



FINANCE COMMITTEE MEETING AGENDA

MONDAY, JULY 24, 2023 AT 5:30 PM

MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094

By Phone or GoToMeeting: Members of the media and the public may attend by calling:

+1 (571) 317-3122 **Access Code:** 153-925-469 or <https://www.gotomeet.me/EMcFarland>

All public participants' phones will be muted during the meeting except during the public comment period.

1. CALL TO ORDER

2. REVIEW AND APPROVE MINUTES

- [A.](#) Finance Committee minutes from July 10, 2023

3. BUSINESS

- [A.](#) Notice: August meeting dates are August 7 and 21 because the month starts on a Tuesday
- [B.](#) Review and take possible action: Job description reviews for 2024
 - 1. Public Works: Building, Safety, and Zoning Division
- [C.](#) Review and take action: approve two step adjustment for Scott Blasing to Grade I Step 4
- [D.](#) Review and take possible action: Resolution to Amend the Employee Handbook of Policies and Procedures for Reasonable Accommodations, Compensation Plan Timeline Detail, Timecard Changes
- [E.](#) Review and take action: City of Watertown entering into employee Income Continuation Insurance contract with Employee Trust Funds managed by The Hartford effective January 1, 2024
- [F.](#) Review and take action: Housing Rehab Grant Program Application
- [G.](#) Review and take action: Local Government Academy through UW Extension
- [H.](#) Review and take action: Memorandum of Understanding with the Wisconsin Election Commission for the 2023 absentee ballot envelope subgrant program
- [I.](#) Review and take action: Cost Allowability Against Federal and State Awards
- [J.](#) Report: Fund 1 Income Statement through June 2023
- [K.](#) Present update: General Fund interest earnings
- [L.](#) Convene into closed session per Wis. Stat. Sec. 19.85(1)(g) to confer with legal counsel of the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. (Steindorf v. City of Watertown, A.I. v. City of Watertown, Tietz v. City of Watertown, Police Department property damage and Fire Department property damage)
- [M.](#) Reconvene into open session

4. ADJOURNMENT

Persons requiring other reasonable accommodations for any of the above meetings, may contact the office of the City Clerk at mdunneisen@watertownwi.gov, phone 920-262-4006

A quorum of any City of Watertown Council, Committee, Board, Commission, or other body, may be present at this meeting for observing and gathering of information only



FINANCE COMMITTEE MEETING MINUTES

MONDAY, JULY 10, 2023, AT 5:30 PM

MUNICIPAL BUILDING COUNCIL CHAMBERS – 106 JONES STREET, WATERTOWN, WI 53094

Members present: Mayor McFarland, Alderpersons Bartz, Davis, Lampe, and Moldenhauer

Others present: Finance Director Mark Stevens, Fire Chief Travis Teesch, Streets Operations Manager Stacy Winkelman, Water Manager Pete Hartz, Rec/Parks Director Kristine Butteris, Police Chief Robert Kaminski, Lisa Schwartz, Tony Rauterberg, Lisa Famularo (video), Brad Viegut (Baird), Ken Berg

1. **Call to order.** Mayor McFarland called the meeting to order at 5:30 p.m.
2. **Minutes** from the meeting of **June 26** were presented. Ald. Lampe, seconded by Ald. Davis, moved to approve. Unanimous voice vote.
3. As requested at June 24 meeting, Peter Hartz updated appropriate job description language and met with the mayor for the possible submission for **review to Carlson Dettmann for Water: business office manager**. Ald. Bartz, seconded by Ald. Lampe, made a motion to move forward with submissions to Carlson Dettmann. The committee unanimously approved by voice vote.
4. Mark Stevens updated the finance committee as to current **payroll time entry processes** and an advertised relief of department time sheet submissions which will be announced in tomorrow's leadership team meeting.
5. Fire Chief Teesch presented two environmental **sustainability features** proposed by SEH, the design architects of the fire station: **geothermal heating/cooling system** and a **photovoltaic system (solar panels)**. Although the recommendations were appreciated, the projected savings to break-even points did not warrant the additional up-front costs. Ald. Moldenhauer, supported by Ald. Lampe, made the motion to not pursue either proposal, and the vote carried unanimously.
6. Brad Viegut was present to answer any questions regarding the sale of Note Anticipation Notes as a construction loan approach for the fire station. His earlier presentation to Council was an assumption of \$3M borrowing in future years. As requested, he presented alternate scenarios with assumptions of \$3.5M and \$4M borrowing. Both show that the projected mill rate (taking into consideration debt retirement) will not exceed an increase of more than \$0.01 to the mill rate, but this increase would continue for longer than the four years shown on the original analysis.

Mr. Viegut explained that this resolution intentionally includes the word "approximately" to indicate the amount of \$13,080,000 is likely to be altered up or down once the actual costs have been determined. The project cost is projected at \$12.5M with financing/admin fees of approximately \$580,000. The Council will have the opportunity and requirement to approve an actual borrowing amount closer to the need for funds distribution.

Ald. Lampe, seconded by Ald. Bartz, recommended a resolution be forwarded to the Council for the **sale of approximately \$13,080,000 Note Anticipation Notes for fire department construction**. This motion was approved unanimously.
7. Chief Teesch indicated that we're at an appropriate point in the design of the fire station to seek the help of a construction manager for the project. An RFP has been developed. City staff will be greatly helped by securing an outside firm to have the project management role, and we look forward to a firm knowledgeable of cost-savings methods and materials to move forward through all

phases of pre-construction, construction, and post-construction. It is estimated that the cost of these services is approximately 3%-5% of construction costs. Ald. Lampe moved, seconded by Ald. Davis, to allow Chief Teesch to release the **RFP for construction management services**. The committee agreed unanimously.

8. The City was presented a **donation of \$160,000** from the Watertown Area Community Foundation **to allow the full repair of the Riverside Park stone walls/bridges**. Ald. Moldenhauer moved, supported by Ald. Davis, to accept this donation acknowledging the conditions (install donation recognition plaque, keep bridge closest to city shed, leave Division St entrance undisturbed). The committee unanimously and gladly accepted the donation.
9. Parks Director Butteris reviewed the latest revisions of the **Riverside Park restroom project** with the committee. The revised plans (reduction in plumbing fixtures, flat ceiling, cupola listed as alternate) are ready for release for a rebidding, but the required steps would have the project starting in fall and would not likely have as many bidders at this time of the year. The work could begin in the fall, but would then stop over the winter season. Alternatively, bidding could be initiated in late 2023/early 2024 with a more favorable possibility of offers. Ald. Davis, seconded by Ald. Bartz, opted to **wait for bidding in January**, and the committee agreed unanimously.
10. Mark Stevens provided the latest iteration of the **Capital Improvements**. Recent additions of River Plaza: Phase II and Riverside restroom supplemental funds brings the Capital Funds request for **2024 to \$4,773,000**, approximately \$1.7M above a targeted \$3M amount.
11. The finance committee had asked to have the **emergency vehicle preemption solution** presented again. Assistant Fire Chief Rauterberg provided information and a quote. Committee members asked a few questions, but were reminded that this project stalled when a prospective grant was not awarded. Mr. Rauterberg and Mr. Stevens offered to meet with the firm to understand what options exist. Ald. Lampe moved, supported by Ald. Moldenhauer, to move this to the 2024 column in the CIP. The committee agreed unanimously.
12. Adjournment. Ald. Moldenhauer moved to approve adjournment, seconded by Ald. Lampe, and carried by unanimous voice vote.

Respectfully submitted,

Mark Stevens, Finance Director

Note: These minutes are uncorrected, and any corrections made thereto will be noted in the proceedings at which these minutes are approved.

Main Office
920-262-4060

Brian Zirbes
920-262-4041

Mark Hady
920-342-0986

Nikki Zimmerman
920-262-4045

Dell Zwieg
920-262-4042

Doug Zwieg
920-262-4062

Dennis Quest
920-262-4061

MEMO

TO: Finance Committee/Mayor McFarland
FROM: Brian Zirbes
DATE: July 24, 2023
RE: Job Descriptions

Committee Members,

Previously I had submitted two proposed job descriptions. One for upgrading the existing Administrative Assistant II position to a Zoning and Administration Specialist position and the second for a new part-time Clerk-Typist position. The purpose of these requests had been to assist with workloads and build planning and code administration skill sets among BS&Z staff. This proposal was budget mindful in reallocating existing staff and only adding a new part-time Clerk-Typist.

Ideally, BS&Z could use a fulltime Planning and Code Administration Specialist position to assist with code administration and enforcement workloads, offer redundancy and backup to key office functions, and help capture and retain institutional knowledge. Most communities the size of Watertown have more than one person involved in Planning and Code Administration functions. However, I do realize that budget-wise this may not be possible at this time. Therefore, I am proposing some changes to my original proposal.

Rather than pursuing the Zoning and Administration Specialist position, I am suggesting that the outcome of the Administrative Assistant Job Cluster project be considered once this project is complete. This project may be able to accomplish some of the goals of the Zoning and Administration Specialist position proposal. Therefore, I am only requesting a new part-time Clerk-Typist position to assist the Administrative Assistant II position. This position will free up time for the Administrative Assistant II position to complete more complex tasks and provide consistent staff coverage for both BS&Z and Engineering. Starting wage for a Clerk-Typist position is currently \$15.16 per hour. The cost of this position at 20 hours per week would be approximately \$15,766 per year.

Thank you for your consideration.

POSITION DESCRIPTION

This job description has been prepared to assist in the evaluation of various classes of responsibilities, skills, and working conditions. It indicates the kinds of tasks and levels of work difficulty generally required of positions given this job. The principle duties and responsibilities enumerated are all essential functions except for supplemental duties and responsibilities. Supplemental duties are described beginning with the word "May." This job description is not intended to limit or modify the right of any supervisor to assign, direct and control the work of employees. Nothing contained herein is intended or shall be construed to create or constitute a contract of employment between any employee or group of employees and the City. The City retains and reserves any and all rights to change, modify, amend, add to, or delete from any section of this description as it deems, in its judgment, to be proper.

SUBMIT RESUME AND COMPLETED JOB APPLICATION TO: Jaynellen Holloway, City of Watertown, 106 Jones Street, Watertown, WI 53094 or Jaynellenh@cityofwatertown.org.

DATE: June 2023

Title: Clerk/Typist (Part-Time) **Department:** ~~Engineering/BS&Z Depart.~~ Public Works **Division(s):** Engineering/BS&Z
FLSA Status: Nonexempt

Grade: B **Step:** 1

General Summary:

This is a part time administrative position which performs typing and routine clerical duties within the Watertown Engineering and Building, Safety & Zoning ~~Departments~~ Division.

Reporting Relationships:

Under the direct supervision of the Zoning Administrator. Responsible for clerical and office duties involving the support of the administrative function of the two departments. Refer more complicated matters to the City Engineer, Assistant City Engineer, or Zoning Administrator. Work of a confidential and sensitive nature.

Specific Accountabilities:

1. Answer telephone, screen and direct calls.
2. Schedule inspections.
3. Assist with walk-ins at the counter.
4. Data entry tasks with various computer programs.
3. Type routine correspondence, forms and reports in accordance with procedures.
4. Assist in checking and verifying department records.
5. Operates office equipment such as a calculator, copy equipment, and printer.
6. Maintain files of correspondence, forms, records, reports, and other materials.
7. Sort mail and deliveries.

Required Knowledge, Skills and Abilities:

Graduation from High School (or HSED equivalent) with major course work in office occupations with one (1) year of office experience and an equivalent combination of education and experience which provides the following knowledge, abilities and skills:

- Working knowledge of business English, spelling and correspondence formats.
- Working knowledge of Microsoft Office programs.
- Working knowledge of current office practices and procedures.
- Ability to operate office equipment and word processor (computer automated software and peripheral equipment.)
- Ability to learn various software applications (i.e., iWorQ, GIS/Esri)
- Ability to understand and follow instructions.
- Good working knowledge of, and the ability to maintain filing systems.
- Ability to establish and maintain effective working relationships with coworkers, and to tactfully deal with the public.
- Ability to effectively work under stressful conditions.
- Fluent in Spanish is not required, but is preferred.



Water Systems

800 Hoffmann Drive • P.O. Box 477 • Watertown WI 53094-0477
WASTEWATER (920) 262-4085 • WATER (920) 262-4075

To: Mayor McFarland & Members of the Finance Committee
From: Peter Hartz – Water Systems Manager

7/18/23

Re: Water System agenda items for Finance committee meeting 07/24/2023

Dear Mayor McFarland & Committee Members:

Water Systems agenda item:

1. Review and take action - approve two-step adjustment for Scott Blasing to Grade I Step 4.
 - Scott Blasing of the wastewater team has met the requirements for two additional steps on the pay plan based on obtaining the certifications of Wastewater General, and Sanitary Sewage Collection System, offered by the Wisconsin Department of Natural Resources. These steps would be retroactive to July 6, 2023, the approved 2023 budget supports these steps.
 - Scott Blasing – Grade I Step 2 (\$26.15/hr.) to a Grade I Step 4 (\$27.60/hr.)

If anyone has any questions, please feel free to contact me anytime.

Sincerely,

Tim Hayden
Watertown Water Systems

**RESOLUTION TO
AMEND THE EMPLOYEE HANDBOOK OF POLICIES AND
PROCEDURES FOR REASONABLE ACCOMMODATIONS,
COMPENSATION PLAN TIMELINE DETAIL, TIMECARD CHANGES**

**SPONSOR: MAYOR EMILY MCFARLAND
FROM: FINANCE COMMITTEE**

WHEREAS, the City adopted the current City of Watertown Employee Handbook of Policies and Procedures on July 6, 2012 with the most recent amendment occurring on February 7, 2023; and,

WHEREAS, the City has an Interim Assignment policy which adjusts an employee's pay rate when they are asked to fulfill a higher position for a period of at least 60 days; and,

WHEREAS, the City has a Out of Classification policy which adjusts employee's pay rate when they are asked to fulfill a higher position for a period of at least one hour for those hours worked; and,

WHEREAS, these two policies overlap and perform similar functions, having both policies in place is at time duplicative.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF WATERTOWN, WISCONSIN:

That Article IV. Employment Compensation Section G. Additional Job Compensation Subsection Out of Classification is hereby repealed.

BE IT FURTHER RESOLVED that the proper City Officials be and are hereby authorized to inform employees of such changes.

	YES	NO
DAVIS		
LAMPE		
BOARD		
BARTZ		
BLANKE		
SMITH		
SCHMID		
WETZEL		
MOLDENHAUER		
MAYOR MCFARLAND		
TOTAL		

ADOPTED July 5, 2023

CITY CLERK

APPROVED July 5, 2023

MAYOR

Memo

To: Mayor McFarland & Finance Committee

From: Lisa Schwartz, Human Resources Generalist

Date: June 21, 2022

Re: ETF Income Continuation Insurance Agenda Item

Please find the following agenda item for your consideration and approval.

The City would like to expand our employee benefit offering to include Income Continuation Insurance, a program currently offered through Employee Trust Funds, for City employees. In the 2023 Local Employer training with ETF, organizations that participate in the Wisconsin Retirement System were notified of a premium holiday for employees and employers for this benefit of which Watertown qualifies.

The Income Continuation Insurance Program provides replacement income during periods of short-term and long-term disability. It provides up to 75 percent of an insured employee's WRS gross earnings. Benefits are normally ended at age 65.

The ICI plan is funded by employer and employee premium contributions. It is available to local government employees if their employer is enrolled in the ICI Program. The plan's third-party administrator, currently The Hartford, processes initial applications, manages claims, pays benefits and provides case management.

Pending the approval of the City Attorney, Finance Committee, and Common Council we would anticipate sending the resolution to ETF for approval with an effective date of January 1, 2024. Application collection will follow our employee benefit open enrollment period.

Further communication will be added to the employee handbook to update the benefits section with the new offering.

Please review and provide recommendation.



The Wisconsin Public Employer Income Continuation Insurance Administration Manual

Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53713

Employer Communications Center
1-877-533-5020

etf.wi.gov

[Preface](#)

[Chapter 1 - General Information](#) (REV 4/20/2021)

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101	Program Features
102	Employer Responsibilities
103	Contacts
104	Complaint Resolution
105	ETF Ombudsperson Services
106	Confidentiality of Records
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108	Internet Address

[Chapter 2 - Eligibility Criteria](#) (REV 4/19/2023)

200	Eligibility for ICI Coverage
201	Initial Enrollment Period and Coverage Effective Date
202	WRS Previous Service Check
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[Chapter 3 - Enrollment and Application](#) (REV 4/19/2023)

300	Enrollment Opportunities
301	Completion of ICI Application
302	Distribution of Copies
303	Application Due Date, Premiums and Effective Date of Coverage
304	Instructions for Completing the Evidence of Insurability Application

[Chapter 4 - Employee and Employer Premiums](#) (REV 6/7/2019)

400	Basis for Premium Rates
401	Calculating Employer Contributions and Employee Premium
402	Annual Review and Premium Update

[Chapter 5 - Monthly Premium Report](#) (REV 4/20/2021)

500	Monthly Income Continuation Insurance Premium Reporting and Payment
501	Due Date
502	Late Reporting Interest Charge
503	Permanent Change in Percentage of Appointment

[Chapter 6 - Termination of Coverage](#) (REV 4/19/2023)

600	Termination of Coverage
601	Lapse in Coverage
602	Cancellation of Coverage
603	Employer Withdrawal from the ICI Program

Chapter 7 - Benefits (REV 4/19/2023)

700	Introduction
701	Eligibility for ICI Benefits
702	Determining Dates of the Elimination Period
703	Earnings for Benefit Payment Purposes
704	Benefit Payments
705	Dates of Benefit Payment Checks
706	Continuation of Benefits
707	Maximum Duration of Benefits
708	Offsets from Other Sources
709	Reduction or Termination of Benefits
710	Social Security Withholding on ICI Benefits
711	Taxability of ICI Benefits

Chapter 8 - Claim Processing (REV 4/19/2023)

800	Filing an ICI Claim
801	Information Required from the Employer
802	Third-Party Administrator Claim Review
803	Approval, Denial or Termination Notice
804	Paying Premiums After the Date of Disability
805	Waiver of Premium

Chapter 9 - Claimant Change in Work Status (REV 9/2015)

900	Change in Work Status
901	Reporting Offsets from Part-Time Employment and Worker's Compensation Temporary Benefits

Chapter 10 - Reinstatement of Coverage Lost Due to Employer Error (REV 6/14/2023)

1000	Introduction
1001	Types of Employer Errors that Can be Corrected
1002	How to Correct an Employer Error
1003	Errors Not Eligible for Correction
1004	How to Avoid Employer Errors

Appendix A – ICI Eligibility & Premium Rules (REV 4/19/2023)

Preface

The *Wisconsin Public Employers Income Continuation Insurance Administration Manual* (ET-1145) is a reference source intended to aid your administration of and participation in the WPE ICI Program. Its contents are based on state statute, administrative code, and ICI plan language and contain instruction relevant to the administrative and reporting practices of the ICI Program. Wisconsin statutes, administrative code, and ICI plan language are reviewed on an ongoing basis and may be revised after the printing of this manual.

