



# INCOME CONTINUATION INSURANCE (ICI) ABBR RULES

[Abstract](#)

The following document outlines how the ICI Annual Base Benefit Rate (ABBR) should be managed in a variety of situations.

## ABBR 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 PeopleSoft is referred to as the Annual Base Benefit Rate (ABBR). The following was reviewed and approved by the ETF Disability Unit.

| Event   | Coverage in Force at Time of Event                                   | Application Required        | Eligible to Enroll in Standard                     | Eligible to Enroll in Supplemental   | Coverage Level Basis (assuming Event does not occur during Annual Update period)  | Annual Update Process  | Comments   |
|---|--|-----------------------------|--|--|---|--|--|
| New hire  | N/A  | Yes                         | Yes  | Yes  | Projected earnings as of the effective date of coverage<br><br>ABBR effective date = date of hire   | ABBR - Bypassed until the employee has a full calendar year of earnings.<br><br>Review & update category if applicable | New EE could move to Category 3 during 2 <sup>nd</sup> CY of coverage (i.e. during first subsequent annual update period) provided the accumulated sick leave requirements are met   |
| <b>Promotion with salary increase at same agency – <u>no FTE change.</u></b><br><br>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   |  |
|   | Standard   | No                          | NA - already enrolled                              | No - even if earnings will exceed \$64,000 due to promotion.<br><br><b>Do NOT update ABBR or Elg Fld 2 at promotion.</b> | No coverage or premium change until annual update.<br><br>Note: If employee has an ICI claim, their ICI <i>benefits</i> would be based on their new rate of pay or previous CY earnings – whichever is higher | ABBR - Previous CY<br><br>Review & update category if applicable   | This information also applies to an employee whose coverage is based on a projected salary at the time of the salary increase. For premium and ABBR purposes, the projected salary will remain in place until the employee has a full calendar year of earnings. |
| Standard & Supplemental   | NA - already enrolled<br><br><b>Do NOT update ABBR at promotion.</b> |                             |  |  |   |  |  |

| Event  | Coverage in Force at Time of Event | Application Required        | Eligible to Enroll in Standard                     | Eligible to Enroll in Supplemental   | Coverage Level Basis (assuming Event does not occur during Annual Update period)   | Annual Update Process   | Comments  |
|--|------------------------------------|-----------------------------|--|--|--|---|---|
| <p><b>Demotion with salary decrease at same agency – no FTE change.</b></p> <p>Current coverage level based on last year's WRS earnings (see comments if employee on a projected salary)</p> | Not enrolled                       | NA – not eligible to enroll | Can enroll through EOI or deferred enrollment only |  | NA   | NA  |   |
|  | Standard                           | No                          | NA - already enrolled                              | No   | <p>No coverage or premium change until annual update.</p> <p>Note: If employee has an ICI claim, their ICI <i>benefits</i> would be based on their new rate of pay or previous CY earnings – whichever is higher</p> | <p>ABBR - Previous CY</p> <p>Review &amp; update category if applicable</p>   | <p>This also applies to employee whose coverage is based on a projected salary at the time of the salary increase. For premium and ABBR purposes, the projected salary will remain in place until the employee has a full calendar year of earnings.</p> <p>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.</p> |
|  | Standard & Supplemental            |                             |  | <p>If new salary &lt; \$64,000, remain eligible for Supplemental until next annual update; may voluntarily cancel coverage at any time.</p> <p><b>Do NOT update ABBR or Elg Fld 2 at demotion.</b></p> |  |   |   |
| <p><b>Transfer to a Different State Agency <u>within STAR</u></b></p>  | None                               | NA – not eligible to enroll | Can enroll through EOI or deferred enrollment only |  | NA   | NA  |   |
|  | Standard at previous agency        | No                          | NA - already enrolled                              | <p>No - even if earnings will exceed \$64,000 at new agency. <b>Do NOT update ABBR or Elg Fld 2 at transfer.</b></p>   | <p>No changes. Use same earnings amount and category that were in effect at former agency, unless permanent change in FTE % upon transfer.</p>   | <p>ABBR - Previous CY (unless new projection due to change in FTE %.)</p> <p>Review &amp; update category if applicable</p> |   |

