

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS DATE: January 12, 1996
REFERENCE CODE: 96-002

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

ALL PERSONNEL OFFICERS, PERSONNEL TRANSACTIONS SUPERVISORS
AND PERSONNEL TRANSACTIONS STAFF

FROM: Department of Personnel Administration
Benefits and Training Division

SUBJECT: Group Legal Services Plan -- Annual Open Enrollment

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The annual open enrollment for the Legal Services Plan will be conducted from March 1 - April 30, 1996. This memo provides information on the eligibility criteria, effective dates of coverage, training sessions for personnel office staff and eligible employees, and information on ordering plan brochures and enrollment forms.

Eligibility Criteria

Individuals who meet the following criteria are eligible to enroll during this open enrollment period:

1. Permanent or probationary employees excluded from collective bargaining, half-time or greater time base, with one of the following designations:
 - Managerial (M, E59, E79)
 - Supervisory (S, E48, E58, E68, E78)
 - Confidential (C)
 - Excluded/Exempt (E88, E89, E97, E98, E99)
 - E01 through E21, E67, E77
2. Permanent or probationary employees in Bargaining Units 1,2,3,4,5,6,9,10,11,14,15,16,18,19,20, and 21 who work half-time or greater time base.
3. Dependents of eligible employees as defined below are eligible for coverage:
 - a. A lawful spouse;
 - b. Any unmarried, dependent children under the age of 23. Children include natural, step-children, adopted children, and children for whom the employee is the legal guardian.

- c. An unmarried child, 23 years or over, if he or she is incapable of self-support because of physical disability or mental incapacity and he/she is chiefly dependent on the eligible employee for support and maintenance.

Permanent-intermittent employees are not eligible to enroll.

Effective Dates of Coverage

Plan coverage will begin on the first day of the pay period following the pay period from which the first premium deduction is made. Specifically, if the employee's enrollment form is processed by the Personnel Office and forwarded to the State Controller's Office (SCO) by March 10, 1996 (and there are no errors on the form), the first effective date of coverage will be April 1, 1996. For those employees whose enrollment forms are received at the SCO by April 10, 1996, the benefit will become effective on May 1, 1996. Enrollment forms received by the SCO between April 11 and May 10, 1996 will have a June 1, 1996 effective date.

Employees cannot receive a retroactive effective date. The SCO will return any incorrectly completed forms to the Personnel Office for correction, which will result in a delay of the effective date. The "cut-off" date upon which the corrected form is returned to the SCO will determine the employee's effective date of coverage.

Employee Communications

As in the past, the DPA will be communicating the Legal Services Plan open enrollment period to employees through a variety of methods. The Plan provider, Midwest Legal Services (MLS), will be mailing an open enrollment packet directly to the homes of over 140,000 eligible employees at the end of this month. The packet will contain a cover letter, an enrollment form, a plan brochure, and a schedule of orientation sessions that will be conducted throughout the state by MLS and DPA staff, beginning in mid-February. A complete listing of the sites and dates is provided later in this memo.

In addition to the enrollment packet, employees will be informed about the open enrollment through a four-line global message on their March paycheck stub.

Legal Services Plan Brochures and Enrollment Forms

While eligible employees will receive an enrollment form in the mail, Departmental Personnel Offices should ensure that an adequate supply of enrollment forms and plan brochures are in stock for use in enrolling employees who become newly eligible during the year. Additional supplies can be ordered by calling MLS at 1-800-247-4184. The DPA does not maintain these forms for distribution to

departments. Please ensure that the enrollment forms you have in stock list the premiums of \$9.07 for single coverage and \$16.52 for family coverage. These rates remain unchanged from last year.

Personnel Staff Training

DPA staff will be conducting training sessions for Personnel Transactions staff. The sessions will be held from 8:30-10:00 a.m., 10:30-12:00 Noon and 1:30-3:00 p.m. on February 13, 1996, in the DPA State Training Center, 1515 "S" Street, North Bldg., 1st Floor., McCloud Room.