The Department of Employee Trust Funds will make every effort to communicate changes to employers via *Employer Bulletins* and manual updates. This manual contains examples relevant to the administration of the ICI Program but may not cover every eventuality. Specific program questions and situations will be considered with regard to current statute, administrative code, ICI plan language, and/or case law by ETF.

Consult this manual as a first-step resource when you encounter ICI Program-related questions or concerns. If questions remain, contact the Employer Services Section (ESS). ESS provides a single point of contact to resolve issues regarding eligibility, enrollment, coverage and invoicing for ETF benefit programs. A central voice mail system handles calls when all ESS staff member lines are busy. The voice mail system is monitored on a regular basis and all calls are returned within 24 business hours. The ESS telephone numbers are toll-free 1-877-533-5020, option 2, and locally at 1-608-266-3285, option 2.

Your efforts to accurately administer the provisions of the ICI Program are appreciated. If you have comments on this edition or suggestions for the next edition of this manual, please contact toll free at 1-877-533-5020, option 2, or 1-608-266-3285, option 2.

Chapter 1—General Information

100	Introduction
101	Program Features
102	Employer Responsibilities
103	Contacts
104	Complaint Resolution
105	ETF Ombudsperson Services
106	Confidentiality of Records
107	Ordering ICI Forms
108	Internet Address

100 Introduction

The Income Continuation Insurance Program provides replacement income during periods of short-term and long-term disability. It provides up to 75 percent of an insured employee's WRS gross earnings. Benefits are normally ended at age 65.

The ICI plan is funded by employer and employee premium contributions. It is available to local government employees if their employer is enrolled in the ICI Program. The plan's third-party administrator, currently The Hartford, processes initial applications, manages claims, pays benefits and provides case management.

Rules governing ICI are addressed in Wis. Stat. §§ 40.02 (28), 40.05 (5), 40.61, and 40.62; Wisconsin Administrative Code ETF 50.10; and the ICI Plan Language, available at http://etf.wi.gov/publications/ici_plan_language.pdf.

Other disability programs administered by the Department of Employee Trust Funds include the following:

- Disability Retirement Benefits (§ 40.63)
- Duty Disability and Survivor Benefits (§ 40.65)
- Long-Term Disability Insurance (LTDI) (ETF 50, Subchapter III)—Closed to new claims as of January 1, 2018.

Visit ETF's Internet site at etf.wi.gov or contact ETF for more information on these programs.

101 Program Features

The following lists the features included under the ICI Program's Standard and Supplemental coverage levels.

Standard Coverage

- Replaces up to 75% of a subscriber's annual WRS earnings up to \$64,000.
- Maximum benefit of \$4,000 per month.
- Elimination periods: 30, 60, 90, 120 or 180 days.
- The employer pays the premium for employees who select the 180-calendar-day elimination period. Employees who choose a shorter elimination period will pay an additional premium. Employers may choose to pay up to 100 percent of the premium regardless of the elimination period.
- Upon approval of a claim, benefits are paid at the beginning of the month for the preceding month. For example, January benefits are paid February 1.
- Generally, benefit payments begin after the elimination period and continue for the length of the disability.
- Benefit payments usually end at age 65.
- Disabilities of more than one year's duration have an additional \$75 per month added to the benefit if the subscriber meets the definition of totally disabled per section 1.13 of ICI plan language; there are no other increases.
- ICI benefits do not duplicate other benefits; ICI benefits are offset (reduced) by benefits available from other sources.

Supplemental Coverage

- Allows subscribers whose annual salary exceeds \$64,000 the option to purchase additional supplemental coverage.
- Subscribers with supplemental coverage are eligible for a maximum benefit of \$7,500 per month.
- Subscribers electing supplemental coverage must insure their entire salary above \$64,000, up to a maximum of \$120,000; there is no partial supplemental coverage.
- Subscribers with supplemental coverage must pay 100% of the premium for supplemental coverage.

102 Employer Responsibilities

The following are a list of employer responsibilities under the ICI Program:

- Designate a payroll/personnel/benefits representative with general ICI knowledge to serve as a contact for ETF and the third-party administrator.

- Inform the employee on or before the date of hire about eligibility, benefits, cost, enrollment procedure and effective date of coverage.
- Provide employees with an *Income Continuation Insurance Application* (ET-2366), *Income Continuation Insurance Brochure* (ET-2129) and an *Evidence of Insurability Application* (ET-2308), as applicable.
- Determine if employee has any previous service in the WRS. (Refer to subchapter 202 for more information.)
- Secure, audit and maintain completed applications and arrange for payroll deductions for payment of premiums.
- Submit applications to ETF timely.
- Respond to the third-party administrator's inquiries timely.
- Prepare and submit the *Monthly Premium Report Group Income Continuation Insurance* (ET-1629) form to ETF.
- Prepare *Income Continuation Insurance Employer Statement* (ET-5351) and *Income Continuation Insurance Report of Employment and Earnings* (ET-5901) and submit to ETF, when required.
- Refer contractual interpretation questions to ETF.

103 Contacts (between 7:45 a.m. and 4:30 p.m. Central Time, except holidays)

Subject	Contact
Eligibility, Enrollment or Coverage and Suggestions for this Manual	ETF's Employer Services Section (ESS) 608-266-3285, option 2, or toll free 1-877-533-5020, option 2, or by email at ETFSMBEmployerInsurance@etf.wi.gov
Claims, Benefits, Customer Service, Payments, Complaints	The Hartford toll free 1-800-960-0052 The Hartford P.O. Box 14869 Lexington, KY 40512-4869 ICIQuestions@thehartford.com To expedite the email request, please use the following subject lines: ICI – Customer Service Issue ICI – Payment Information ICI – Pending Claim ICI – Overpayment ICI – Other ICI – Ombudsperson/Complaint Escalation

104 Complaint Resolution

To resolve a complaint, the claimant (or employer on the claimant's behalf) should contact ICI's third-party administrator. The claimant should ask to speak with the customer service team leader if the problem cannot be resolved by Customer Service staff. In the event the Team Leader is unable to resolve the problem, the claimant should request to speak to the third-party administrator's ombudsperson. The ombudsperson will work with the claimant — and ETF if necessary — to resolve the complaint.

105 ETF Ombudsperson Services

ETF offers ombudsperson services to assist claimants who remain dissatisfied after contacting the third-party administrator regarding a problem or complaint. Employers should direct subscribers in this situation to telephone or write ETF at:

Local (Madison) 608-266-3285
Toll Free 1-877-533-5020
Department of Employee Trust Funds
Ombudsperson Services
PO Box 7931
Madison WI 53707-7931

ETF staff will attempt to resolve complaints and problems. If unsuccessful, they will inform the claimant of subsequent avenues of appeal. Complaints should be made in writing using the *Insurance Complaint Summary* (ET-2406) form whenever possible. Additional information regarding ETF ombudsperson services can be found on the ETF Internet at: <http://etf.wi.gov/members/ombudsperson.htm>.

106 Confidentiality of Records

If you are contacting the third-party administrator on behalf of the subscriber, the subscriber is required to complete and submit an *Authorization to Disclose Non-Medical Personal Information* (ET-7406) to ETF. Under normal circumstances, medical records cannot be released to the subscriber, their employer or an attorney without specific additional authorization.

107 Ordering ICI Forms

Employers must order all ICI forms directly from ETF. Go to ETF's Internet site at <http://etf.wi.gov> and click on the "Forms and Publications" radio button located in the left-side menu.

To order by email, go to ETF's Internet site at <http://etf.wi.gov>. On the home page, click 'Employers' located at the top of the page. Scroll down to the bottom of the page. Under 'Forms', click on 'Employers'. From this new page, click on the button 'Order Forms' located at the top of the page. On the Employers Form page, complete the information requested and click on the 'Send' button at the bottom of the page. You can expect to receive your order in 1-3 weeks.

Employers can also access the employer form order email option through the Online Network for Employers (ONE) site. Under 'Other Resources,' click on the link 'Employer Form Order'.

108 Internet Address

ETF's Internet site contains information on ICI for local government employees. The address is <http://etf.wi.gov>. Employees will find pertinent information on ICI by clicking on the "Income Continuation Insurance" link under the 'Members' tab. The site provides an overview of ICI for local employees and detailed information including:

- [Local Employee ICI brochure \(ET-2129\)](#)
- [Answers to Frequently Asked Questions \(FAQs\)](#)

Chapter 2—Eligibility Criteria

200	Eligibility for ICI Coverage
201	Initial Enrollment Period and Coverage Effective Date
202	WRS Previous Service Check
203	Rehired/Returning Employee Eligibility
204	Interrupted Service/Leaves of Absence
205	Compromise Agreements and Reinstatements

200 Eligibility for ICI Coverage

All employees, including part-time, limited-term (LTE), seasonal and non-represented employees, are eligible for and **must** be offered, Income Continuation Insurance (ICI) coverage provided they meet all the following:

- Are participating in the Wisconsin Retirement System (WRS)
- Are employed by an employer who participates in the ICI Program.
- Receives earnings for services rendered.

ICI participation cannot be limited to a particular department, employee classification, special interest group or union contract group. In addition, rehired WRS annuitants who have had their annuity suspended and are again WRS participating employees, and LTDI recipients who previously terminated employment, but are now returning to WRS-covered employment, must be offered ICI coverage.

201 Initial Enrollment Period and Coverage Effective Date

An eligible employee can become insured for standard and supplemental ICI coverage by filing an Income Continuation Insurance Application (ET-2366) with their employing agency's payroll/personnel office within 30 calendar days of first becoming eligible for ICI.

Coverage shall be effective the first day of the calendar month that first occurs during the 30-day enrollment period. After the 30-day enrollment period, employees desiring coverage must apply through evidence of insurability. For more information about new hire enrollment, see Appendix A.

The following chart gives a few examples of hire dates, application due dates and effective dates for WRS eligible employees.

Hire (WRS Eligibility) Date	ICI Application Received Date	ICI Application Due Date	Effective Date of Coverage
01/05	01/25	02/04	02/01
06/01	06/13	07/01	06/01
08/01	08/24	08/31	08/01
11/15	12/03	12/15	12/01

202 WRS Previous Service Check

ETF provides two methods for employers to use in determining whether an employee has previous WRS service:

1. Access the Previous Service Benefit Inquiry application on the Online Network for Employers site.

Note: This is a password-protected site. To obtain access, refer to Chapter 8 of the Wisconsin Retirement System Administration Manual (ET-1127).

2. Call the Employer Services Section at toll-free 1-877-533-5020 or 608-266-3285 and request a previous service check.

203 Rehired/Returning Employee Eligibility

The following charts depict situations in which employees are either rehired or returning from an unpaid leave of absence. The charts indicate whether the employees are eligible to enroll in the ICI program or whether evidence of insurability is required.

Chart I represents **previously eligible but uninsured** employees.

Chart II represents **previously insured** employees.

Chart I			
ICI Eligibility for PREVIOUSLY ELIGIBLE UNINSURED Rehired/Returning Employees			
Situation		ICI Eligible?	ICI Coverage Effective Date
1.	On leave of absence, returns to covered employment with the same employer.	No, must apply through Evidence of Insurability (EOI).	N/A
2.	On military leave, returns to the same employer.	No, must apply through EOI.	N/A
3.	Terminates, takes separation benefit (withdraws available contributions) from WRS, returns to covered employment with the same employer.	Yes; must submit application within 30 days of rehire.	First of month that first occurs during the 30-day enrollment period.
4.	Terminates, leaves WRS contributions in system, returns to covered employment with the same employer within 30 days.	No, must apply through EOI.	N/A
5.	Terminates, leaves WRS contributions in system, returns to covered employment with the same employer after 30 days.	Yes; must submit application within 30 days of rehire.	First of month that first occurs during the 30-day enrollment period.
6.	Terminates, leaves WRS contributions in system, returns to covered employment with different WRS employer under ICI.	Yes; must submit application within 30 days of rehire.	First of month that first occurs during the 30-day enrollment period.
7.	Retires then returns to WRS eligible employment after a 75-day break in service and annuity is suspended.	Yes; must submit application within 30 days of rehire.	First of month that first occurs during the 30-day enrollment period.

Chart II					
ICI Eligibility for <i>PREVIOUSLY INSURED</i> Rehired/Returning Employees					
	Situation	ICI Standard Eligible?	ICI Supplemental Eligible?	Effective Date	Can Elimination Period Be Shortened?
1.	On leave of absence, coverage lapsed, returns to covered employment with the same employer.	Yes*	Yes, if previously enrolled in ICI supplemental coverage.	First of month that first occurs during the 30-day enrollment period.	No, must request through Evidence of Insurability (EOI).
2.	On military leave, coverage lapsed, returns to the same employer.	Yes*	Yes, if previously enrolled in ICI supplemental coverage.	First of month that first occurs during the 30-day enrollment period.	No, must request through EOI.
3.	Terminates, takes a separation benefit (withdraws available contributions) from WRS, returns to covered employment with the same employer.	Yes*	Yes, if enrolling in ICI standard coverage.	First of month that first occurs during the 30-day enrollment period.	N/A; can choose any elimination period.
4.	Terminates, leaves WRS contributions in system, returns to covered employment with the same employer within 30 days.	Yes* (since coverage was in effect at time of termination)	Yes, if previously enrolled in ICI supplemental coverage.	First of month that first occurs during the 30-day enrollment period.	No, must request through Evidence of Insurability (EOI).
5.	Terminates, leaves WRS contributions in system, returns to covered employment with the same employer after 30 days.	Yes*	Yes, if enrolling in ICI standard coverage.	First of month that first occurs during the 30-day enrollment period.	N/A; can choose any elimination period.
6.	Terminates, leaves WRS contributions in system, returns to covered employment with different WRS employer under ICI.	Yes*	Yes, if enrolling in ICI standard coverage.	First of month that first occurs during the 30-day enrollment period.	N/A; can choose any elimination period.
7.	Retires, then returns to WRS eligible employment after a 75-day break in service, annuity suspended.	Yes (refer to subchapter 200).*	Yes, if electing standard coverage (refer to subchapter 200).	First of month that first occurs during the 30-day enrollment period.	N/A; can choose any elimination period.

*Must submit application within 30 days of return to work/rehire.

204 Leaves of Absence (LOA)

For ICI purposes, LOA refers to an *unpaid LOA*.

LOA for employee currently covered under ICI:

ICI-covered employees who take an unpaid LOA may continue ICI coverage during the approved LOA. The first three months of authorized leave qualify for the employer contribution. Beyond three months, the employee is responsible for the full premium.

Premium payments must be received by the employer prior to the end of coverage so there is no lapse in coverage. The maximum time ICI coverage may be continued is 36 months, except for insured employees on union service leave, as defined under Wis. Stat. § 40.02 (56), or on military leave, who may continue to be insured for the duration of the leave.

ICI-covered employees on unpaid LOA who allow coverage to lapse may reinstate their previous coverage by filing an ICI enrollment application with the employer no later than 30 days after their return to work. The employee is not required to file for coverage under evidence of insurability as long as their application is filed timely.

Coverage will be effective the first day of the month that first occurs during the 30-day enrollment period. Premiums resume in the same amount as before the LOA, unless an annual premium or salary adjustment has occurred in the interim. For more information about employees returning from a leave of absence and enrollment, see Appendix A.

Note: Per Wis. Stat. § 40.02 (40), an unpaid LOA is not considered to have ended unless the employee resumes active performance of duty for 30 consecutive calendar days for at least 50% of what is considered that employee's normal work schedule. If an employee returns to work and completes an application for ICI benefits, but then does not work enough for his or her LOA to be considered ended, they would not be eligible to re-enroll for ICI until such time that their LOA is considered ended.

205 Reinstatement Due to Compromise Agreements

Some employee/employer disputes are the result of discharge from employment. ICI coverage immediately terminates on the date of discharge; ICI coverage cannot be continued during a process of appeal or arbitration. Should resolution of the dispute result in reinstatement:

- The employee may re-enroll, but only for the same or longer elimination period in effect on the date of the disputed termination.
- A completed application must be filed with the employer no later than 30 days after the return to active employment.

The effective date of the insurance is determined as if the employee were rehired on the date of reinstatement. Coverage becomes effective the first of the month that first occurs during the 30-day enrollment period.

CHAPTER 3—Enrollment and Application

- 300 Enrollment Opportunities**
- 301 Completion of ICI Application**
- 302 Distribution of Copies**
- 303 Application Due Date, Premiums and Effective Date of Coverage**
- 304 Instructions for Completing the Evidence of Insurability Application**

300 Enrollment Opportunities

ICI is available to all eligible employees. (Refer to subchapter 200 for further information on eligible employees.) There are two opportunities for an eligible employee to enroll in the ICI Program:

- 1. Initial Enrollment Period** - This enrollment period generally applies to newly hired or rehired employees. See Appendix A for additional information.
 - The employer must provide an *Income Continuation Insurance (ET-2106)* brochure and *ICI Application - Local Government Employee (ET-2366)* to the employee on his first day of WRS covered employment.
 - An eligible employee may enroll by submitting a completed ICI application to the employer no later than 30 days following the employee's initial ICI eligibility date. (Refer to subchapters 201 and 202.) Employees are required to submit a completed application whether they are enrolling in coverage or declining coverage.
 - The employer must complete the employer information section on all applications and submit them to ETF within 30 days.

Note for Local Elected Officials: The ICI Program provides for immediate enrollment eligibility for local elected officials. If coverage is desired, they must enroll within 30 days of taking office or being appointed.

- 2. Evidence of Insurability (EOI)** - The *Evidence of Insurability Application (ET-2308)* is required for employees who have missed their initial enrollment period or who are applying for a shorter elimination period (refer to subchapter 400 for further information on elimination periods).
 - Eligible employees may apply at any time by completing an *Evidence of Insurability Application* and forwarding it directly to ETF. (Refer to subchapter 304 for instructions on completing the *Evidence of Insurability Application*.)
 - An application received by ETF more than 30 days after its completion date, i.e., the date the application is signed, will be rejected. The employee will be required to complete a new *Evidence of Insurability Application*.