| Event  | Coverage in Force at Time of Event         | Application Required | Eligible to Enroll in Standard                     | Eligible to Enroll in Supplemental   | Coverage Level Basis (assuming Event does not occur during Annual Update period)  | Annual Update Process  | Comments |
|--|--|----------------------|--|--|---|--|----------|
| <b>Transfer to a Different State Agency within STAR</b><br>(continued) | Standard & Supplemental at previous agency | No                   | NA - already enrolled                              | NA - already enrolled;<br>If new salary < \$64,000, remain eligible for Supplemental coverage until next annual update; may voluntarily cancel coverage at any time. | No changes. Use same earnings amount and category that were in effect at former agency, unless permanent change in FTE % upon transfer. | ABBR - Previous CY (unless new projection due to change in FTE %.)<br><br>Review & update category if applicable       |          |
| <b>Transfer to/from State Agency outside of STAR</b>                   | None                                       | N/A                  | Can enroll through EOI or deferred enrollment only |  | NA  | NA   |          |
|  | Standard at previous agency                | Yes – within 30 days | NA - already enrolled                              | Yes – if projected earnings > \$64,000   | Projected earnings as of the effective date of coverage   | ABBR - Bypassed until the employee has a full calendar year of earnings.<br><br>Review & update category if applicable |          |
|  | Standard & Supplemental at previous agency | Yes – within 30 days | NA - already enrolled                              | If projected earnings < \$64,000, not eligible to enroll in Supplemental at new agency   | Projected earnings as of the effective date of coverage   | ABBR - Bypassed until the employee has a full calendar year of earnings.<br><br>Review & update category if applicable |          |

| Event   | Coverage in Force at Time of Event | Application Required | Eligible to Enroll in Standard                     | Eligible to Enroll in Supplemental  | Coverage Level Basis (assuming Event does not occur during Annual Update period)  | Annual Update Process                  | Comments  |
|---|------------------------------------|----------------------|--|---|---|--|---|
| <b>FTE increase or decrease</b><br>[Any permanent change to appointment percentage] | Not enrolled                       | NA – not eligible    | Can enroll through EOI or deferred enrollment only |   | NA  | NA                                     | If someone has a temporary FTE change, 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. |
|   | Standard                           | No                   | NA - already enrolled                              | No - even if earnings exceed \$64,000 due to the FTE increase.  | Projected earnings as of 1 <sup>st</sup> of coverage month on or following FTE change<br><br>If coverage already based on projected earnings at time of FTE change, must update projected earnings based on FTE change. | ABBR - Bypassed year<br>1              |   |
|   | Standard & Supplemental            | No                   | NA - already enrolled                              | NA - already enrolled;<br>If new salary projection < \$64,000, supplemental would end immediately on the 1 <sup>st</sup> of the month on or following the FTE change.<br><br>Update Elg Fld 2 if eligibility for Supplemental plan is lost. | <b>ABBR effective date</b> = deduction begin date of the coverage month in which new ABBR applies.  | Review & update category if applicable |   |

| Event   | Coverage in Force at Time of Event         | Application Required        | Eligible to Enroll in Standard | Eligible to Enroll in Supplemental   | Coverage Level Basis (assuming Event does not occur during Annual Update period)   | Annual Update Process   | Comments |
|---|--|-----------------------------|--------------------------------|--|--|---|----------|
| Employee returns from unpaid LOA, did NOT receive ICI benefits and ICI coverage did NOT lapse while on LOA  | Standard <b>OR</b> Standard & Supplemental | No                          | NA - already enrolled          | NA – if already enrolled; no new enrollment opportunity upon return from LOA     | Gross premium remains the same throughout the LOA. Upon return to work, coverage level (i.e. earnings amount and category) remains the same until employee works full CY (unless there has been a permanent change in the % of appointment). | ABBR - Bypassed year 1; include in annual update process once employee works entire CY<br><br>No change in category until employee has worked a full CY |          |
| Employee returns from unpaid LOA to previous FTE level, did NOT receive ICI benefits and coverage <b>lapsed</b> while on LOA  | Standard <b>OR</b> 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 (i.e. earnings amount and category) 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<br><br>No change in category until employee has worked a full CY |          |
| 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 <b>OR</b> Standard & Supplemental | No                          | NA - already enrolled          | NA – if already enrolled; no new enrollment opportunity upon return from LOA     | Coverage level (i.e. earnings amount and category) in effect at the time the LOA began. Premium rate will be adjusted if there has been an annual premium adjustment in the interim.   | ABBR - Bypassed year 1; include in annual update process once employee works entire CY<br><br>No change in category until employee has worked a full CY |          |

| Event   | Coverage in Force at Time of Event         | Application Required | Eligible to Enroll in Standard | Eligible to Enroll in Supplemental  | Coverage Level Basis (assuming Event does not occur during Annual Update period)   | Annual Update Process  | Comments   |
|---|--|----------------------|--------------------------------|---|--|--|--|
| Employee returns from unpaid LOA but does NOT return full-time, is still receiving ICI benefits, and ICI Premium Waiver is in effect. | Standard <b>OR</b> 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 or the ICI benefit terminates, whichever is later.   | N/A  | Income earned would be an offset to ICI at 75%. Sick leave earned would be offset at 100%. Premiums are not payable while an EE is receiving ICI benefits. |
| Employee’s FTE continually fluctuates   | Standard <b>OR</b> 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.<br><br>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<br><br>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.                                   |
| Employee’s FTE fluctuates on a consistent schedule during the year (seasonal employee)  | Standard <b>OR</b> 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.<br><br>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<br><br>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.                             |

