICI benefits have ceased, and had an ICI Premium Waiver in effect during LOA	Standard OR Standard & Supplemental	No	NA - already enrolled	NA – if already enrolled; no new enrollment opportunity upon return from LOA	Coverage level in effect at the time the LOA began, unless there has been an annual premium or salary adjustment in the interim.	ABBR - Bypassed year 1; include in annual update process once employee works entire CY Classified – review & update category if applicable	
13	Employee returns from unpaid LOA but does NOT return full-time, is still receiving ICI benefits, and ICI Premium Waiver is in effect.	Standard OR Standard & Supplemental	No	NA - already enrolled	NA – if already enrolled; no new enrollment opportunity upon return from LOA	Premium Waiver continues to apply through the end of the month in which the employee’s LOA ends.	N/A	Income earned would be an offset to ICI at 75%. Sick leave earned would be offset at 100%
EMPLOYEES WITH FLUCTUATING HOURS (LTE/LUMP SUM/AD HOC)								
14	Employee’s FTE continually fluctuates (LTE, ad hocs, lump sums)	Standard OR Standard & Supplemental	No	NA - already enrolled	NA - already enrolled; If new salary < \$64,000, remain eligible for Supplemental coverage until next annual update; may voluntarily cancel coverage at any time.	When coverage first elected, coverage based on “best guess” projected earnings. Once the coverage is updated during the annual update process (using prior year’s CY earnings), coverage should remain at that level until next annual update period.	ABBR - Previous CY Classified – review & update category if applicable	The FTE changes are not considered permanent so you do not constantly adjust the coverage based on the fluctuating FTE.

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Example	Event	Coverage in Force at Time of Event	Application Required	Eligible to Enroll in Standard	Eligible to Enroll in Supplemental	Coverage Level Basis	Annual Update Process	Comments
15	Employee’s FTE fluctuates on a consistent schedule during the year (ex. during every academic year, employee works 40% during spring semester, 60% during fall semester)	Standard OR Standard & Supplemental	No	NA - already enrolled	NA - already enrolled; If new salary < \$64,000, remain eligible for Supplemental coverage until next annual update; may voluntarily cancel coverage at any time.	When coverage first elected, coverage based on “best guess” projected earnings. Once the coverage is updated during the annual update process (using prior year’s CY earnings), coverage should remain at that level until next annual update period.	ABBR - Previous CY Classified – review & update category if applicable	The FTE changes are not considered permanent so you do not adjust the coverage based on the fluctuating FTE through the year.
RETROACTIVE JOB CHANGES								
16	Retroactive jobs changes that create an event that requires that coverage be based on projected earnings (ex. late reported FTE change)	Standard OR Standard & Supplemental	No	NA - already enrolled	NA - already enrolled; If new salary < \$64,000, remain eligible for Supplemental coverage until next annual update; may voluntarily cancel coverage at any time.	Projected earnings as of effective date of change	ABBR - Bypassed year 1 Classified – review & update category if applicable	Must retroactively change and collect/refund premiums.
EVIDENCE OF INSURABILITY (EOI)								
17	Employee is approved for coverage through Evidence of Insurability (EOI)	None	Submit EOI to ETF	Yes	Yes	Coverage level based on prior year’s WRS CY earnings (if available) unless the employee is new/perm. change in appointment- then use projected earnings as of the coverage effective date.	If premium based on prior year’s WRS CY earnings – update ABBR with previous CY earnings. If premium based on projected earnings, ABBR bypassed year 1	
		Standard ICI	NA	NA – already enrolled	No – can’t apply for Supplemental Coverage through EOI	NA	NA	

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Example	Event	Coverage in Force at Time of Event	Application Required	Eligible to Enroll in Standard	Eligible to Enroll in Supplemental	Coverage Level Basis	Annual Update Process	Comments
17	Employee is approved for coverage through EOI (continued)	Unclassified Standard OR Unclassified Standard & Supplemental (employee wants to reduce waiting period)	Submit EOI to ETF	NA – already enrolled	NA – already enrolled (if applicable)	Depends on employee’s situation	Depends on employee’s situation	
ANNUAL DEFERRED ENROLLMENT								
18	Employee enrolls through Deferred Enrollment	None	Yes – by January 30	Yes	Yes – if earnings exceed \$64,000	Coverage level based on prior year’s WRS CY earnings (if available).	If premium based on prior year’s WRS CY earnings – update ABBR with previous CY earnings.	
		Standard ICI	Yes – by January 30	NA – already enrolled	Yes – if prior CY’s WRS earnings exceed \$64,000	If employee is new or had a permanent change in percentage of appointment, then use projected earnings as of effective date of coverage.	If premium based on projected earnings, ABBR bypassed year 1.	

Method to determine projected annual earnings (ABBR):

- The projected earnings (ABBR) is an estimate of the base salary earnings to be received during the ensuing 12 months rounded to the next higher \$1,000. This projection shall be the basis for establishing average monthly earnings until coverage has been in effect for a full calendar year.
- Classified: Hourly rate X 2080 (prorated based on FTE if less than full-time); rounded to the next \$1000
- Unclassified: Annual salary per employment contract (prorated based on FTE if less than full-time); rounded to the next \$1000

Note regarding a permanent classified employee who moves to an LTE position:

- If the employee was in an ICI premium permanent plateau, they will remain in that permanent plateau as an LTE.
- If the employee was not in a permanent ICI premium plateau, they will be in Category 1 as an LTE.

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NOTE: This document is intended as a guide and is not intended to represent every possible situation or override any information provided in Wis. Statute, Administrative Code or guidance published by the Department of Employee Trust Funds (ETF).

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Additional Resources:

ICI ANNUAL UPDATE ADMINISTRATIVE PAGE: TBD

BENEFITS ANNUAL BENEFITS BASE RATE (ABBR) KNOWLEDGE BASE: <https://kb.wisc.edu/hrs/page.php?id=17090>

INCOME CONTINUATION INSURANCE WEBSITE REFERENCE: <https://www.wisconsin.edu/ohrwd/benefits/dis/ici/>

ETF ICI (STATE) ADMINISTRATIVE MANUAL: http://etf.wi.gov/employers/icistate_manual_binder.pdf

ETF ICI BROCHURE FOR STATE EMPLOYEES (ET – 2106): <http://etf.wi.gov/publications/et2106.pdf>