Enrollment for Supplemental ICI Coverage

Supplemental ICI coverage is available to employees whose gross annual earnings exceed \$64,000. The entire premium for supplemental ICI coverage is paid by the employee. Refer to subchapter 101, Program Features, for more information on Supplemental ICI Coverage. Appendix A also contains additional information about enrolling in Supplemental ICI coverage.

- The employee may enroll for supplemental ICI coverage along with standard coverage during the initial enrollment period.
- Employees may also enroll for supplemental coverage during the annual open enrollment period from January 1 through March 1. Refer to subchapter 402 for additional information.
- The employee may also apply for supplemental ICI coverage when enrolling for standard ICI coverage through evidence of insurability. (EOI may *not* be used by employees with standard ICI coverage who wish to add supplemental ICI coverage outside of the annual supplemental coverage open enrollment period.)

301 Completion of ICI Application

The following are requirements for filing an ICI application:

- The employee **must** complete the *Income Continuation Insurance Application (ET-2366)* and return the application to the employer no later than 30 days following their initial ICI eligibility date. *A completed application from the employee is required whether enrolling in coverage or declining coverage.*
- An employee who is employed with more than one WRS employer must file a separate ICI application with each employer.
- Employees will be required to complete and file a new application if coverage was denied due to employer error. (Refer to subchapters 1000 and 1001 for information on employer error).
- Employers must complete Part II of the ICI application and forward it to ETF.

The employer must complete the following items on the ICI Application and forward the application to ETF. (Refer to the sample form at the end of this subchapter.)

- A. Previous Service.** Complete this section and indicate the date employee became eligible for WRS coverage at this employer.
- B. Reason to Submit Application and Occurrence Date** (based on information obtained from a WRS previous service check. Refer to subchapter 206 for more information about previous service checks). Check only **one** box in this section.

- **Began WRS Participation with current employer on: Check this box and complete the date to show when the coverage begins.** Need to update 2366 to reflect this.
 - **Reinstating Coverage Upon Return From Temporary Layoff or Leave of Absence.** Check this box if an employee who previously had ICI coverage takes a leave of absence, allows coverage to lapse and then returns to eligible employment. Insert the date the leave began and the date the employee returned from leave. Indicate the date the employee returned to work.
 - **Changed to a Longer Elimination Period Effective On.** Check this box if the employee wants to elect a longer elimination period. An employee may change to a longer elimination period at any time. However, if an employee wants to change to a shorter elimination period, the employee must apply through evidence of insurability. The “effective date” will be the first of the month after the application is received by the employer.
 - **Other** - Check this box for a situation that does not fit one of the other categories listed above. For example, if an employee is reinstated through a grievance/settlement, indicate the date the employee returns to work. Refer to subchapter 205 for more information about settlement agreements and reinstatements.
- C. Earnings.** Use the employee’s WRS earnings as reported in the preceding calendar year or, if applicable, the employee’s projected calendar year earnings (refer to “Note” below) then:
- Round the calendar year WRS earnings figure to the next higher thousand;
 - Divide by 12 to determine the average monthly earnings;
 - Enter the average monthly earnings in the earnings box; and
 - Check the “Monthly” box.
- Note:** To determine the equivalent average monthly earnings for a newly hired employee or a current employee with a permanent change in their percentage of appointment, project the annual base salary, round to the next higher thousand and divide by 12.
- D. Basis of Employment.** Check whether the employee’s basis of employment is full-time, part-time, seasonal, etc. If part-time, indicate the percentage of full-time employment.
- E. ICI Monthly Premium.** Premiums are based on earnings entered in the Earnings box and the elimination period selected by the employee. Refer to the Employee Monthly Premium Rates table in subchapters 401 and 402 for information on calculating employer and employee premium rates.
- F. Employer Name.** Use the same name used for Social Security reporting.
- G. Employer Identification Number 69-036.** The Employer Identification Number (EIN) is a 12-digit number beginning with 69-036. Indicate the last seven digits of this number (XXXX-XXX).
- H. Date Application Provided to Employee.**


- I. **Date Received by Employer.** The date the employer received the employee's completed application.
- J. **Employer Agent Signature.** The WRS agent or designated representative must certify that the information on the application is true and correct.
- K. **Telephone Number.** The telephone number of the employer contact person.
- L. **Effective Date.** Coverage becomes effective on the first of the month that first occurs during the employee's 30-day enrollment period. (For employees applying during the supplemental coverage open enrollment period, coverage is effective the first of the month that first occurs during the **60-day** enrollment period.)
(Refer to subchapters 201 and 202 for information on ICI eligibility dates, application due dates and coverage effective dates.)

Department of Employee Trust Funds
P.O. Box 7931
Madison, WI 53707-7931

Local Government Employee

Wis. Stat. § 40.61

INCOME CONTINUATION INSURANCE APPLICATION

I. EMPLOYEE: COMPLETE PART I TYPE OR PRINT IN INK, SIGN, AND RETURN TO EMPLOYER					Member ID
Name Address	Last		First	Middle I.	Maiden/Former
	Street No.		Street Name		
	City	State	ZIP code	Country and Mail Code (if not USA)	
					Social Security number Birth date (MM/DD/YYYY) Sex <input type="checkbox"/> Male <input type="checkbox"/> Female
Complete sections 1 – 3 (2 and 3 if applicable) and sign at section 4. 1. ICI COVERAGE <i>Check One</i> <input type="checkbox"/> I elect ICI coverage and authorize payroll deductions for premiums. <i>If your annual earnings exceed \$64,000.00, go to #2. If not, proceed to #3.</i> <input type="checkbox"/> I do not elect ICI coverage. <i>Sign below at #4.</i> <input type="checkbox"/> I wish to cancel my ICI coverage. (Checking this box also cancels Supplemental ICI coverage, if in effect. Cancellation is effective the end of the month the application is received.) <i>Sign below at #4.</i>					2. SUPPLEMENTAL ICI COVERAGE: Only available to employees whose annual earnings exceed \$64,000.00 and who are currently enrolled in, or are applying for, ICI coverage. <i>Check One:</i> <input type="checkbox"/> I elect Supplemental ICI coverage. I understand that Supplemental ICI premiums are paid by the employee with no employer contribution. I authorize payroll deductions for Supplemental ICI premiums. If already enrolled in ICI coverage, I understand that the elimination period previously selected will be applied to Supplemental ICI coverage. <i>If you elected ICI coverage in #1, go to #3. If you already have ICI coverage, sign below at #4.</i> <input type="checkbox"/> I do not elect Supplemental ICI coverage. <i>If you elected ICI coverage in #1, go to #3. If not, sign below at #4.</i> <input type="checkbox"/> I wish to cancel my Supplemental ICI coverage. <i>Sign below at #4.</i> (Cancellation is effective the end of the month the application is received.)
3. I elect the following calendar day elimination period for ICI coverage and Supplemental ICI coverage (if applicable): <input type="checkbox"/> 30-day <input type="checkbox"/> 60-day <input type="checkbox"/> 90-day <input type="checkbox"/> 120-day <input type="checkbox"/> 180-day					
4. I understand that Wis. Stat. § 943.395 provides criminal penalties for knowingly making false or fraudulent claims on this form and hereby certify that, to the best of my knowledge and belief, the above information is true and correct. I authorize the monthly employee share premium deduction (indicated below) from my earnings to provide ICI and Supplemental ICI coverage (if selected). I understand that if premiums are not deducted, I do not have ICI coverage.					
		Signature of Employee		Telephone Number ()	Date (MM/DD/YYYY)

Return to employer

II. EMPLOYER: COMPLETE PART II				Previous Service - Complete Information	
Reason to submit application (Check appropriate box and indicate occurrence date)				1. Did employee participate under WRS prior to being hired by you? <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Immediately eligible on: _____				2. Previous service check, completed <input type="checkbox"/> Yes <input type="checkbox"/> No Source of previous service <input type="checkbox"/> ONE Site <input type="checkbox"/> ETF	
<input type="checkbox"/> Reinstating coverage upon return from temporary layoff or leave of absence. Date temporary layoff/LOA began: _____ Date employee returned: _____				3. Date WRS participation began with the current employer (MM/DD/YYYY)	
<input type="checkbox"/> Changed to a longer elimination period effective on: _____ (Evidence of insurability is required to change to a shorter elimination period.)					
<input type="checkbox"/> Other (specify): _____					
Earnings		Basis of Employment		ICI Monthly Premium	
\$ <input type="checkbox"/> Monthly		<input type="checkbox"/> Full-Time <input type="checkbox"/> Part-Time _____ %		Employee Share	Employer Share
				\$	\$
Supplemental ICI Monthly Premium		Employee Share			
Employer Name		Date Application Provided to Employee		Date Received by Employer (MM/DD/YYYY)	
Employer Identification Number (EIN) 69-036		Employer Agent Signature		Telephone Number ()	
				Effective Date (MM/DD/YYYY)	

Copy and Distribute: ☐ ETF ☐ Employee ☐ Employer

302 Distribution of Copies

The following requirements pertain to the distribution of ICI application copies:

- Once the 'Employer Section' is completed, make two photocopies of the application. Employers must retain one copy for verification purposes.
- Forward the original application to ETF, regardless of whether the employee declines, cancels or elects coverage.
- Provide the employee with the second copy for their records.

303 Application Due Date, Premiums and Effective Date of Coverage

Application Type	Premiums/Monthly Earnings	Application Due Date	Coverage Effective Date
Initial enrollment – new employee ICI Application (ET-2366)	For new employees, the projected annual base salary, as of the coverage effective date, is rounded to the next higher thousand and divided by 12 to determine estimated average monthly earnings.	No later than 30 days after initial ICI eligibility date.	First of month that first occurs during the employee's 30-day enrollment period.
Evidence of Insurability (ET-2308)	For new employees, the projected annual base salary, as of the coverage effective date, is rounded to the next higher thousand and divided by 12 to determine estimated average monthly earnings. For employees who had a full year of earnings reported to WRS in the previous calendar year, the WRS earnings are rounded to the next higher thousand and divided by 12 to determine average monthly earnings.	Must be submitted to ETF no later than 30 days after the date the employee signs the Evidence of Insurability application.	First day of month on or after the EOI application approval date. ETF will notify employer and employee of approval or denial and effective date of coverage, if applicable.
During Leave of Absence	Prepaid premiums continue in the same amount, even if there is an annual premium adjustment period during the leave of absence.	To continue coverage, employee must pay premium prior to end of coverage so there is no lapse in coverage.	May continue coverage up to 36 months.
Union or Military Leave of Absence	Prepaid premiums continue at the same amount, even if there is an annual premium adjustment period during the leave of absence.	To continue coverage, employee must pay premium prior to end of coverage so there is no lapse in coverage.	May continue coverage for duration of the leave.

Application Type	Premiums/Monthly Earnings	Application Due Date	Coverage Effective Date
Return to work after receiving ICI benefits, or after leave of absence and no lapse in premiums.	Average monthly earnings used to determine premiums will remain the same as prior to the leave until employee has worked one full calendar year, after which the earnings amount will be reviewed during the next annual review period. However, premium rates should be adjusted if there has been an annual premium adjustment in the interim.	Not Applicable.	Not applicable – coverage is continuous.
Return to work after leave of absence and lapse in premiums occurred.	Premium resumes at the same amount as before unless there has been an annual premium or salary adjustment in the interim. Average monthly earnings used to determine premiums will remain the same as prior to the leave until employee has worked one full calendar year, after which the earnings amount will be adjusted during the next annual adjustment.	Within 30 days after return to work.	First of month that first occurs during the employee's 30-day enrollment period.
Permanent change in percentage of appointment (i.e., full-time to part-time and vice versa).	Based on projected earnings for the next 12 months, rounded to next higher \$1,000 and divided by 12.	Not Applicable. Employer will be contacted for updated earnings information if the employee files an ICI claim.	Premiums are adjusted as of the first day of the month on or after date the change in percentage of appointment is effective.
Promotion, demotion or reclassification.	No change in coverage level or premium until next annual review period.	Not Applicable.	Not applicable – coverage is continuous.

304 Instructions for Completing the Evidence of Insurability (EOI) Application

The *Evidence of Insurability Application* (ET-2308) provides additional opportunities for employees to enroll for ICI coverage if coverage was previously declined, cancelled, lapsed or denied. It also provides a method by which employees may enroll after missing the initial enrollment period or if they wish to elect a shorter elimination period.

Employer and employee responsibilities for completion of the *Evidence of Insurability Application* are as follows:

A. Employer Responsibilities:

1. Review the ICI eligibility criteria outlined in subchapter 200 to determine the employee's eligibility.
2. Provide the employee with a copy of the *Income Continuation Insurance - Local (ET-2129)* brochure explaining the ICI Program.
3. Complete the employee's Social Security number, current employer, employer number 69-036- (XXXX-XXX), occupation and the date eligible for WRS. Forward the application to the employee for completion.
4. Instruct the employee to complete the *Evidence of Insurability Application (ET-2308)* according to the instructions. Incomplete applications will be returned to the employee, resulting in a delay of the application processing procedure.

B. Employee Responsibilities:

1. Complete the *Evidence of Insurability Application (ET-2308)*, including signature and date.
2. Submit the application **directly to ETF** no later than 30 days after completion to ensure current medical information. Applications received more than 30 days after the employee signs the application will be rejected. The employee will then be required to complete and submit a new application.
3. The employee is responsible for the cost of any medical exam or copies of the medical records.

C. Approval/Denial:

ETF will notify both the employee and the employer of approval or denial of ICI coverage approximately 60 to 90 days after ETF receives the *Evidence of Insurability Application (ET-2308)*.

For approved applications:

1. The effective date of coverage will be the first of the month on or after the date the EOI application is approved.
2. Premiums are due from that day forward.

For denied applications:

1. Retain the employer's copy of the denial form. Additional action by the employer is not necessary.
2. The employee has the right to request reconsideration of the initial denial by submitting a written request to the third-party Administrator within 90 days of the date of the initial denial.

3. The employee has the right to request a subsequent review of the reconsideration's denial by requesting a Departmental Determination within 90 days of that denial.
4. A new application will not be considered until one year elapses from the date of initial denial.

CHAPTER 4—Employee and Employer Premiums

400 Basis for Premium Rates

401 Calculating Employer Contribution and Employee Premium

402 Annual Review and Premium Update

400 Basis for Premium Rates

Insured employees, except those newly hired or with a permanent change in percentage of appointment*, have monthly premiums based on:

- Average monthly earnings, determined by rounding the previous year's WRS earnings to the next higher thousand and dividing by 12;
- and**
- The employee's selected elimination period of either 30, 60, 90, 120 or 180 calendar days. An elimination period represents the number of consecutive calendar days that must elapse between the first date of disability and the date benefit payments begin. ICI benefits are not paid during the elimination period. Higher premium rates are charged for shorter elimination periods; lower rates are charged for longer elimination periods.
- Premiums for supplemental ICI coverage are paid entirely by the employee; the employer cannot contribute to the supplemental ICI premium.

Newly hired employees, or those with a **permanent change in percentage of appointment***, have monthly premiums based on the following:

- Projected average monthly earnings, determined by rounding the projected annual earnings to the next higher thousand and dividing by 12.
- The employee's selected elimination period of either 30, 60, 90, 120 or 180 calendar days. An elimination period represents the number of consecutive calendar days that must elapse between the first date of disability and the date benefit payments begin. ICI benefits are not paid during the elimination period.

* Refer to subchapter 504 on permanent change in percentage of appointment.

Note: An employee who wants to shorten their elimination period after coverage has gone into effect must apply through evidence of insurability by completing the *Evidence of Insurability Application* (ET-2308). Lengthening an elimination period does not require evidence of insurability, but an employee must complete a new *Income Continuation Insurance Application* (ET-2366).

Note: At times the Group Insurance Board may approve a premium holiday due to the strong financial position of the local ICI plan. Employers and employees will not be required to pay premiums for the period the Board declares a premium holiday. The premium holiday includes supplemental ICI coverage. ETF will issue an *Employer Bulletin* notifying employers when a premium holiday is declared and when the premium holiday ends.

Employers must still submit the *Monthly Premium Report Group Income Continuation Insurance* (ET-1629) form to ETF during any declared premium holiday so enrollment data can be recorded. Refer to Chapter 5 for information on completing this form.

401 Calculating Employer Contribution and Employee Premium

Employer contribution is based on a percentage of the employee's average monthly earnings in the preceding calendar year (or projected average monthly earnings for those employees noted in subchapter 400) and the employee's selected elimination period.

The employer contribution toward the total premium may be increased but not decreased, at the employer's discretion. For supplemental ICI coverage, the employee pays the entire premium; there is no employer share. Employers cannot contribute to the supplemental ICI premium.

Employers are not required to contribute the same percentage of ICI premium for all employees and may elect to pay some or all of the employee portion of the premium based on employee classification or union contracts.

The following table shows the current employer and employee premium rate percentages based on the elimination period selected. These rates are subject to annual revision. (Refer to subchapter 402 for information on annual premium update.)

Calendar Day Elimination Period	Monthly premium as a percentage of average monthly earnings		
	Total	Employer Minimum	Employee Maximum
30	1.00%	.25%	.75%
60	.775%	.25%	.525%
90	.625%	.25%	.375%
120	.475%	.25%	.225%
180	.25%	.25%	0%

Examples of Premium Calculation:

- A. Previous year's WRS reported earnings are \$22,100; rounded to \$23,000. Employee selects 90-calendar day elimination period.

The monthly **employer contribution** is calculated as follows:

$$\begin{array}{r}
 \$ 23,000.00 \\
 \div 12 \text{ (months)} \\
 \$ 1,916.67 \\
 \times .25\% \\
 \hline
 \$ 4.79 \text{ (employer contribution)}
 \end{array}$$

The monthly **employee contribution** is calculated as follows:

$$\begin{array}{r}
 \$ 23,000.00 \\
 \div 12 \text{ (months)} \\
 \$ 1,916.67 \\
 \times .375\% \\
 \hline
 \$ 7.19 \text{ (employee contribution)}
 \end{array}$$

- B. A new employee's projected annual earnings are \$35,900; rounded to \$36,000. Employee selects 30-calendar day elimination period.