| Event   | Coverage in Force at Time of Event | Application Required | Eligible to Enroll in Standard | Eligible to Enroll in Supplemental  | Coverage Level Basis (assuming Event does not occur during Annual Update period)   | Annual Update Process   | Comments  |
|---|------------------------------------|----------------------|--------------------------------|---|--|---|---|
| Retroactive jobs changes that create an event that requires that coverage be based on projected earnings (ex. late reported FTE change) | Standard                           | No                   | NA - already enrolled          | No – even if new projected earnings exceed \$64, 000.   | Projected earnings as of effective date of change<br><br><b>ABBR effective date</b> = deduction begin date of the coverage month in which new ABBR applies | ABBR - Bypassed year 1  | Must retroactively change and collect/refund premiums.<br><br>Retroactive ABBR changes DO NOT generate retro. A POTT will need to be done to collect/refund premiums. |
|   | Standard & Supplemental            | No                   | NA – already enrolled          | NA – already enrolled; If new projected salary < \$64,000, Supplemental coverage would end immediately. |  | Review & update category if applicable  |   |
| Employee is approved for coverage through Evidence of Insurability (EOI)  | None                               | Submit EOI to ETF    | Yes                            | Yes   | Prior year’s WRS CY earnings unless employee is new or had permanent change in FTE (use projected)   | If based on prior year’s WRS CY earnings – update with previous CY earnings.<br><br>If based on projected earnings, ABBR bypassed year 1.<br><br>Review & update category if applicable |   |
|   | Standard ICI                       | NA                   | NA – already enrolled          | No – can’t apply for Supplemental Coverage through EOI  | NA   | NA  |   |
| Employee enrolls through Deferred Enrollment  | None                               | Yes – by March 1     | 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 March 1     | 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.<br><br>Review & update category if applicable   |   |



**Job Movement Examples**

| Movement   | Action  |
|--|---|
| Permanent employee <b>NOT</b> in ICI permanent plateau category and moves to LTE appointment   | <p>Enrolled in ICI Category 1 as of the 1st of the month on or following the start of the LTE appt (because they don't have access to sick leave as an LTE). Since this is a permanent change in the percentage of appointment (LTE positions are considered zero appointment), a new earnings projection would also be done.</p> <p>Update Elg Fld 2 with the new value as of the deduction begin date of the new ICI coverage (Action = Data Change, Reason = Benefits Eligibility Config).</p> |
| Permanent employee <b>IN</b> ICI permanent plateau category and moves to LTE appointment   | Stay in permanent ICI category. This was an ETF policy decision that was made some time ago.  |
| Permanent employee <b>NOT</b> in ICI permanent plateau category and moves to project position  | Keep current ICI category because sick leave transfers to project position  |
| Permanent employee <b>IN</b> ICI permanent plateau category and moves to project position  | Keep current ICI category because sick leave transfers to project position  |
| Permanent or project employee in Category 2 or 3 and moves to LTE appointment  | <p>Enrolled in Category 1 as of the 1st of the month on or following the start of the LTE appointment</p> <p>Update Elg Fld 2 with the new value as of the deduction begin date of the new ICI coverage (Action = Data Change, Reason = Benefits Eligibility Config).</p>   |
| Project employee (*with no previous permanent classified or unclassified civil service) in Category 2 or 3 moves to another project appointment or a permanent appointment (loses all sick leave at start of new position) | <p>Assigned to Category 1 as of the 1st of the month on or following the start of the LTE appointment</p> <p>Update Elg Fld 2 with the new value as of the deduction begin date of the new ICI coverage (Action = Data Change, Reason = Benefits Eligibility Config).</p>   |
| Project employee (*with previous permanent classified or unclassified civil service) in Category 2 or 3 moves to another project appointment or a permanent appointment (sick leave carries over to new position)          | Assigned to same Category upon move [* See Wis. Stat. 230.27 (2m) (a) and (b)]  |
| Employee terminates employment but is <b>NOT</b> in a permanent plateau and reinstates within 5 years so sick leave is restored  | Determine ICI category upon rehire based on reinstated sick leave balance   |
| Employee terminated employment and <b>IS in ICI permanent plateau category</b> at termination and reinstates within 5 years  | They would be under the same category (plateau) upon reinstatement  |

**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 employee has worked for a full calendar year.
- Hourly rate X 2080 (prorated based on FTE if less than full-time); rounded to the next \$1000

**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).

**Additional Resources:**

**ICI Administrative Manual:** [http://etf.wi.gov/employers/manual\\_ici\\_state.htm](http://etf.wi.gov/employers/manual_ici_state.htm)

**ICI Brochure (ET – 2106):** <http://etf.wi.gov/publications/et2106.pdf>

**Employer Bulletins:** [http://etf.wi.gov/employers/bulletins\\_state\\_ici.htm](http://etf.wi.gov/employers/bulletins_state_ici.htm)

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