Because of limited seating capacity, **advanced reservations are required** for all sessions. Please call Susan Wong at 324-9378 by February 5, 1996 to reserve a seat.

Employee Orientation Schedule

During the months of February and March, representatives from MLS and DPA will be conducting employee orientations throughout the State. The purpose of these sessions is to provide eligible employees with more detailed information regarding the legal plan (i.e., what services are covered, how to access the Plan, the reason for certain waiting periods, etc.)

In order to ensure maximum employee attendance, we will need the assistance of personnel offices in publicizing this information to employees. Within the next week, MLS will be mailing directly to departmental Personnel Officers a limited number of posters announcing the upcoming orientations. We would appreciate if the posters could be distributed to your offices/field locations and placed on bulletin boards and other highly visible locations within your department.

Listed below for your information are the dates and locations of the orientations:

The meetings will be held during the following times at all locations, except the Franchise Tax Board:

9:00 a.m.-10:00 a.m. 10:30 a.m.-11:30 a.m. 1:00 p.m.-2:00 p.m.

San Francisco
February 20th
State Compensation Ins. Fund
1275 Market St., PAC Room

Oakland
February 21st
Dept. of Transportation
111 Grand Ave., Aud.

Sacramento
February 22nd
Water Resources Bldg., Aud.
1416 9th Street

Sacramento
February 23rd
Secretary of State Bldg.
1500 11th Street, Aud.

Sacramento
February 23rd
Franchise Tax Board
9645 Butterfield, Rm. 1040
(11:30 a.m. is the only
meeting at this site and
is open only to FTB employees)

Fresno
February 27th
Fresno State Bldg.
2550 Mariposa Mall, Rm. 1036

Galt
March 1st
Richard McGee Correctional
Training Center
9850 Twin Cities Road
(prior to attending employees
should call (916) 324-9365
for dress-code information)

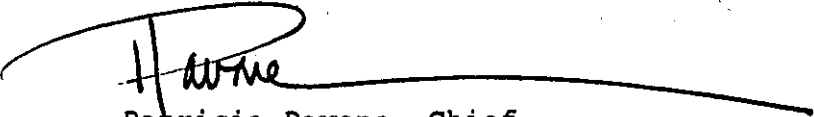
Redding
March 4th
Dept. of Transportation
1657 Riverside Dr.
Basement Conference Room

San Bernardino
February 26th
State Bldg.
303 West 3rd Street, Aud.

Los Angeles
February 28th & 29th
Ronald Reagan Bldg., Aud.
300 South Spring Street

San Diego
March 1st
State Bldg.
1350 Front Street, Room B-109

Attached for your information is additional training material on the Group Legal Services Plan. This document provides detailed information regarding open enrollment procedures, instructions for completion of the enrollment form and the procedures for enrolling employees who become newly eligible after the open enrollment. As in previous years, we depend upon and appreciate your continued assistance in communicating information to employees regarding the Legal Plan and in processing enrollment documents. If you have any questions regarding this memo, please call Marie Pereira at (916) 324-9365 or CALNET 454-9365 or Susan Wong at (916) 324-9378 or CALNET 454-9378.


Patricia Pavone, Chief
Benefits and Training Division

Attachments

Group Legal Services Plan

ELIGIBILITY CRITERIA

Employees must meet the following eligibility criteria:

1. Active nonrepresented employees appointed permanent, half-time or greater timebase, and designated Managerial (M), Supervisory (S), Confidential (C) or Excluded/Exempt (E88, E89, E97, E98, or E99).
2. Represented employees in Bargaining Units 1, 2, 3, 4, 5, 6, 9, 10, 11, 14, 15, 16, 18, 19, 20 and 21 who are assigned to a permanent position on a half-time or greater time base.

Employees on limited term, training and development, or TAU appointments who otherwise meet this eligibility criteria may enroll in Group Legal Services **ONLY** if they have a right of return to a position and status that also meets this criteria. Permanent-intermittent employees are not eligible to enroll.