The monthly **employer contribution** is calculated as follows:

$$\begin{array}{r}
 \$ 36,000.00 \\
 \div 12 \text{ (months)} \\
 \$ 3,000.00 \\
 \times .25\% \\
 \hline
 \$ 7.50 \text{ (employer contribution)}
 \end{array}$$

The monthly **employee contribution** is calculated as follows:

$$\begin{array}{r}
 \$ 36,000.00 \\
 \div 12 \text{ (months)} \\
 \$ 3,000.00 \\
 \times .75\% \\
 \hline
 \$ 22.50 \text{ (employee contribution)}
 \end{array}$$

Note: The examples indicate the minimum amount contributed by employers. The contribution toward the total premium made by employers may be increased but not decreased, at the discretion of the employer.

Minimum Employer Contribution Effective March 1, 2004

WRS Earnings in the Previous Calendar Year	Equivalent Average Monthly Earnings	Employer .25% Contribution
0.00 - 5,000.00	416.67	1.04
5,000.01 - 6,000.00	500.00	1.25
6,000.01 - 7,000.00	583.33	1.46
7,000.01 - 8,000.00	666.67	1.67
8,000.01 - 9,000.00	750.00	1.88
9,000.01 - 10,000.00	833.33	2.08
10,000.01 - 11,000.00	916.67	2.29
11,000.01 - 12,000.00	1,000.00	2.50
12,000.01 - 13,000.00	1,083.33	2.71
13,000.01 - 14,000.00	1,166.67	2.92
14,000.01 - 15,000.00	1,250.00	3.13
15,000.01 - 16,000.00	1,333.33	3.33
16,000.01 - 17,000.00	1,416.67	3.54
17,000.01 - 18,000.00	1,500.00	3.75
18,000.01 - 19,000.00	1,583.33	3.96
19,000.01 - 20,000.00	1,666.67	4.17
20,000.01 - 21,000.00	1,750.00	4.38
21,000.01 - 22,000.00	1,833.33	4.58
22,000.01 - 23,000.00	1,916.67	4.79
23,000.01 - 24,000.00	2,000.00	5.00
24,000.01 - 25,000.00	2,083.33	5.21
25,000.01 - 26,000.00	2,166.67	5.42
26,000.01 - 27,000.00	2,250.00	5.63
27,000.01 - 28,000.00	2,333.33	5.83
28,000.01 - 29,000.00	2,416.67	6.04
29,000.01 - 30,000.00	2,500.00	6.25
30,000.01 - 31,000.00	2,583.33	6.46
31,000.01 - 32,000.00	2,666.67	6.67
32,000.01 - 33,000.00	2,750.00	6.88
33,000.01 - 34,000.00	2,833.33	7.08
34,000.01 - 35,000.00	2,916.67	7.29
35,000.01 - 36,000.00	3,000.00	7.50
36,000.01 - 37,000.00	3,083.33	7.71
37,000.01 - 38,000.00	3,166.67	7.92
38,000.01 - 39,000.00	3,250.00	8.13
39,000.01 - 40,000.00	3,333.33	8.33
40,000.01 - 41,000.00	3,416.67	8.54
41,000.01 - 42,000.00	3,500.00	8.75
42,000.01 - 43,000.00	3,583.33	8.96
43,000.01 - 44,000.00	3,666.67	9.17
44,000.01 - 45,000.00	3,750.00	9.38
45,000.01 - 46,000.00	3,833.33	9.58
46,000.01 - 47,000.00	3,916.67	9.79
47,000.01 - 48,000.00	4,000.00	10.00
48,000.01 - 49,000.00	4,083.33	10.21
49,000.01 - 50,000.00	4,166.67	10.42
50,000.01 - 51,000.00	4,250.00	10.63
51,000.01 - 52,000.00	4,333.33	10.83
52,000.01 - 53,000.00	4,416.67	11.04
53,000.01 - 54,000.00	4,500.00	11.25
54,000.01 - 55,000.00	4,583.33	11.46
55,000.01 - 56,000.00	4,666.67	11.67
56,000.01 - 57,000.00	4,750.00	11.88
57,000.01 - 58,000.00	4,833.33	12.08
58,000.01 - 59,000.00	4,916.67	12.29
59,000.01 - 60,000.00	5,000.00	12.50
60,000.01 - 61,000.00	5,083.33	12.71
61,000.01 - 62,000.00	5,166.67	12.92
62,000.01 - 63,000.00	5,250.00	13.13
63,000.01 - and up	5,333.33	13.33

402 Annual Review and Premium Update

Employers update payroll records and calculate the insured employee's new monthly ICI premiums effective April 1 each year. The updated premiums are reported on the *March Monthly Premium Report Group Income Continuation Insurance – Locals* (ET- 1629) form due at ETF on or before March 24th. See Appendix A for more information about the Annual Premium Review Process and how various events will affect it.

The following checklist may be used to complete the annual review and premium update:

1. Determine each insured employee's average monthly earnings by taking their WRS-reportable earnings for the preceding calendar year, rounded up to the next higher thousand, and dividing by 12. Exceptions:
 - For employees who were **newly hired**, continue to use their previously projected WRS earnings amount, until such time that the employee has a full calendar year of WRS-reportable earnings.
 - For employees who have had a **permanent change in percentage of appointment** since January 1st of the previous year, continue to use their previously projected earnings amount, until such time that the employee has a full calendar year of earnings at their new FTE percentage.
 - For employees who were on an **unpaid leave of absence (LOA)** in the previous year, continue to use the earnings amount that was in effect prior to the LOA, until such time that the employee has a full calendar year of WRS-reportable earnings.
2. Verify that insured employees are reported according to their selected elimination period.
3. Calculate the amount of monthly premiums for each employee and the corresponding employer contribution.
4. Fill in the total premium amount on the *Monthly Premium Report Group Income Continuation Insurance – Locals* form.

Annual Open Enrollment Period for Supplemental Coverage (January 1-March 1)

As part of the annual review, employers must also determine whether their employees meet the salary threshold to qualify for Supplemental ICI coverage (i.e. earnings exceeding \$64,000 in the previous calendar year.) Supplemental ICI enrollment requires previous enrollment in standard ICI. Employees who do not currently have standard ICI coverage cannot enroll for supplemental coverage. (They can, however, apply for both standard and supplemental coverage at any time through evidence of insurability.)

Employers are responsible for informing eligible employees of this enrollment opportunity and providing them with an ICI application if the employee wishes to enroll.

Applications must be received by the employer by March 1. (If March 1 falls on a weekend, the annual open enrollment period will be extended to the following business day.)

Eligible employees on leave of absence during the annual open enrollment period have 60 days from the date they 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. Supplemental coverage will be effective the first day of the month that first occurs during the 60-day enrollment period, but no earlier than April 1st of the year in which the employee becomes eligible.

CHAPTER 5 – Monthly Premium Report

- 500 Monthly Income Continuation Insurance Premium Reporting and Payment
- 501 Due Date
- 502 Late Reporting Interest Charge
- 503 Permanent Change in Percentage of Appointment

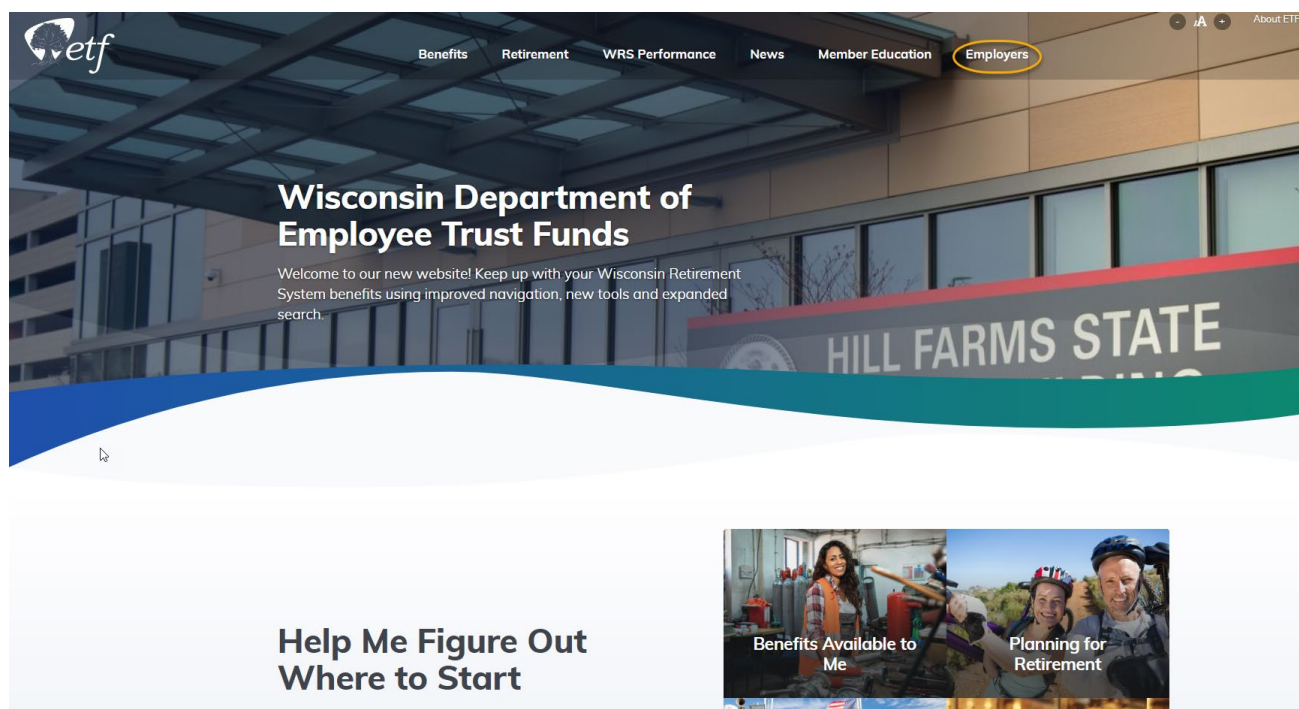
500 Monthly Income Continuation Insurance Premium Reporting and Payment


The [Income Continuation Monthly Premium Report - Local \(ET-1629\)](#) is available for a resource for employers and should be sent to ETF via fax or email only when the employer does not have access to submitting the information online. This form provides a detailed breakdown of employee and employer premium contributions by elimination period. The report is available on ETF's website at etf.wi.gov.

Instructions for reporting online:

Log in to the ETF website (etf.wi.gov), select Employers from the menu across the top, then select myETF Benefits Administrator for Employers from the Online Tools menu. Follow the screen shots below to report your ICI premiums/enrolled members and payments.


Note: If there are no employees enrolled in supplemental ICI please enter 0 (one single zero) in the contracts box on that line. There is also a print screen button available to print at any time during this process.





Online Tools

- Employer Training
- ETF Web Applications for Employers (formerly on the ONEsite)
- myETF Benefits Administrator for Employers**
- Employer Contact and Online Access Management
- Order Employer Forms
- Subscribe to ETF E-mail Updates



Forms and Brochures

- New Employee Benefit Checklist (ET-2572)
- Termination Checklists
- WRS Employer Forms
- Health Insurance Employer Forms
- Life Insurance Employer Forms
- Income Continuation Insurance Employer Forms

All Employer Forms and Brochures


Recent Employer News

Employer News NOV 26, 2019

Department News NOV 26, 2019

Department News NOV 25, 2019

Log in to myETF Benefits Administration for Employers as normal.



myETF Benefits Admin
Health Insurance Enrollment Summary

ETF WI GOV

EmployerInfo myMembers Health Life Disability WRS Other Benefits Reports Maintenance Help Log Off

Disability

ICI

Member Search

Member ID: OR Social Security Number:

Search

Name Search

Covered Individual Search

Clear

Member ID:

SSN:

Subscriber:

Health Plan

Coverage Level


Begin Date

End Date

Status

Employer

Employee Trust Funds P.O. Box 7931 Madison, WI 53707



myETF Benefits Admin
Employer Info

etf.wi.gov

EmployerInfo myMembers Health Life Disability WRS Other Benefits Reports Maintenance Help Log Off

Employer Specific Function - Employer Number Required

Use this screen to specify the employer whose data you would like to access. You must provide the employer's seven digit employer number. You must have the authority to access the employer's data.


Enter your Employer Number and click Verify.

Please enter the seven digit Employer Number and click Verify

Employer Number:

Verify

Employee Trust Funds P.O. Box 7931 Madison, WI 53707



myETF Benefits Admin
Group Income Continuation Insurance

etf.wi.gov

EmployerInfo myMembers Health Life Disability WRS Other Benefits Reports Maintenance Help Log Off

Enter the Coverage Month and Year you are paying and the Payment Due Date will populate.

Employer No:

Employer Name:

Coverage Month/Year: 2019

Payment Due Date:

Regular ICI

Supplemental ICI

Premium Due

Contracts

Total Premium

Employee Paid

Then enter the information related to Regular ICI contracts and enter the Supplemental ICI contract count. (Were there not a premium holiday you would also enter the Premium information requested.)

Clear

Calculate

Make Payment

New EIN

Print Screen

Employee Trust Funds P.O. Box 7931 Madison, WI 53707

The screenshots show the 'myETF Benefits Admin' interface for Group Income Continuation Insurance. The top navigation bar includes links for EmployerInfo, myMembers, Health, Life, Disability, WRS, Other Benefits, Reports, Maintenance, Help, and Log Off. The main form area contains fields for Employer No., Employer Name, Coverage Month/Year (11/2019), and Payment Due Date (11/25/2019). Below these are fields for Regular ICI (53), Supplemental ICI (15), Contracts, Total Premium, and Employee Paid. A 'Premium Due' field is also present. The first screenshot shows the 'Calculate' button being clicked, and the second screenshot shows the 'Submit' button being clicked. The footer of the interface reads 'Employee Trust Funds P.O. Box 7931 Madison, WI 53707'.

501 Due Date

Monthly Premium Reports and remittances are due on the 24th day of the calendar month of coverage or on the first working day after the 24th when the 24th falls on a day in which state offices are closed (Wis. Admin. Code ETF 10.63).

502 Late Reporting Interest Charge

Interest is assessed at the rate of 0.04% of the total premium amount due for each day from the original due date through the date the report and premium remittance are received at ETF. The minimum interest assessment is \$3.

503 Permanent Change in Percentage of Appointment

A permanent change in an ICI covered employee’s percentage of appointment will result in the need for a premium adjustment. The premium adjustment must be made within 30 days of the change in percentage of appointment.

If the premium adjustment is not made within this 30-day period, payment of the additional premium—or refund of overpaid premium — must be made retroactive to the month of the change.

Premiums are adjusted as of the first of the month on or after the effective date of the permanent appointment change. If premiums have already been paid based on the earnings in effect prior to the change, an adjustment must be made on the *Monthly Premium Report Group Income Continuation Insurance* (ET-1629) form during the following payroll period to reflect the change in salary for the effective coverage month. (Refer to step 8 of subchapter 500.)

Example: The effective date of change of the new percentage of appointment is the first of October. The employee selected the 30-day elimination period.

- Prior to October 1, employee earnings at 50% time = \$833.33 per month.
- New appointment effective October 1, employee earnings at 100% time = \$1,666.67 per month.

ICI premiums for October coverage were paid one month in advance of the effective date of the change. Premiums paid in October for November coverage must reflect the increase between the old and the new premium, plus the new premium for November coverage as follows:

- | | |
|-------------------------------------|-----------------|
| • New premium for November coverage | \$12.50 |
| • Old premium | <u>- \$6.25</u> |
| • October Adjustment | \$6.25 increase |

October’s premium adjustment of \$6.25 must appear in the ‘Premium Adjustment’ section of the *Monthly Premium Report Group Income Continuation Insurance* form due at ETF on October 24. Indicate the Social Security Number of the employee whose premium is being adjusted, the month being adjusted, and the amount of the adjustment in the proper Elimination Period row of the report. The form contains space for six adjustments. Indicate any additional adjustments on the back of the form.

CHAPTER 6 — Termination of Coverage

- 600 Termination of Coverage**
- 601 Lapse in Coverage**
- 602 Cancellation of Coverage**
- 603 Employer Withdrawal from the ICI Program**

600 Termination of Coverage

Income Continuation Insurance (ICI) coverage terminates on the date an employee resigns, is dismissed, terminates, retires or dies, whichever occurs first. The employee need **not** complete an *Income Continuation Insurance Application* (ET- 2366) to cancel the coverage for any of the above events.

When coverage ends, a full month's premium is required for any month or portion of a month in which earnings are paid. For example, if the employee retires on March 12, a full month's premium is due for March, even though coverage ended on March 12.

An employee disabled under the terms of the plan at the time coverage terminates will continue to be eligible to receive benefits as long as the disability continues, up to the maximum duration of benefits. (Refer to Reduction or Termination of Benefits in subchapter 709.)

If the *employer* withdraws from the program, coverage shall terminate at the end of that calendar year, except for those who became disabled on or before the employer's withdrawal.

601 Lapse in Coverage

Coverage is deemed to have lapsed for any employee in active employment who fails to pay the employee portion of the premium to the employer when due. Once lapsed, coverage may only be obtained by providing evidence of insurability. (Exception: An employee whose coverage lapses while on unpaid leave of absence may obtain coverage without providing evidence of insurability by reapplying within 30 days of returning to work.)

602 Cancellation of Coverage

An employee may choose to cancel coverage at any time. Once coverage is cancelled, the employee can only obtain coverage by providing evidence of insurability.

Cancellation of coverage is effective the first day of the calendar month on or after the date the *Income Continuation Insurance Application* (ET-2366) canceling coverage is received by the employer. Any premium deductions taken for a coverage month after the date coverage ceases must be refunded to the employee. Premium adjustments due to a

refund must be noted in the 'Premium Adjustment' columns of the *Monthly Premium Report Group Income Continuation Insurance* (ET-1629) form and these adjustments must be applied to the payment remitted to ETF.

An employee enrolled in supplemental ICI coverage who cancels their standard ICI coverage in Section 1 of the *Income Continuation Insurance Application*, effectively cancels their supplemental ICI coverage. Enrollment in supplemental ICI coverage cannot exist without concurrent enrollment in standard ICI coverage.

To cancel only supplemental ICI coverage, the employee must fill out the *Income Continuation Insurance Application* and mark only the box in section 2 where it says, "I wish to cancel my Supplemental ICI Coverage."

603 Employer Withdrawal from the ICI Program

A participating employer may withdraw from the ICI Program at the end of any calendar year provided the employer participated in the program for a minimum of 12 months. A *Resolution to Withdraw from the Wisconsin Public Employers' Group Income Continuation Insurance Program* (ET-1322) must be received at ETF by October 1 for program termination at year's end.

Employee coverage terminates at the end of the calendar year, with the exception of those employees disabled on or before the effective date of the employer's withdrawal. Coverage for these employees ends when the ICI benefit terminates. (Refer to subchapter 707 for information on maximum duration of benefits.)

Employers may contact ETF's Employer Services Section at 608-266-3285, option 2, or toll-free at 1-877-533-5020, option 2, for additional information on withdrawal from the ICI Program.

The Group Insurance Board may terminate an employer's participation in the ICI Program if participation falls below the required 65%. In this event, the employer is notified by October 1 that termination will be effective at the end of the calendar year.

CHAPTER 7 — Benefits

700	Introduction
701	Eligibility for ICI Benefits
702	Determining Dates of the Elimination Period
703	Earnings for Benefit Payment Purposes
704	Benefit Payments
705	Dates of Benefit Payment Checks
706	Continuation of Benefits
707	Maximum Duration of Benefits
708	Offsets from Other Sources
709	Reduction or Termination of Benefits
710	Social Security Withholding on ICI Benefits
711	Taxability of ICI Benefits

700 Introduction

The Income Continuation Insurance (ICI) Program is an income replacement disability benefit plan. ICI benefits are based on 75% of the claimant's pre-disability earnings, minus income from other sources. Notify ICI's third-party administrator immediately if you become aware that an employee receiving ICI benefits is also receiving income from other sources. (Refer to subchapter 708 for additional information on offsets.)

Employees electing ICI coverage are required to select an elimination period of 30, 60, 90, 120 or 180 calendar days that, in the event of disability, must elapse before ICI benefits begin.

701 Eligibility for ICI Benefits

ICI coverage must be in effect on the first date of disability. ICI benefit payments do not begin until a claimant has been totally and continuously disabled for the entire elimination period.

Totally disabled means the claimant is under the regular care and attendance of a physician, and:

- **During the first 12 months of disability** (Short-Term Disability) - "totally disabled" is defined as the claimant's inability, by reason of any medically determinable physical or mental impairment as supported by objective medical evidence, to perform the duties of their position.

- **Following the first 12 months of disability** (Long-Term Disability) - “totally disabled” is defined as the claimant’s complete inability, by reason of any medically determinable physical or mental impairment supported by objective medical evidence, to engage in any substantial gainful activity for which the claimant is reasonably qualified, with due regard to the claimant’s education, training and experience.

Claimants must have ICI coverage in effect on the first date of treatment for their disability. ICI premiums must be continued in full until the employer receives notification that premiums are being waived.

702 Determining Dates of the Elimination Period

The third-party administrator for the ICI Program determines the beginning date of the elimination period. The elimination period can start on one of two dates:

1. Day Following Last Day Worked

If the claimant saw a physician for the medical condition on or before the last day worked and the physician indicates that the medical condition meets the plan’s disability definition, the elimination period may begin the day following the last day worked. The first day of the elimination period may be no earlier than the day after the last day worked.

2. Date Disability Certified by Physician

If the claimant did not see a physician for the medical condition on or before the last day worked, the claimant must be treated by a physician after ceasing work to determine whether the medical condition meets the plan’s disability definition. The elimination period will not begin until the date on which the physician indicates that the medical condition meets the plan’s disability definition.

Sick leave, vacation, holiday and compensatory time need NOT be exhausted before ICI benefit payments can begin. However, after the elimination period is satisfied, no ICI benefits are payable for any day for which the claimant receives paid leave time. Any sick leave, vacation, holiday or compensatory time used or paid out after the selected elimination period must be reported to ETF on the *Income Continuation Insurance Report of Employment and Earnings* (ET-5901).

703 Earnings for Benefit Payment Purposes

The average monthly earnings used to calculate ICI benefits will be the previous calendar year’s WRS-reportable earnings, rounded to the next higher thousand and divided by 12. Exceptions:

- a. If the employee is newly hired or had a permanent change in percentage of appointment that is not accurately reflected in the previous year's earnings, the estimated annual base salary earnings that were used to determine the most recent premiums will be rounded to the next higher thousand and divided by 12. That projection will be the basis for establishing average monthly earnings for the determination of benefits.
- b. If the employee has had a permanent change in their rate of pay but has had no change in their percentage of appointment, the average monthly earnings will be based on either a new projection of annual earnings using the new rate of pay OR the total WRS-reported earnings from the previous calendar year, whichever is higher. Employers must report all new earnings projections on the *ICI Employer Statement* (ET-5351).
- c. If the employee returns to employment after a period of disability or authorized leave and then goes out on a new disability, earnings will be the same as those used for the prior disability/authorized leave OR the total WRS-reportable earnings from the previous calendar year, rounded to the next higher thousand and divided by 12. Use whichever amount is higher.

704 Benefit Payments

ICI benefits pay disabled employees a monthly amount that, when combined with income from other disability or retirement plan sources as listed in subchapter 708, maintains a specified percentage of the employee's pre-disability earnings. The specified percentage is roughly 75% and this amount remains the same for the entire short-term disability period, although the income from various sources may change due to cost of living adjustments.

The maximum benefit payable is \$4,000 per month for standard ICI coverage, or \$7,500 for individuals enrolled in ICI supplemental coverage.

ICI benefits are payable beginning the first calendar day **following** the last day of the elimination period and for each succeeding calendar day until the disability ceases as defined by ICI plan provisions. ICI benefits are paid only for full days of disability, not partial days.

Following completion of the claimant's selected elimination period, ICI benefits are paid for every day of continuing disability, including weekends. The rounded annual salary is divided by 12 to obtain the monthly average salary and then multiplied by 75% to obtain the monthly benefit amount. For each day of the benefit period less than one month,

partial monthly payments are determined at one-thirtieth (1/30) of the monthly benefit.

The following is an example of how ICI benefits are calculated:

Previous Year's WRS Earnings	\$28,323.16
Round to the Next Thousandth	\$29,000.00
Divide by 12	$\$29,000.00 \div 12$
Monthly Earnings	$= \$2,416.67$

Monthly Earnings	$\$2,416.67 \times 75\% =$
Monthly ICI Benefit	$\$1,812.50 \div 30$
Daily ICI Benefit	$= \$60.42$

705 Dates of Benefit Payment Checks

ICI payments are made at the beginning of the month for the preceding benefit month. For example, January benefits are paid on February 1. Benefits are paid through an electronic deposit. The claimant must complete the Automated Clearing House (ACH) authorization form provided by the third-party administrator.

Claimants failing to receive an expected benefit payment should contact the ICI Program's third-party administrator. (Refer to subchapter 103 for contact information.)

706 Continuation of Benefits

The ICI Program's third-party administrator periodically requests additional medical information to determine whether the claimant remains disabled. The frequency of these requests depends on the nature and expected duration (based on industry standards) of the disability.

An employee's failure to provide any requested documentation may result in a discontinuation of benefits. If a claimant is receiving WRS disability or Social Security Disability Income benefits, medical information is not required unless those benefits terminate.

707 Maximum Duration of Benefits

ICI benefits are normally payable through the end of the month in which a claimant reaches age 65, as long as the claimant meets all of the ICI plan requirements. However, if a claimant's first date of disability is after their 60th birthday, benefits will be payable for a period of 5 years from their date of disablement.

The maximum duration of benefits for disabled, insured employees is:

Age on Date of Disability	Maximum Duration of Benefits from Date of Disablement
On or before 60 th birthday	To age 65
After 60 th birthday	5 years

Coverage for Pregnancies:

The duration of disability for a woman who has a normal, vaginal delivery is considered to be six weeks from the date of delivery (eight weeks for an uncomplicated cesarean delivery). These time periods are standard durations used in the disability industry. However, if the claimant has complications prior to or after delivery, ICI benefits may be paid longer, depending on whether the complication is considered disabling.

As with any disability claim, the claimant must serve their elimination period prior to receiving an ICI benefit.

708 Offsets from Other Sources

ICI benefits are reduced by the gross amount of income from other sources, such as other WRS disability, retirement or separation benefits. Claimants must apply for any other available benefits for which they may be eligible. ICI benefits will be reduced by the largest benefit available from other sources, even when the claimant has selected a reduced benefit from another source.

The ICI Program’s third-party administrator determines whether claimants are required to apply for other benefits based on medical evidence. The third-party administrator will notify claimants who are approved for ICI benefits that they may be required to apply for other available benefits and that they may be required to repay ICI benefits based on their eligibility for those other benefits or income sources.

Other income sources include, but are not limited to:

- Any Social Security (disability or retirement) benefits the employee is eligible to receive.
- Workers’ Compensation – temporary total disability, temporary partial disability and compromise/settlement agreements. Note that permanent partial disability, permanent total disability, medical expenses, penalties assessed against employer, and attorney fees are not offset from the ICI benefit.
- Any employer liability law benefits, such as Wis. Stat. § 40.65 Duty Disability benefits.
- Any WRS retirement, disability retirement, separation, or Long-Term Disability Insurance benefits (closed to new claims as of January 1, 2018).
- Any employer-sponsored salary continuation plan, including any plan whose premiums are paid or collected via payroll deduction.
- Earnings, including but not limited to: paid sick leave, vacation, holiday pay and sabbatical paid on a regular basis or as a lump sum.
- Unemployment compensation.

Should an employee return to employment, the employer is required to report any earnings as indicated in Chapter 9.

Note regarding Workers' Compensation:

The third-party administrator instructs claimants to apply for workers' compensation (WC) benefits if the illness/injury appears to be work related. Future ICI benefits may be reduced or suspended if the employee fails to apply for WC benefits. Once a WC decision is issued, the employer must report any approved WC awards to the third-party administrator. Employers must report any temporary WC disability benefits on the *Income Continuation Insurance Report of Employment and Earnings* (ET-5901).

In the event the WC claim determination is delayed, ICI benefits will be paid without any WC adjustment. However, ICI payments are recalculated once the WC award is determined. Claimants must repay overpayments caused by a WC award.

709 Reduction or Termination of Benefits

ICI benefits are reduced or terminated when any of the following occur:

- Return to full-time employment - ICI benefits are payable up to the date of return, or up to the date medical evidence indicates the claimant is capable of returning to work full-time, if earlier.
- Return to part-time employment - ICI benefits continue on a reduced basis if the claimant returns to part-time employment with the pre-disability employer or if employment is approved as rehabilitative training. The ICI benefit will terminate for claimants receiving Long-Term Disability ICI benefits if their gross part-time earnings are equal to or greater than the gross ICI benefit. If the benefit is terminated, the claimant is required to begin paying ICI premiums to continue ICI coverage.

Note: If the claimant's physician notifies the third-party administrator of the ICI Program that the claimant can work for a specified number of hours, but the claimant chooses to work fewer hours, the benefit will be reduced by the number of hours specified in the physician's release.

710 Social Security Withholding on ICI Benefits

Social Security regulations provide that any income from a sickness or disability plan received during the first six months of a disability is subject to Social Security withholding if the employer paid a portion of the ICI premiums.

The percentage of the benefit subject to Social Security withholding is equal to the percentage of the gross premium paid by the employer.

711 Taxability of ICI Benefits

The percentage of benefits considered taxable income is directly proportionate to the percentage of the total ICI premium paid by the employer. The taxable portion of the benefit is based on an average of the premium percentage paid by the employer over the three years prior to the year in which the ICI benefits are first paid. However, due to continuing revisions of tax laws and the interpretation of the revenue code, claimants should consult both state and federal tax authorities for answers to specific questions concerning the exclusion or inclusion of such benefit payments as taxable income. The ICI Program's third-party administrator automatically withholds federal income tax from the taxable portion of a benefit at the equivalent withholding for a Single person with zero (0) deductions unless the employee has filed an IRS Form W-4 with an alternative withholding request.

Wisconsin state income tax is withheld from a taxable ICI benefit only when the claimant submits the Wisconsin withholding exemption form WT-4.

CHAPTER 8 — Claim Processing

- 800 Filing an ICI Claim**
- 801 Information Required from the Employer**
- 802 Third-Party Administrator Claim Review**
- 803 Approval, Denial or Termination Notice**
- 804 Paying Premiums After the Date of Disability**
- 805 Waiver of Premium**

800 Filing an ICI Claim

Employers should instruct the disabled employee to initiate a claim by calling the third-party administrator (refer to subchapter 104 for contact information) or submitting a paper claim. **Filing claims by telephone is recommended as it reduces paperwork and eliminates delays associated with mailing claim forms to ETF.**

A. Filing Claims by Phone:

- The third-party administrator's customer service representative collects basic information from the claimant including name, Social Security number, date of birth and current mailing address.
- The claimant provides related information to the third-party administrator such as the nature of the disability, last day worked, contact information for their attending and/or treating physician and any additional work-related information.

B. Filing Paper Claims:

- The employer provides the claimant the [*Income Continuation Insurance Claim Form \(ET-5352\)*](#).
- The claimant submits the paper claim to ETF.

A claim can be filed up to thirty (30) days prior to the employee's last day at work in cases of scheduled surgery or impending childbirth. No benefits are payable more than 90 days retroactively from the date the claim is received by the third-party administrator, or ETF if a paper claim is filed. Claims received more than 12 months from the last day in pay status will be denied.

Note: Employees who file a workers' compensation claim should also file an ICI claim as soon as possible. They should not wait until they have a workers' compensation determination, or they may miss out on ICI benefits.

Upon receipt of the claim, the third-party administrator mails the claimant the following:

- Introductory letter explains how the program works and what to expect while the claim is pending.
- Medical release forms that the claimant must sign and immediately return one to the third-party administrator and to the claimant's attending and/or treating physician.

Note: The attending and/or treating physician, clinic and medical records departments will not release confidential medical information to the claim administrator without the claimant's consent. Until that release is given, the claim cannot be processed. The claimant is responsible for any costs associated with obtaining medical records and exams.

801 Information Required from the Employer

Once an ICI claim has been filed, the ICI Program's third-party administrator sends an *Income Continuation Insurance Employer Statement* (ET-5351) to the employer. The employer must complete the information requested on the form.

After completion of the *Income Continuation Insurance Employer Statement*, please make a copy for your records. The completed form and a copy of the employee's current position description should be returned to ETF, PO Box 7931, Madison WI 53707-7931 or faxed to 1-608-267-4549.

Note: Continue collecting ICI premiums until notified of the claim determination.

802 Third-Party Administrator Claim Review

The ICI Program's third-party administrator reviews ICI disability claims in the following manner:

- A registered nurse from the third-party administrator obtains clinical information about the claimant's disability from the claimant's attending or treating physician.
- The nurse from the third-party administrator may contact the physician to arrange a return-to-work plan for the claimant. The plan may include modified hours or restricted duties. The third-party administrator will also contact the employer to determine whether job modifications for the claimant can be made. The third-party administrator notifies the claimant in writing about any determinations.
- The third-party administrator contacts the physician for ongoing review of the disability claim to obtain updates on symptoms, diagnoses, treatment and the return-to-work plan.

803 Approval, Denial or Termination Notice

The ICI Program's third-party administrator will notify the employer whether the claim has been approved or denied and whether ICI premiums will be waived or not. The third-party administrator will also notify the employer of the date on which the claim is terminated and when ICI premiums should resume.

804 Paying Premiums After the Date of Disability

The employer and employee must continue to pay ICI premiums from the date of disability (refer to subchapter 701) until premiums are waived (refer to subchapter 805), including any time the employee is on a leave of absence.

805 Waiver of Premium

ICI premiums are waived effective the first of the month on or after the date ICI benefits first become payable or upon termination of employment, whichever occurs first.

Do not assume premiums are waived until notified by the third-party administrator of the ICI claim approval and premium waiver effective date.

The premium waiver remains in effect through the end of the month in which the employee's leave of absence ends. A leave of absence ends when the employee has resumed active performance of duty for 30 consecutive calendar days for at least 50% of what is considered that employee's normal work time.

CHAPTER 9 — Claimant Change in Work Status

900 Change in Work Status

901 Reporting Offsets from Part-Time Employment and Worker's Compensation Temporary Benefits

900 Change in Work Status

Employers must notify ETF of a claimant's change in work status by completing the *Income Continuation Insurance Report of Employment and Earnings* (ET-5901). ICI benefit payments may be adjusted or terminated when one of the following occurs:

- Claimant returns to full-time employment.
- Claimant returns to part-time employment.
- Claimant will not be returning to work.
- Claimant's death.
- Earnings for vacation, sick leave, comp time, etc., are paid after the claimant's selected elimination period.
- Workers' Compensation, temporary disability benefits or back wages from compromise agreement/settlements are paid.

Resumption of part-time employment increasing to full-time employment within the same reporting period requires that employers report:

- start date of part-time employment;
- amount of part-time earnings; and
- start date of full-time employment.

Delays in submitting the *Income Continuation Insurance Report of Employment and Earnings* may cause overpayment in ICI benefits, which the employee must later repay.

901 Reporting Offsets from Part-Time Employment and Worker's Compensation Temporary Benefits

Employers must complete an *Income Continuation Insurance Report of Employment and Earnings* (ET-5901) form and submit it to ETF after each payroll period during which an ICI claimant performed any part-time work or received workers' compensation temporary benefits. Report earnings from part-time employment based on the earnings check date. Report workers' compensation temporary benefits based on the period covered (not the workers' compensation check date).

CHAPTER 10 — Reinstatement of Coverage Lost Due to Employer Error

1000 Introduction

1001 Types of Employer Errors that Can be Corrected

1002 How to Correct an Employer Error

1003 Errors Not Eligible for Correction

1004 How to Avoid Employer Errors

1000 Introduction

From time to time, an employee misses the open enrollment period for ICI coverage or later loses coverage due to an error made by the employer. Wis. Stat. § 40.61(5) permits coverage to be obtained without requiring the employee to provide evidence of insurability under certain circumstances.

An ICI application shall be approved beyond the 30-day period after the employee becomes eligible without providing evidence of insurability if **all** of the following conditions are met:

- The employer furnishes sufficient information to ETF indicating the employer did not provide an application form or advise the employee of eligibility.
- The employee files a new [Income Continuation Insurance Application \(ET-2366\)](#) that must be received by the employer within 30 days after the employer notifies the employee of improper enrollment.
- ETF finds that the employee was denied coverage as a result of employer error as specifically defined in Wis. Stats. § 40.61 (5).
- No more than three years have elapsed since the date of the employee's initial eligibility for ICI.

If the application is approved, coverage will become effective the first day of the month on or after the date the employer receives the application from the employee. If the error cannot be corrected under the employer error provision, the employee may only obtain coverage by applying through Evidence of Insurability.

The Income Continuation Insurance plan language further provides:

- A. An employee who began paying premiums within 60 days after becoming eligible, and has continued to pay premiums, even though not properly enrolled, is deemed to be insured. Following employer notice of improper enrollment, insurance shall continue in effect for 30 days, during which time proper enrollment must be completed by the employee. Coverage shall cease after 30 days unless proper enrollment has been completed.