ELIGIBILITY OF DEPENDENTS

Eligible dependents are defined as:

1. A lawful spouse
2. Any unmarried, dependent children under the age of 23. Children include natural, adopted, step-children, foster children, or children for whom the employee is the legal guardian.
3. An unmarried child, 23 years or over, if he/she is incapable of self-support because of physical or mental disability and is chiefly dependent on the eligible employee for support and maintenance.

Family members who are not eligible include the eligible employees' parents and grandparents, unmarried family partners, children under age 23 who marry and subsequently divorce, children over age 23, unless disabled as specified above and other relatives or persons not identified as eligible.

ENROLLMENT PROCEDURES FOR OPEN PERIOD

An annual open enrollment will be conducted during the months of March and April. During open enrollment periods, the Group Legal Services Plan carrier will mail informational materials to the home addresses of all eligible employees not currently enrolled in the Plan. Current enrollees will be notified of the open enrollment at the time that they receive the annual updated attorney listing.

- New Enrollees are to complete the GLSP Enrollment Authorization Form, Sections A and B and submit it directly to their Personnel Office.
- Current Enrollees who choose to change their level of coverage must complete Section A, indicating change on the enrollment form, and also Section B, to identify the level of coverage that is being selected and adding or deleting any dependents.

Personnel Offices are responsible for verifying the employees' eligibility, completion of Section C and submission of the forms on a flow basis to the State Controller's Office (SCO).

GROUP LEGAL SERVICES PLAN

EFFECTIVE DATES

Correctly completed enrollment forms must be received by SCO no later than the 10th of each month to be effective the first day of the next pay period. Employees cannot receive a retroactive effective date. Incorrectly completed forms will be returned to Personnel Offices for correction. Since the payroll deduction is not processed, the effective date of coverage will be delayed. The cut-off date upon which the corrected form is returned to SCO will determine the effective date of coverage.

ENROLLMENT PROCESS FOR NEWLY ELIGIBLE EMPLOYEES

Departmental Personnel Offices are responsible for notifying newly eligibles. Only newly eligible employees will be allowed to enroll in the Plan after the annual open enrollment.

Newly eligible means employees who meet the eligibility criteria as a result of:

- New appointments to State service in an eligible class
- Promotions from an ineligible to an eligible class, or
- Changes in CBID that change an employee's status from ineligible to eligible.

Newly eligible employees have 60 calendar days from their effective date of eligibility to complete a Group Legal Services Plan Enrollment Authorization Form. Personnel Offices are responsible for:

- Notifying eligible employees of the Legal Services Plan and their eligibility period
- Providing a copy of the enrollment brochure
- Designating the appropriate 60 days enrollment period (the transaction key-in date, PAR turnaround date, or NOPA date may be used as the beginning date)
- Advising the employee of the coverage effective date if they choose to enroll

Once the enrollment form has been submitted, Personnel Offices are responsible for verifying that the employee is newly eligible, assuring that Sections A and B have been properly completed, verifying that the employee enrolled within the 60-day limitation and for completing Section C. The "Remarks" section must include a statement that the employee is newly eligible and the beginning and ending dates of the 60 days eligibility period.

COMPLETION OF THE LEGAL SERVICES PLAN ENROLLMENT AUTHORIZATION FORM

Legal Services Plan Enrollment Authorization forms and brochures should be ordered by calling Midwest Legal Services directly at (800) 247-4184.