- B. If an employee completed an application and submitted it to their employer during their initial eligibility period, they have ICI coverage and no employer error request is needed. Submit the application to ETF and collect all back premiums owed if deductions were not started by the employer or they were erroneously stopped. All past due premiums must be remitted to ETF.

1001 Types of Employer Errors that Can be Corrected

The table below lists different types of errors that employers could make and indicates how the errors should be resolved:

Scenario Number	Was an Application Completed and Received by the Employer Timely?*	Were Premiums Deducted?	Is Employee Considered to have ICI Coverage?	New Application Required?	Coverage Effective Date	What Needs to be Done?
1	YES	NO	YES	NO	First of the month that first occurs during the 30-day enrollment period	Past due premiums must be submitted to ETF.
2	NO, because employer neglected to offer enrollment opportunity	NO	NO	YES	First of the month on or after the date the employer receives the completed application and upon approval by ETF.	Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.†
3	NO, because employer neglected to offer enrollment opportunity	YES	YES	YES	The date for which premiums were first paid.	Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.‡
4	YES. Employee returned from LOA; ICI coverage continued during LOA, or premiums were waived while employee received ICI benefits.	NO; employer fails to re-start ICI deductions.	YES	NO	(No break in coverage.)	Past due premiums must be submitted to ETF. <i>(Employee also has the option to cancel coverage back to the date the premiums lapsed as long as no ICI benefits were paid in the interim.)</i>
5	NO. Employee returned from LOA; ICI coverage lapsed while on LOA. Employer fails to offer re-enrollment opportunity.	NO	NO	YES	First of the month on or after the date the employer receives the completed application and upon approval by ETF.	Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.†
6	NO. Employee returned from LOA; ICI coverage lapsed while on LOA. Employer fails to offer re-enrollment opportunity.	Yes; deductions resumed upon RTW.	YES	YES	(No break in coverage.)	Employer must furnish application to Employee. Employee must complete and return application to Employer within 30 days.‡

* regardless of if the employer submitted the application to the Dept. of Employee Trust Funds

† Employer must follow the “employer error” procedure in subchapter 1002. ETF will review and either approve or deny the application.

‡ Because premiums were deducted, the employee is considered to be insured. However, the employer must follow the same “employer error” procedure as outlined in subchapter 1002 when submitting the application to ETF.

1002 How to Correct an Employer Error

1. Immediately notify the employee of the error in writing and provide the employee with a new *Income Continuation Insurance Application* (ET-2366). Current dates should be used on the ICI application in the box at the employee signature line and in the box labeled 'Date Received from Employer.' The employee must return the application to the employer within 30 days of being informed of the error. Employees who are on leave of absence when an error is discovered may apply for coverage within 30 days of their return to work.
2. The employer must send the application to ETF marked with "Employer Error" and accompanied by a detailed letter explaining the error. The letter should answer the following questions:
 - What is the exact nature of the error?
 - What evidence exists to show that the employer, not the employee, was responsible for the error?
 - What was the cause of the error?
 - How and when was the error discovered?
 - What was done once the error was discovered?
 - What corrective action has the employer put in place to ensure that this type of error does not reoccur?
3. If premiums are not already being deducted, begin premium deductions immediately when an application is filed under the employer error provision. Although premiums may be deducted from an employee's salary, coverage is not guaranteed until ETF approves the application. The employer must refund any premium deductions made if coverage is ultimately not approved.
 - Applications can be returned to ETF by mail, fax, and through the Box link below.
 - Mail: P.O. Box 7931, Madison, WI 53707-7931
 - Fax: 608-267-4549
 - Box link for electronic submission:
<https://etf.app.box.com/f/7a3fc2c5ca3c45c3848c44d3f6dbafab>
4. ETF will notify both the employer and the employee of ICI coverage approval or denial. If approved, coverage will be effective on the first of the month following the date the employer received the application. If the employee had begun paying premiums within 60 days after becoming eligible, coverage will be effective retroactive to the first of the month for which the first premium payment was received.
6. If the error cannot be corrected under the employer error provision, the employee can apply for coverage by providing evidence of insurability.

1003 Errors Not Eligible for Correction

The employer error provision does not apply to errors primarily due to the employee's action or inaction. Examples of such situations include, but are not limited to:

- Employee is given application materials but forgets to submit completed application.
- Employee receives written notice of ICI coverage from the employer but fails to report coverage discrepancies to the employer.
- Employee completes form incorrectly and inadvertently cancels more coverage than intended. (A cancellation form can be withdrawn only before the effective date of the cancellation.)

If the error cannot be corrected under the employer error provision, the employee can apply for coverage by providing evidence of insurability.

1004 How To Avoid Employer Errors

The following chart illustrates some of the more common errors made by employers and provides tips on how to avoid these types of errors. Examples are not all-inclusive.

Types of Employer Errors:	How to Avoid These Types of Errors:
Failure to provide ICI information or an application to the employee within 30 days after the employee becomes eligible for coverage.	Employers should use the <i>New Employee Benefit Checklist</i> (ET-2572) or develop their own. The checklist will help verify eligibility and that all information and applications were given to the employee. The employee should sign the checklist verifying that they have received all applications/forms. Employers should retain a copy of the signed checklist for future confirmation that the employee received all the information listed on the checklist.
Excludes employees based on misinterpretation of eligibility. (Eligible employee includes full-time, part-time, limited-term, temporary, project, seasonal, non-represented, substitute teachers, library aides, etc., irrespective of bargaining unit agreements.)	Employers must offer Income Continuation Insurance coverage to all WRS-eligible employees.
Unaware of WRS eligibility date, and reports WRS enrollment late.	Employers should continually monitor an employee's work hours when the employee is determined not to be initially eligible for WRS. Refer to Chapter 3 of the <i>WRS Administration Manual</i> (ET-1127).

Appendix A: LOCAL Income Continuation Insurance – Eligibility and Premium Rules – Effective 05-01-2023 (Rev. 04/19/2023)

Section 3, Item E.

Example Number	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 Premium Review period)	Annual Premium Review Process**	Comments	Effective Date of Coverage / Change / Termination
New Hire									
1	New hire	N/A	Yes – within 30 days from date of hire	Yes	Yes – if projected earnings > \$64,000	Projected earnings for the ensuing 12 months	Annual Earnings Update - Bypassed until the employee has a full calendar year of earnings. Premium should be adjusted based on updated annual premium rate.		Coverage effective the first day of the calendar month that first occurs during the 30-day enrollment period. 2.02 (4)
Job Change (Promotion/Demotion)									
2	Promotion with salary increase at same employer – no FTE change. Current coverage 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 only		N/A	N/A		N/A
		Standard	No	N/A - already enrolled	No - even if earnings will exceed \$64,000 due to promotion. May enroll in supplemental coverage during any annual Supplemental Coverage open enrollment period in which the prior year's WRS earnings exceed \$64,000.	No coverage or premium change until Annual Premium Review. (Note: If employee has a subsequent ICI claim, their ICI <i>benefits</i> would be based on their new rate of pay or previous CY earnings – whichever is higher.)	**Annual Earnings – Previous CY Premium should be adjusted based on updated annual premium rate.	This information also applies to an employee whose coverage is based on a projected salary at the time of the salary increase. For premium purposes, the projected salary will remain in place until the employee has worked for a full calendar year and has a full calendar year of earnings.	N/A
		Standard & Supplemental			N/A - already enrolled				
3	Demotion with salary decrease at same employer – no FTE change. Current coverage	Not enrolled	N/A – not eligible to enroll	Can only enroll through EOI		N/A	N/A		N/A
		Standard	No	NA - already enrolled	No	No coverage or premium change until annual	**Annual Earnings – Previous CY	This information also applies to an employee whose coverage is	N/A

Example Number	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 Premium Review period)	Annual Premium Review Process**	Comments	Effective Date of Coverage / Change / Termination
	based on last year's WRS earnings (see "Comments" if current coverage based on projected salary)	Standard & Supplemental			If new salary < \$64,000, remain eligible for Supplemental coverage until next annual premium review; may voluntarily cancel supplemental coverage at any time.	premium review. (Note: If employee has a subsequent ICI claim, their ICI <i>benefits</i> would be based on their new rate of pay or previous CY earnings – whichever is higher.)	Premium should be adjusted based on updated annual premium rate.	based on a projected salary at the time of the salary decrease. For premium purposes, the projected salary will remain in place until the employee has a full calendar year of earnings.	
Appointment Percentage / FTE Changes									
4	FTE increase or decrease [Any permanent change to appointment percentage]	Not enrolled	N/A – not eligible	Can only enroll through EOI		N/A	N/A		N/A
		Standard	No	N/A - already enrolled	No, if not previously enrolled. May enroll during the next Supplemental Open Enrollment period if estimated salary greater than \$64,000.	Projected earnings as of 1 st of the month on or following FTE change	Annual Earnings update - Bypassed until the employee has a full calendar year of earnings at current FTE %.	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.	New coverage amount effective the first day of the calendar month which occurs on or following the effective date of the change in appointment.
		Standard & Supplemental	No		N/A - already enrolled; If new projected salary is less than \$64,000, supplemental would end. 2.11 (2) (b) (This is different than a demotion because FTE change requires a new projection, but a demotion does not.)	If coverage already based on projected earnings at time of FTE change, must update projected earnings based on FTE change.	Premium should be adjusted based on updated annual premium rate.		If earnings drop below \$64,000/year, supplemental coverage is discontinued as of the 1 st of the month on or following the change in percentage of appointment. 2.11 (2) (b)
Leave of Absence									
5	Employee returns from unpaid LOA (or Military Leave); Did not have coverage prior to LOA	None	No	No; There is no new enrollment opportunity upon return from LOA if employee had no coverage prior to leave. (Can apply though EOI.)		N/A	N/A		N/A

Example Number	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 Premium Review period)	Annual Premium Review Process**	Comments	Effective Date of Coverage / Change / Termination
6	Employee returns from unpaid LOA (or Military Leave), did NOT receive ICI benefits, and ICI coverage did NOT lapse while on LOA	Standard OR Standard & Supplemental	No	N/A - already enrolled	N/A – if already enrolled; No new enrollment opportunity if not enrolled (*See “Comments” for exception.)	Gross premium remains the same throughout the LOA. Upon return to work, coverage level remains the same until employee works full CY (unless there has been a permanent change in the employee’s percentage of appointment). 2.05 (4)	Annual Earnings update - Bypassed year 1; include in annual earnings review process once employee works full CY. 2.05 (4) Premium should be adjusted based on updated annual premium rate.	<i>*If an employee, while on leave, missed an opportunity to enroll for Supplemental coverage during the Annual Open Enrollment period, they can enroll by submitting an appl. to their employer within 60 days of return to work. Supplemental coverage would be effective the first day of the calendar month that first occurs during the 60-day enrollment period, but not prior to April 1st of the year in which the employee became eligible to enroll. 2.03 (4) (e)</i>	N/A
7	Employee returns from unpaid LOA (or Military Leave) to previous FTE level, did NOT receive ICI benefits, and coverage lapsed while on LOA 2.05 (5)	Standard OR Standard & Supplemental	Yes – within 30 days of RTW	Yes (previously enrolled prior to LOA)	Yes – if enrolled prior to LOA; <i>There is no new Supplemental coverage enrollment opportunity upon return from LOA if not previously enrolled. (*See “Comments” for exception.)</i>	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.	Annual Earnings update - Bypassed year 1; include in annual earnings review process once employee works full CY. Premium should be based on updated annual premium rate.	<i>*Employees on LOA during the Supplemental Coverage Open Enrollment Period have 60 days from their return to work to apply for supplemental coverage. 2.03 (4) (e) Supplemental coverage would be effective the first day of the calendar month that first occurs during the 60-day enrollment period, but not prior to April 1st of the year in which the employee became eligible to enroll.</i>	Coverage effective the first day of the calendar month that first occurs during the 60-day enrollment period.
8	Employee returns from unpaid LOA (same FTE level), received ICI benefits while on LOA, but ICI benefits have now ceased (ICI Premium Waiver in effect during LOA.)	Standard OR Standard & Supplemental	No	N/A - already enrolled	N/A – if already enrolled; No new enrollment opportunity if not already enrolled. (*See “Comments” for exception.)	Coverage level in effect at the time the LOA began will resume upon return from LOA. Premium rate will be adjusted if there has been an annual premium adjustment in the interim.	Annual Earnings update - Bypassed year 1; include in annual earnings review process once employee works full CY. Premium should be based on updated annual premium rate.	<i>*Employees on LOA during the Supplemental Coverage Open Enrollment Period have 60 days from their return to work to apply for supplemental coverage. 2.03 (4) (e) Supplemental coverage would be effective the first day of the calendar month that first occurs during the 60-day enrollment period, but not prior to April 1st of the year in which the employee became eligible to enroll.</i>	N/A – coverage never lapsed (employee on premium waiver); ICI program administrator will notify the ER as to when premium payments/deductions will need to resume.

Example Number	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 Premium Review period)	Annual Premium Review Process**	Comments	Effective Date of Coverage / Change / Termination
9	Employee returns from unpaid LOA, but does NOT return full-time, and is still receiving ICI benefits (ICI Premium Waiver is still in effect.)	Standard OR Standard & Supplemental	No	N/A - already enrolled	N/A – if already enrolled; No new enrollment opportunity if not enrolled.	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. 2.06	N/A	Premiums are not due while an EE is receiving ICI benefits. Employees who have returned to work part-time, but are still receiving ICI benefits, may enroll in Supplemental coverage once they are no longer receiving ICI benefits. 2.03 (4) (e)	N/A – coverage never lapsed (employee on premium waiver)
Evidence of Insurability (EOI)									
10	Employee is approved for coverage through Evidence of Insurability (EOI) 2.03 (1)	None (Employee with Standard coverage cannot apply for Supplemental coverage through EOI.)	Yes (Employee should send EOI application directly to ETF.)	Yes	Yes – if earnings exceed \$64,000	Coverage level based on previous CY earnings (If employee does not have full year of earnings in the previous CY, use projected earnings as of coverage effective date.)	Annual Earnings update - Previous CY (unless using projected earnings in previous year– then bypass year 1; include in annual earnings review process once employee works full CY.) Premium should be calculated based on updated annual premium rate.		Coverage effective the first day of the calendar month which occurs on or after the date the EOI application is approved.
Annual Supplemental Coverage Enrollment Period									
11	Employee elects Supplemental Coverage during Open Enrollment 2.03 (4)	Standard ICI	Yes – by March 1 st	N/A – already enrolled	Yes – if prior CY's earnings (or projected earnings, if applicable) exceed \$64,000	N/A (See "Annual Premium Review Process", as Supplemental Open Enrollment takes place during the annual review.)	Annual Earnings - Previous CY (unless using projected earnings in previous year– then see "Comments") Premium should be adjusted based on updated annual premium rate.	If earnings were projected, they remain the same until employee has a full CY of earnings (If projection based on change in percentage of appointment, must have full year at new FTE %.)	Coverage is effective April 1 st
Changes in Elimination Periods									
12	Change to Longer Elimination Period	Standard OR Standard & Supplemental	Yes	No – must already have coverage		No change in earnings - coverage based on same earnings amount as prior to change in elimination period. New premium rate based on longer elimination period.	Annual Earnings - Previous CY Premium should be adjusted based on updated annual premium rate.		Change is effective the first day of the calendar month which occurs on or following the date the application is received by the employer.

Example Number	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 Premium Review period)	Annual Premium Review Process**	Comments	Effective Date of Coverage / Change / Termination
13	Change to Shorter Elimination Period 2.03 (1)	Standard OR Standard & Supplemental	N/A - Employee must complete Evidence of Insurability (EOI) application. Must be approved by underwriter.	No – must already have coverage		If EOI approved, coverage based on same earnings amount as prior to change in elimination period. New premium rate based on shorter elimination period.	Annual Earnings - Previous CY Premium should be adjusted based on updated annual premium rate.	An employee can request change through the EOI process at any time of the year.	Change is effective the first day of the calendar month which occurs on or after the date the EOI application is approved.
Termination/Cancellation of Coverage									
14	Employee on LOA or Military Leave, and ICI coverage lapses due to non-payment of premiums	Standard OR Standard & Supplemental	N/A	N/A	N/A	N/A	N/A		Coverage terminates at the end of the month through which premiums are paid. 2.07 (1)
15	Employee Cancels Coverage	Standard OR Standard & Supplemental	Yes	N/A	N/A	N/A	N/A	May cancel Supplemental <u>OR</u> Standard & Supplemental An employee who completes an application to cancel coverage, <i>other than an employee on military leave</i> , is only eligible to re-enroll through evidence of insurability (EOI). An employee on military leave who cancelled coverage may re-enroll, without providing EOI, by submitting an application to their employer within 30 days of returning to work. 2.03 (2)	Coverage terminates the first day of the calendar month which occurs on or after the date the application is received by the employer. 2.07 (3)
16	Employee Resigns, is dismissed, terminates, retires or dies (whichever occurs first)	Standard OR Standard & Supplemental	N/A	N/A	N/A	N/A	N/A		Coverage ends on the date employee resigns, is dismissed, terminates, retires or dies (whichever occurs first). 2.07 (1)
Rehired Annuitants									

Example Number	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 Premium Review period)	Annual Premium Review Process**	Comments	Effective Date of Coverage / Change / Termination
17	Annuitant is re-hired in WRS-eligible position, and annuity is suspended	N/A	Yes – within 30 days of rehire	Yes	Yes– if projected earnings > \$64,000	Projected earnings as of the effective date of coverage	<p>Annual Earnings Update - Bypassed until the employee has a full calendar year of earnings.</p> <p>Premium should be adjusted based on updated annual premium rate.</p>		<p>Coverage effective the first day of the calendar month that first occurs during the 30-day enrollment period.</p> <p>2.02 (4)</p>

****Annual Premium Review Process:**

- **Normal process is to look at the previous calendar year’s earnings, rounded up to the next higher thousand. Exceptions would be:**
 - **Employee was newly hired in the previous year** → Use projected earnings (rounded up to the next higher thousand) until the employee has worked a full calendar year (CY).
 - **Employee was on a LOA the previous year** → Use earnings amount in effect prior to the LOA, unless employee has had a permanent change in percentage of appointment since start of LOA.
 - **Employee had a permanent change in percentage of appointment (FTE) in the previous year** → Use previous projected earnings amount until the employee has worked a full calendar year (CY) at their new FTE percentage.



ICI Premium Holiday Continues in 2024 for Local Participants

Website Feedback

Employer News

JUNE 7, 2023

The Group Insurance Board has extended the income continuation insurance (ICI) premium holiday for 2024, based on the strong financial position of the local ICI Program. This means that employers and employees will not pay premiums for ICI coverage.

See [information](#) for employers about the ICI program, how to participate, and administer the program.



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Local Income Continuation Insurance Changes to Consolidate Coverage Levels

Employer News

MARCH 28, 2023

For Local Employers Participating in the Income Continuation Insurance Program

The Group Insurance Board has approved changes to the Income Continuation Insurance (ICI) Program that will go into effect on February 1, 2024.

The changes consolidate the separate *standard* and *supplemental* coverage levels into a single coverage level that simplifies the program. The goal is a program that is easier to understand and administer.

Currently, standard ICI coverage only covers an employee's earnings up to \$64,000 per year. An employee whose annual earnings are more than that amount can elect supplemental ICI coverage to cover their full earnings, up to a maximum of \$120,000 per year.

Beginning February 1, 2024, employees enrolled in the ICI Program will have their full earnings, up to \$120,000 per year, covered automatically. There will be no optional supplemental coverage available.

This change eliminates the need for employers to complete the annual administrative process of offering supplemental coverage to eligible employees.

Premiums

If the premium holiday for local employers were not in effect, employers would pay a portion of the premium for standard ICI coverage only. Employees enrolled in supplemental coverage would pay the full premium for that additional coverage.

Once the ICI Program changes go into effect, and once the premium holiday ends, employers will contribute a portion of the premium for the full amount of an employee's earnings up to \$120,000 per year.

Questions

This [Frequently Asked Questions](#) document is available for your reference. This document will be updated as needed.

Please email any questions to etfsmbemployerinsurance@etf.wi.gov.



Post Office Box 351
Watertown, WI 53094
June 28, 2023

Jaynellen Holloway, City Engineer
Watertown Municipal Building
106 Jones Street
Watertown, WI 53094

Dear Jaynellen,

This letter is a followup to our conversation last week regarding a financial donation to the city of Watertown for the restoration of the iconic stone walls at Riverside Park.

The Watertown Area Community Foundation has agreed to provide a check in the amount of \$160,000 as its share of the repair contract. That money is being given to the city by the Watertown Riverfest Committee 1987-2022.

As part of this contribution, the Riverfest Committee/Community Foundation expects the city to follow through on several conditions:

- a. The repair of the bridge closest to the city sheds be repaired and not removed.
- b. The Division Street entrance to the park remains undisturbed and any additional stone needed is to be found from areas which would not be noticed by the public.
- c. A brass plaque be installed with the following statement "This wall and bridge restoration project was made possible through a donation by the Watertown Riverfest Committee 1987-2022. *Donated July of 2023.*"

Please confirm in writing these conditions are acceptable to the city and will be incorporated as part of the project.

A check payable to the city in the amount of \$160,000 will be forthcoming in a matter of days, as soon as it is released by our corporate bank.

Both the Riverfest Committee 1987-2022 and the community foundation are excited to participate in this historical preservation/restoration project.

Sincerely

Thomas Schultz, President
Watertown Area Community Foundation

Cc: Mayor Emily McFarland

*Emily -
We finally have
it completed!*



To: Finance Committee
CC: Mayor McFarland
From: Mason Becker, Strategic Initiatives and Development Coordinator
Date: June 23, 2023
Re: ARPA Housing Rehab Grant Program

Finance Committee members,

As you may recall, the City of Watertown received American Rescue Plan Act (ARPA) funds to utilize for various projects. The Common Council had budgeted \$100,000 of these ARPA funds to use for preservation of affordable housing stock. Watertown (along with the greater Jefferson and Dodge County area) has an identified shortage of available housing (both owner-occupied and rentals), and this program will be one more tool to help combat this problem, along with the City's many other efforts. Lack of housing can contribute to challenges in finding adequate workforce for local employers, cause economic hardship for residents, as well as other issues.

Following discussions with city staff, a program proposal has been developed, targeted toward items that routinely come up as compliance issues and add to the property's value.

Under this plan, the RDA would facilitate that program and review all applications received. The RDA's existing Revolving Loan Fund (RLF) review committee is already in place, and able to handle review of these applications. In return, the RDA will be granted a 5% administrative fee, which is significantly less than a third-party underwriter would charge. As a frame of reference, one firm that the City works with includes an 8% charge on the sum of revolving loan fund deposits, and an 8% charge when new RLF projects are funded.

At the Watertown Redevelopment Authority's (RDA) board meeting on April 19th, the board voted unanimously to participate in this proposed Housing Rehab Grant Program, which will utilize ARPA monies previously approved by the Common Council. The RDA board approved participation in administering this program, with the understanding that some program details might be adjusted slightly.

The following document outlines the general format of the program, as well as the application form, which the city attorney has reviewed. I am recommending that the Finance Committee approve this program, as this grant program falls in line with the City's identified need to preserve and maintain affordable housing stock.

Sincerely,

Mason T. Becker
Strategic Initiatives and Development Coordinator

CITY OF WATERTOWN

HOUSING REHAB GRANT PROGRAM GUIDELINES

Purpose: The Housing Rehab Grant Program is intended to provide access to capital to assist property owners, both owner-occupied and landlords, with necessary maintenance of their properties to preserve and increase housing stock and property values. The program is administered by the Watertown Redevelopment Authority (RDA).

Type of Funding: The program provides one-time grant dollars via a matching grant, determined on a sliding scale based on income. All housing units are considered eligible to apply. Applications are evaluated by the RDA Application Review Committee.

This is a competitive grant program. Properties for which grants are applied may be located anywhere within the City of Watertown.

Financial Terms:

- Property owner is required to contribute a minimum of 10% owner cash based on the total project.
- A maximum of \$10,000 will be awarded per grant.
- Level of matching grant is determined by income of the property owner, referencing HUD defined 2023 Jefferson County median family incomes (see attached).
 - Property owners with a household income below 50% of the area median income will receive up to a 70% matching grant.
 - Property owners with a household income below 80% of the area median income will receive up to a 50% matching grant.
 - Property owners with a household income above 80% of the area median income will receive up to a 30% matching grant.
- For rental properties, landlords must provide 70% of total funding for the project.
- The Watertown RDA will deduct 5% of the awarded grant funds as an administrative fee.

Eligible Expenditures: Funds are to be used for physical repairs to the existing building. Additions to an existing building are not eligible for this grant program. Garages, sheds, and other similar structures are not eligible. Eligible expenses include: roofs, porches, exterior paint, windows, doors, and power service upgrades to panels (with a correlating plan for upgrading in wiring).

Program Boundaries: Eligible properties include those located within the City of Watertown. Priority may be given to applications where the home is located on a major thoroughfare, or within or immediately adjacent to the Watertown RDA’s current service area (see attached map).

Additional Guidelines: Property must be in good standing with the City of Watertown, with taxes current. If the property has any outstanding code violations or citations the project must address and resolve all outstanding violations and citations..

Application Process: Applications are reviewed on a first-come, first-served basis. Applications will be reviewed based on criteria including project feasibility, impact to the value of the property, aesthetic improvement to the property, location of the proposed project, and other factors as determined by the RDA Application Review Committee. The RDA reserves the right to conduct a background and credit check on all applicants.

CITY OF WATERTOWN
HOUSING REHAB GRANT PROGRAM APPLICATION FORM

Please provide information on the proposed project. Your signature below indicates your intent to apply for grant funding and that you have received a copy of the program guidelines. **Please return to Watertown Redevelopment Authority, 106 Jones Street, Watertown, WI 53094.**

Applicant name: _____
Address: _____
Cell Phone: _____ Work Phone: _____
Property Owner(s): _____
Project Address: _____
Project description (work to be done): _____

How will this project benefit the preservation of the property? _____

Is this project addressing an issue that you have received a notice or citation from the Watertown Building Safety and Zoning Department? _____

Estimated Timeframe for Project Completion: _____
Grant amount requested: _____
Property Mortgage Holder(s): _____

INCLUDE WITH APPLICATION (please check each box):
☐ Three years of personal income tax returns/financials
☐ Personal financial statement
☐ *For landlords:* Available business financial reports such as profit/loss statement, balance sheet, receivables.

By signing, I certify that the information in this application is correct and accurate to the best of my knowledge:

Applicant

Date

Loan Committee Review

Signature

Date
☐ (check box if reviewed by staff for completion and all supplemental documents included)



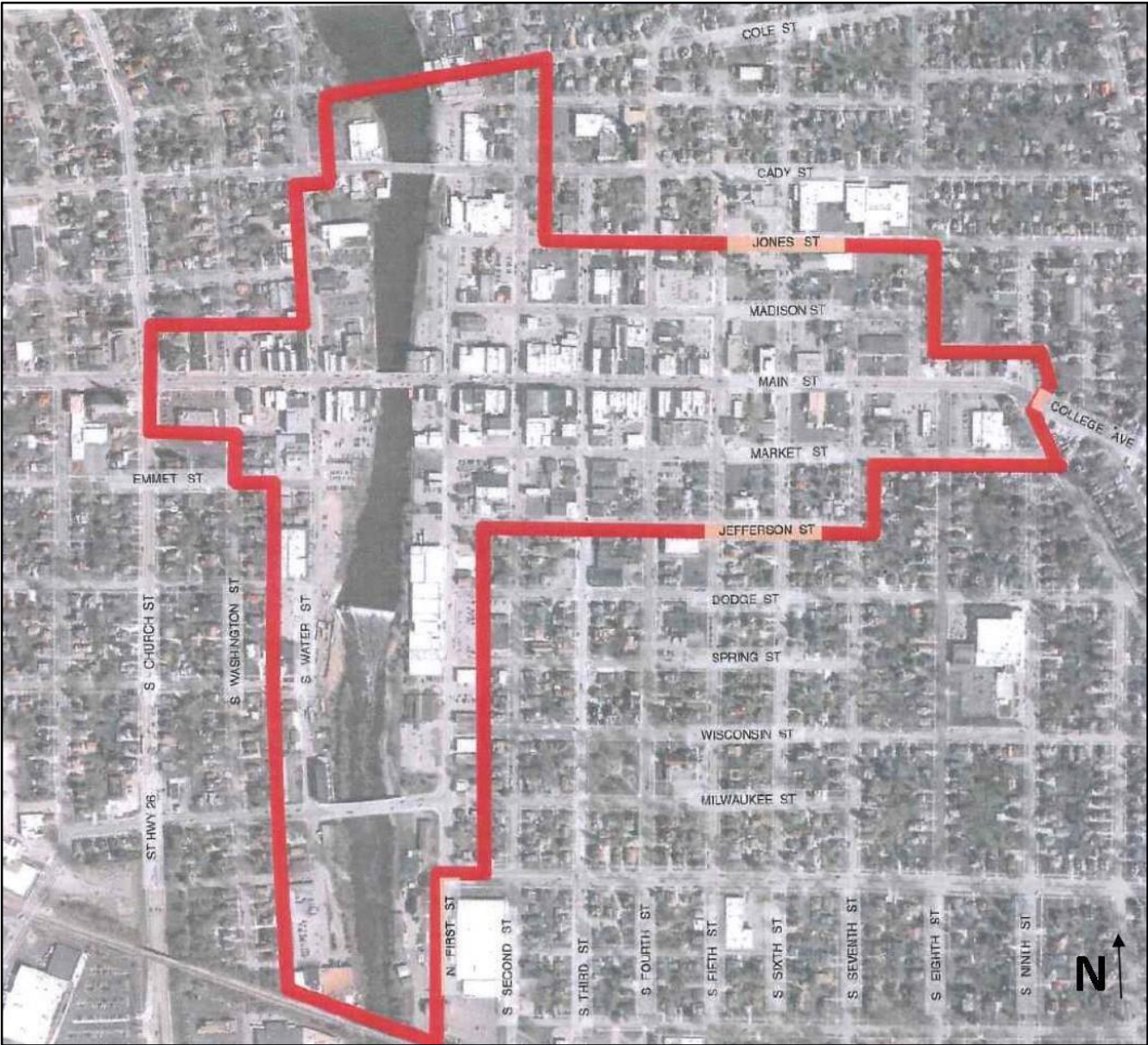
FY 2023 INCOME LIMITS DOCUMENTATION SYSTEM

[HUD.gov](#) [HUD User Home](#) [Data Sets](#) [Fair Market Rents](#) [Section 8 Income Limits](#) [MTSP Income Limits](#) [HUD LIHTC Database](#)

FY 2023 Income Limits Summary

FY 2023 Income Limit Area	Median Family Income	FY 2023 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Jefferson County, WI	\$95,900	Very Low (50%) Income Limits (\$)	32,700	37,350	42,000	46,650	50,400	54,150	57,850	61,600
		Extremely Low Income Limits (\$)*	19,600	22,400	25,200	30,000	35,140	40,280	45,420	50,560
		Low (80%) Income Limits (\$)	52,300	59,750	67,200	74,650	80,650	86,600	92,600	98,550

Watertown Main Street Program Boundary Map





To: Finance Committee
CC: Mayor McFarland
From: Mason Becker, Strategic Initiatives and Development Coordinator
Date: June 20, 2023
Re: Local Government Academy

Finance Committee members,

Recently, Mayor McFarland contacted the University of Wisconsin Extension to receive information on a possible Local Government Academy for the City of Watertown. UW Extension offers this program to educate members of the public about the operations of local government, as part of their mission of connecting people throughout the state to the UW system. This program has been conducted in other municipalities and is being offered to communities throughout the state on an ongoing basis.

Following that request, Mayor McFarland and I met with Outreach Specialists from UW Extension, where they laid out the planning and process of the Academy. We requested that they provide a follow-up summary and quote, which is attached to this memo.

We feel this program would be beneficial to the City of Watertown, as it would allow up to 20 local residents to participate in this Academy, with the goal of allowing them to learn about local government operations and departments, become more informed about public participation opportunities, and increasing their personal investment in the City through informed advocacy and civic involvement.

The following document outlines the general format of the Local Government Academy, which would be held in seven separate sessions during the 1st quarter of 2024. I am recommending that the Finance Committee approve funding for this program in the 2024 budget, which will allow us to move forward with planning and coordination with UW Extension. We do also plan to seek other funding sources, which will hopefully help offset the City's portion of the total costs involved. We have already approached the Watertown Area Chamber of Commerce about this, and their Executive Director, Bonnie Hertel, plans to discuss this item with their executive committee in the near future.

Sincerely,

Mason T. Becker
Strategic Initiatives and Development Coordinator



Extension

UNIVERSITY OF WISCONSIN-MADISON
WAUKESHA COUNTY

515 West Moreland

Section 3, Item G.

Waukesha WI 53188
262-548-7770
262-548-7787 (fax)
711 (Wisconsin Relay)

City of Watertown Local Government Academy Fee for Service Proposal January - March 2024

Overview:

UW-Madison Division of Extension Outreach Specialists, working with the City of Watertown, will plan, coordinate, and facilitate a Local Government Academy to be held January through March 2024. The result will be a seven-session Local Government Academy designed for 20 residents to learn more about city operations and services, strengthen community relationships, and discover opportunities to become more civically involved.

Program Goals:

- Participants learn about local government operations and departments
- Participants are more informed about and better prepared for public participation opportunities
- Participants increase their investment in the community through advocacy and civic involvement

Program Deliverables and Expectations:

City of Watertown staff will:

- schedule speakers
- coordinate logistics (location to hold sessions, plan for technology needs, coordinate handouts, etc.)
- order light dinner for each session
- market program

Extension Waukesha County Outreach Specialists will:

- work with the city of Watertown to plan 7 sessions (January-March 2024)
- develop application and marketing materials.
- review applications, determine participants, notify applicants of acceptance or decline.
- regularly email participants with reminders, updates, share handouts, etc.
- facilitate each session and monitor attendance.
- develop end of session certificates
- conduct program evaluation and share results with Watertown

Program Outcomes:

- A seven-session program will be planned and marketed to Watertown residents to be held January-March 2024.
- 20 participants of the Watertown Local Government Academy will complete the Watertown Local Government Academy

Notes:

- Extension will submit two invoices totaling \$12,650 that will include all expenses for personnel, planning, facilitation, materials, and mileage. This amount does not include the cost of the light dinner for each session.
- Watertown will have a separate budget line (approximately \$2,000) to order and pay for the dinner component of the Academy.

Memo

To: Finance Committee/Mayor McFarland
From: Megan Dunneisen, City Clerk
Date: July 21, 2023
Re: 2023 Absentee Ballot Envelope Subgrant

The Wisconsin Election Commission (WEC) has approved several aspects of the absentee envelope redesign project. The redesign of the absentee envelopes is to ensure compliance with recent court decisions and the Wisconsin statutes. The new envelope designs must be in use by the 2024 Spring February Primary. Previous iterations of the absentee envelopes shall not be used again.

WEC has approved the allocation of federal funds for an absentee ballot envelope subgrant program to partially offset the costs of the transition to the new envelopes. The City of Watertown is eligible to receive \$2,285.29 upon completion and return of the 2023 Absentee Ballot Envelope Subgrant Memorandum of Understanding (MOU).

Thank you for your consideration.

**RESOLUTION TO
ENTER MEMORANDUM OF UNDERSTANDING WITH THE
WISCONSIN ELECTION COMMISSION FOR THE 2023 ABSENTEE
BALLOT ENVELOPE SUBGRANT PROGRAM**

**SPONSOR: MAYOR MCFARLAND
FROM: FINANCE COMMITTEE**

WHEREAS, the Wisconsin Election Commission’s Election Security Subgrant Program (“subgrant”) is intended to fund jurisdictions purchasing redesigned absentee ballot envelopes; and,

WHEREAS, these envelopes were redesigned to ensure compliance with recent court decisions and the Wisconsin statutes. Old envelopes are not compliant with the law, and the Wisconsin Elections Commission unanimously voted not to permit their continued use, starting in 2024; and,

WHEREAS, commission staff will award subgrants based on receipt of a signed Memorandum of Understanding (MOU). Jurisdictions may receive a proportional amount of available subgrant funds based on their 2022 estimated voting age population, totaling the amount of \$2,285.29 for the City of Watertown; and,

WHEREAS, the purpose of the subgrant is to help improve overall election security of federal elections statewide by providing cities, villages, and towns across the State of Wisconsin with federal election security funds to safeguard and secure the integrity of the absentee voting process in federal elections.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF WATERTOWN, WISCONSIN: that the proper City Officials are hereby authorized to complete and submit the MOU for the Absentee Ballot Envelope Subgrant Program a copy of which is attached hereto and incorporated by reference as Exhibit A.

That this Resolution shall be in full force and effect upon its passage and adoption.

	YES	NO
DAVIS		
LAMPE		
BOARD		
BARTZ		
BLANKE		
SMITH		
SCHMID		
WETZEL		
MOLDENHAUER		
MAYOR MCFARLAND		
TOTAL		

ADOPTED August 15, 2023

CITY CLERK

APPROVED August 15, 2023

MAYOR



Wisconsin Elections Commission

201 West Washington Avenue | Second Floor | P.O. Box 7984 | Madison, WI 53707-7984
(608) 266-8005 | elections@wi.gov | elections.wi.gov

2023 ABSENTEE BALLOT ENVELOPE **SUBGRANT PROGRAM**

EXHIBIT A

REQUEST FOR FUNDS & MEMORANDUM OF UNDERSTANDING

BETWEEN

THE WISCONSIN ELECTIONS COMMISSION

AND

City of Watertown, Dodge/Jefferson County

(NAME OF MUNICIPALITY, COUNTY)

I. PARTIES

The parties to this Memorandum of Understanding (hereinafter referred to as “MOU” or “agreement”) are the Wisconsin Elections Commission (hereinafter referred to as the “WEC” or the “Commission”) and the (City) (Village) (Town) of Watertown in Dodge/Jefferson County, Wisconsin. The Commission is the state agency providing an election security subgrant of federal funds to the city, village, or town. The City, Village or Town identified above is the entity receiving a local election security subgrant from the Commission and is referred to herein as the “receiving jurisdiction.” By signing and dating this agreement, the participating City, Village, or Town agrees to the terms of this agreement with the Commission.

II. PURPOSE

The purpose of this MOU is to set forth the requirements that cities, villages and towns must meet to be eligible to receive an absentee ballot envelope subgrant from the Commission and the requirements for the use of the funds. The subgrant program is funded by the federal HAVA Election Security Grant which was authorized by the U.S. Congress under Section 101 of the Help America Vote Act of 2002 (P.L. 107-252) (HAVA) and provided for in the Consolidated Appropriations Act of 2023 (Public Law 117-328) and issued by the federal Election Assistance Commission. The purpose of the federal grant is to “improve the administration of elections for Federal office, including to enhance election technology and make election security improvements to the systems, equipment and processes used in federal elections” (CFDA Number 90.404; Federal Award Identification Number (FAIN) EAC-ELSEC18WI).

The purpose of the subgrant is to help improve overall election security of federal elections statewide by providing cities, villages, and towns across the State of Wisconsin with federal election security funds to safeguard and secure the integrity of the absentee voting process in federal elections.

Wisconsin Elections Commissioners

Don M. Millis, chair | Marge Bostelmann | Joseph J. Czarnecki | Ann S. Jacobs | Robert Spindell | Mark L. Thomsen

Administrator
Meagan Wolfe

III. SUBGRANT PROGRAM REQUIREMENTS

A. Introduction

The Commission's Election Security Subgrant Program ("subgrant") is intended to fund jurisdictions purchasing redesigned absentee ballot envelopes. Each jurisdiction may receive an amount determined based on their estimated January 1, 2022, voting age population as determined by the Department of Administration Demographic Services Center.¹ All funds received must be expended to purchase the redesigned absentee ballot envelopes or returned to the Commission.

B. Envelope Redesign.

At the Commission's February 2, 2023, meeting, WEC staff were directed to develop a timeline to implement a new absentee ballot envelope package that would allow for the Commission to approve the design no later than its September 20, 2023, meeting. The absentee ballot envelope package for voters includes two envelopes:

- EL-120: Absentee Ballot Mailer Envelope (outside envelope going to voter)
- EL-122: Official Absentee Ballot Application/Certification (inside envelope returning to clerk)

These envelopes were redesigned to ensure compliance with recent court decisions and the Wisconsin statutes. Old envelopes are not compliant with the law, and the Wisconsin Elections Commission unanimously voted not to permit their continued use, starting in 2024.

At the Commission's March 3, 2023, meeting, the Commission directed staff to allocate \$600,000 of federal funds towards an Absentee Ballot Envelope subgrant program, to partially offset the cost of transitioning to new absentee ballot envelopes now under development. The absentee ballot envelope performs several functions – each essential to the security of the voter's choice, and the integrity of the wider electoral process. A successful transition to the new design is therefore in the interest of all participants.

IV. FUNDING

- A. Commission staff will award subgrants based on receipt of a signed Memorandum of Understanding (MOU). Jurisdictions may receive a proportional amount of available subgrant funds based on their 2022 estimated voting age population as outlined in Appendix A. The minimum award is \$20.00.
- B. **All funds received must be expended to purchase the redesigned absentee ballot envelopes.** A county purchasing envelopes on behalf of a municipality may receive a subgrant award, however only one award will be granted per municipality. Any unused funds must be returned to the Commission by December 31, 2024.
- C. Subgrant period: **March 3, 2023 – December 31, 2024.** All costs must be incurred, including goods received, during this project period. Bids, proposals, or purchase orders are not adequate for this subgrant.

¹ https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx

- D. Documentation: Receipts or invoices for all subgrant expenditures, showing date and amount for all funds expended, must be retained by requesting jurisdictions for a minimum of **eight years**. A standard inventory list of all items purchased using subgrant funds must be created and maintained by the jurisdiction for purposes of any state or federal audit.
- E. Request Processing: Subgrant funds will be distributed in a timely manner after the WEC receives the completed and signed MOU from the jurisdiction. Subgrant funds will be disbursed by electronic transfer to a jurisdiction's shared revenues account (if available), or via a physical check sent to a jurisdiction's shared revenues location. For questions related to the processing of subgrant reimbursements, contact the Commission's financial team via the WEC Help Desk at 608-261-2028 or elections.finance@wi.gov.

V. SUBGRANT PROGRAM DEADLINES

To help increase overall election security across the state, the election subgrant program has established the following deadlines:

New Envelope Design Available: August/September, 2023

Application (MOU) Deadline: June 30, 2024

Return Unused Funds Deadline: December 31, 2024

VI. COMPLIANCE MONITORING, CERTIFICATION, DOCUMENTATION AND AUDIT

A. Certification.

The receiving jurisdiction shall certify (by completing the MOU) that information provided is true and correct; it has complied with all terms of the subgrant; the election security subgrant funds will be used to meet the terms of the subgrant, including to increase the accessibility of federal elections; and that any falsification of information related to the subgrant could subject the jurisdiction official to civil or criminal penalties.

B. Documentation.

The receiving jurisdiction shall maintain all documentation of purchases made using subgrant funds provided by the Commission for a minimum of eight years from the date of the expenditure or until the WEC authorizes destruction of said records. A standard inventory list of all items purchased using subgrant funds must be created and maintained by the jurisdiction for purposes of any state or federal audit. Such original purchasing documentation and inventory lists shall be retained by the receiving jurisdiction until the WEC authorizes the destruction of said records. Submission of copies of all purchasing documentation may be required by the WEC or federal auditors at any time.

C. Audit.

All subgrant funds received are subject to audit by the Commission and/or the federal government to ensure funds have been spent appropriately and in accordance with all applicable state and federal laws. Pursuant to Wis. Stat. § 5.05(11), if the federal government objects to the use of any funds provided to a county or municipality under the subgrant, the county or municipality shall repay the amount of the subgrant to the Commission.

D. Regulations.

As the receiving jurisdiction, we further certify that we will follow all state and federal laws, including adherence to all applicable federal requirements including Office of Management and Budget (OMB) guidance: Title 2 C.F.R. Subtitle A, Chapter II, Part 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. § 200) found here: (<https://www.govinfo.gov/app/collection/cfr/2022/>).

VII. SIGNATURES

By signing and dating this agreement the receiving jurisdiction agrees to the terms of this MOU and certifies that the information provided in this MOU is true and correct.

Receiving Jurisdiction

Signature _____ Date: _____
(Authorized Representative of Jurisdiction)

Printed Name Emily McFarland
(Authorized Representative of Jurisdiction)

Jurisdiction Name: City of Watertown

County: Dodge/Jefferson

Jurisdiction Treasurer Name: Mark Stevens

Jurisdiction Treasurer Mailing Address: 106 Jones Street
P.O Box 477
Watertown, WI 53094

Jurisdiction Clerk E-mail: mdunneisen@watertownwi.gov

Submit completed form by June 30, 2024, to:

Wisconsin Elections Commission
201 West Washington Avenue, Second Floor
P.O. Box 7984
Madison, WI 53707-7984
elections.finance@wi.gov
Fax: 608-267-0500

To: Finance Committee
From: Mark Stevens
Date: July 24, 2023
RE: Request for addition to Purchasing Policy

Plans are underway to present a recommendation for an update to the Purchasing Policy in conjunction with the new fiscal year. During a recent triennial audit of the Shared-Ride Transit program by WisDOT, it was cited that our current written policies are absent content addressing cost allowability against federal grant awards. I received model language, mostly direct copy from the federal Office of Management and Budget audit guide, that I've modified for the city. I am requesting the attached policy statement be added to our purchasing policy as **Section 9.2 Cost Allowability for Charges Against Federal and State Awards** (moving the current **9.2 Procurement** to be numbered as 9.3), effectively immediately so that we can incorporate this change in our corrective action plan due next week.

Policy on Cost Allowability for Charges Against Federal and State Awards

General. All costs incurred by City of Watertown under a grant award from a U.S. federal or state agency shall be subject to the cost allowability standards articulated in OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Procedure. Prior to entry into the general ledger, the department head shall determine if the nature of the expense and determine if the expense:

Allowability – meets the general requirements established in 2 CFR § 200.403(a) through §200.403(g). City of Watertown will maintain a system of internal controls over Federal expenditures to provide reasonable assurance that Federal awards are expended only for allowable activities and that the costs of goods and services charged to Federal awards are allowable and in accordance with the above referenced cost principles.

Those controls will meet the following general criteria:

- Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the city.
- Be accorded consistent treatment.
- Be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
- Be adequately documented.

Selected Items of Costs – is consistent with one of the allowability factors for selected items of costs articulated in 2 CFR § 200.420 through § 200.475.

Grant Budget – is consistent with the allowable expenses provided for in the grant agreement.

This procedure will be employed regardless of whether City of Watertown classifies the expense as a direct or indirect (F&A) cost. If deemed allowable, the department head shall code the expense in accordance with the account code established for the grant and submit the amount in the general ledger. If the department head cannot establish the allowability of an expense, consultation with the Finance Director shall be required to make the determination before any cost is entered in the general ledger. If unable to be resolved by the Finance Director, City of Watertown shall seek clarification with the Federal awarding agency or pass-through agency.

If deemed ineligible for reimbursement under the Federal award, the department head will record the item to an appropriate alternative within department expense accounts.

City of Watertown
Income Statement - June 2023

Section 3, Item J.

50.0%

	Prior Year 2 Actual	Prior Year Actual	Curr Yr To-Date	Curr Yr Budget	Remain Balance	% Rev/Exp
Revenues						
Taxes	10,890,759	11,105,967	10,459,365	11,636,160	1,176,795	89.9%
Intergovt Shared Taxes	3,222,923	3,261,639	77,941	3,300,976	3,223,035	2.4%
Intergovt State Grants	1,545,587	1,298,364	595,378	1,174,725	579,347	50.7%
Licenses	68,523	67,240	54,578	68,775	14,197	79.4%
Permits	192,100	197,777	142,151	206,125	63,974	69.0%
Law & Order Violations	175,295	181,477	132,897	200,000	67,103	66.4%
Gen Govt Public Charges for Services	338,644	355,108	92,502	314,850	222,348	29.4%
Public Safety	764,059	833,120	332,767	829,100	496,334	40.1%
Health & Social Services	5,679	9,729	8,298	5,500	(2,798)	150.9%
Public Works	34,576	43,759	44,321	38,250	(6,071)	115.9%
Recreation	342,830	346,086	186,987	367,300	180,313	50.9%
Intergovt Township Fire Protection	283,177	287,287	144,519	283,537	139,019	51.0%
Interest	(11,749)	(151,064)	298,863	100,000	(198,863)	298.9%
Reserve Acct Revenue	134,111	159,460		0	0	0.0%
Miscellaneous	38,671	26,264	155,342	26,000	(129,342)	597.5%
Rent	26,943	25,640	10,856	24,340	13,484	44.6%
Total Revenues	18,052,128	18,047,854	12,736,764	18,575,638	5,838,874	68.6%
Expenditures						
Common Council	98,864	94,685	58,048	107,781	49,733	53.9%
Commissions & Committees	250	200		300	300	0.0%
Municipal Court	105,498	110,048	54,530	112,928	58,398	48.3%
Mayor	173,004	170,125	141,593	271,356	129,763	52.2%
Finance Department	451,937	448,127	212,905	519,779	306,874	41.0%
Elections	31,362	50,655	26,151	33,500	7,349	78.1%
Assessor	75,412	145,749	118,017	146,450	28,434	80.6%
Accounting & Auditing	67,452	61,656	37,153	80,000	42,847	46.4%
Human Resources	85,600	83,459	37,227	93,855	56,628	39.7%
City Attorney	210,056	239,728	124,220	222,339	98,119	55.9%
Special Legal Fees	19,628	1,097		2,000	2,000	0.0%
Municipal Building	282,389	304,482	172,249	300,966	128,717	57.2%
Other Buildings	6,647	6,947	2,197	6,400	4,203	34.3%
Miscellaneous	(13,513)	750	1,748	65,000	63,252	2.7%
Cable TV	140,544	169,844	82,685	190,010	107,325	43.5%
Information Technology	165,724	173,744	97,465	226,574	129,109	43.0%
Property & Liability Insurance	487,828	451,430	295,416	534,255	238,839	55.3%
Employee Programs	18,627	24,093	17,645	23,328	5,683	75.6%
Other Insurance	21,275	4,235	1,824	3,000	1,177	60.8%
Other General Govt	8,341	-	2,235	0	(2,235)	
General Government	2,436,924	2,541,053	1,483,304	2,939,821	1,456,517	50.5%
Police	4,517,889	4,731,008	2,235,990	4,924,950	2,688,960	45.4%
Crossing Guards	30,797	27,695	16,093	40,074	23,981	40.2%
Dispatch Center	680,039	726,739	335,481	758,434	422,953	44.2%
Fire	3,037,049	3,066,250	1,391,712	3,362,104	1,970,392	41.4%
Building Inspection	290,411	280,826	172,677	365,073	192,396	47.3%
Emergency Govt	5,344	5,417	4,789	5,100	311	93.9%
Public Safety	8,561,530	8,837,936	4,156,742	9,455,735	5,298,993	44.0%

	Prior Year 2 Actual	Prior Year Actual	Curr Yr To-Date	Curr Yr Budget	Rem Balance	Rev/Exp
Health	453,808	459,524	220,195	504,159	283,965	43.7%
Environmental Health Division	820	19,382	-	0	0	0.0%
Other Services	61,000	61,000	31,415	62,830	31,415	50.0%
Health	515,628	539,906	251,610	566,989	315,380	44.4%
City Planner	2,492	285	5,006	10,400	5,394	48.1%
Engineering	350,272	363,895	113,699	288,209	174,510	39.5%
Machinery & Equipment	416,684	341,218	179,670	375,515	195,845	47.8%
Street Garages	92,589	120,020	37,601	69,500	31,899	54.1%
Street Administration	147,231	138,375	40,502	216,452	175,950	18.7%
Service to Other Departments	63,498	88,919	-	0	0	0.0%
Traffic Control	31,346	21,424	11,022	23,600	12,578	46.7%
Street Maintenance	763,794	673,108	533,585	1,265,040	731,455	42.2%
Snow & Ice Control	390,497	343,767	254,858	270,540	15,682	94.2%
Signs & Markings	92,093	102,571	8,828	19,200	10,372	46.0%
Street Lighting	506,416	444,500	258,774	412,000	153,226	62.8%
Airport	216,981	214,840	102,975	215,748	112,773	47.7%
Public Works	3,073,892	2,852,921	1,546,519	3,166,204	1,619,685	48.8%
Library	704,259	823,709	381,696	814,000	432,304	46.9%
Recreation Administration	216,644	184,495	223,896	574,030	350,134	39.0%
Recreation	96,871	116,853	63,743	115,796	52,053	55.0%
Outdoor Pool	199,791	210,126	49,969	272,379	222,410	18.3%
Indoor Pool	120,440	95,553	19,286	144,447	125,161	13.4%
Senior Center	244,254	267,188		0	0	0.0%
Park	814,968	861,873	404,855	966,384	561,529	41.9%
Park Garage	21,827	23,244		0	0	0.0%
Library, Leisure, & Parks	2,419,053	2,583,040	1,143,444	2,887,036	1,743,592	39.6%
Forestry	204,469	208,959	120,920	219,560	98,640	55.1%
Public Service Enterprises	75,000	78,000	70,000	78,190	8,190	89.5%
Reserves	152,506	320,673	(1,500)	0	1,500	
Transfer	35,000	60,000	-	82,625	82,625	0.0%
Total Expenditures	17,474,002	18,022,489	8,771,038	19,396,160	10,625,121	45.2%
Net Income	578,126	25,366	3,965,725	(820,522)	(4,786,247)	

To: Finance Committee
From: Mark Stevens
Date: July 24, 2023
RE: Update on General Fund Interest Earnings

As you recall, I recommended that we initiate a “zero-based transfer” process each night into an interest-bearing account at BMO at the beginning of the year. I want to provide you a half-year update to show you the value of the implementation of this change.

Through June, our fees are less than last year’s first six months, and we’ve earned over \$41,000 that we never had in the past! Admittedly, I expect that our annual fees will exceed last year’s total, but we’ll also see a likely total in excess of \$75,000 that is an addition to our revenue.

2023 BMO Interest vs. Analysis Fees						
Month	Interest	Fees	Net		2022 Fees	Accum
Jan	-	475	(475)		1,450	1,450
Feb	14,495	26	14,469		1,413	2,863
Mar	5,133	1,278	3,855		1,142	4,005
Apr	7,276	1,311	5,965		1,164	5,170
May	9,578	1,081	8,497		1,270	6,440
Jun	4,792	1,222	3,570		655	7,094
Jul			-		1,001	8,095
Aug			-		810	8,905
Sep			-		253	9,158
Oct			-		683	9,842
Nov			-		375	10,216
Dec			-		501	10,718
Total	41,274	5,393	35,880		10,718	
Ave		899			893	