Section A

1. Check type of action -- indicate whether new enrollment, change, or cancellation
2. Employee provides social security number, name, date of birth and mailing address

GROUP LEGAL SERVICES PLAN

Section B

1. Employee checks box to authorize automatic payroll deduction
2. Employee selects type of coverage and lists name(s) and date(s) of birth of dependents if selecting family coverage: or
3. Employee elects to cancel coverage
4. Employee signs and dates

Section C

1. Personnel Office completes all blank items in Section C.
2. Personnel Office verifies that employee is eligible based on CBID.
3. In item 9, "Remarks", the Personnel Office must enter the eligibility period beginning and ending dates. This information is required on all enrollment forms, with the exception of cancellation forms and open enrollment forms. During open enrollment periods, remarks are not required in Section C, item 9, for enrollment documents of current eligibles. However, if an employee becomes eligible during the open enrollment period, he/she would be considered a "newly eligible" and provided with the 60-day enrollment deadline. In this case, the "Remarks" section must be completed per the instructions for enrolling newly eligible employees.

CHANGES IN COVERAGE

Employees who enroll in the plan do not have to wait until the next annual open enrollment to make changes to their level of coverage. There are various types of qualifying events which may result in the employee changing his/her coverage. For example, an employee who selects individual coverage and subsequently marries during the plan year can resubmit a form to change his/her coverage from individual to family coverage. Conversely, a single parent whose enrolled dependent child marries or an employee who divorces may elect to change his/her family coverage to individual coverage. The employee must submit an enrollment form within 60 days of the qualifying event (e.g., divorce, legal separation, marriage, child losing eligibility due to age or marriage). The employee will need to complete Section A, noting that he/she is making a change and also Section B, to identify the level of coverage that is being selected and adding or deleting any dependents, as applicable.

Personnel Offices are responsible for verifying that the employee has properly completed Sections A and B, verifying that the employee is submitting the form within the 60 day limitation, for completing Section C and forwarding the forms to the SCO on a timely basis. Personnel Offices are also responsible for informing the employee that the change becomes effective the first day of the month following the pay period in which the earnings statement on the payroll warrant reflects the premium change.

CANCELLATION OF COVERAGE

Cancellation of coverage by an enrolled employee can occur at any time. Enrolled employees are not required to remain in the plan for a minimum period of time. The employee must complete Sections A and B of the enrollment form noting that he/she is electing to cancel plan coverage.

In order to receive certain covered services (e.g., divorce, bankruptcy, defense of civil actions), the employee must have been enrolled in the Plan for at least six months. If an employee cancels and subsequently re-enrolls at a later date, he/she will have to requalify in order to receive coverage with a waiting period. That is, the employee will have to remain in the plan

GROUP LEGAL SERVICES PLAN

for a new six-month period.

Personnel Offices are responsible for verifying that the employee has properly completed Sections A and B, for completing Section C, and submitting the forms to the SCO on a timely basis. Personnel Offices must also advise employees cancelling plan coverage that they cannot re-enroll in the Group Legal Services Plan until the next open enrollment period.

CLAIM FORMS, CERTIFICATES OF INSURANCE, LISTING OF PANEL ATTORNEYS, AND MEMBERSHIP CARDS.

Personnel Offices will not be responsible for providing employees with claims forms, certificates of insurance, etc. Once an employee enrolls in the plan, the carrier will mail a "fulfillment kit" directly to the employee's home address. The kit will contain the toll-free number for the legal hotline firm, a Certificate of Insurance describing the plan coverage, a detailed listing of the attorney panel in the state in which the employee is located, an identification card and a claims form.

The listing of panel attorneys is updated annually by the carrier and mailed to employees enrolled in the Plan at the beginning of each calendar year.

CONTINUATION OF COVERAGE UPON LOSS OF ELIGIBILITY

Transfer to Ineligible Class

The SCO will conduct a monthly post-audit to identify employees who lose their eligibility and their enrollment will be automatically cancelled.

Retirement

Employee cannot convert the Group Legal Services Plan into an individual policy.

Disability

Premium will be deducted from NDI/IDL check as long as the employee is on disability.

Leave Without Pay

Employee must contact Midwest Legal Services 30 days in advance of the leave to make arrangements for direct payment. If the anticipated leave period is one year or less, the employee must pay the full premium amount in advance. If the leave period is expected to be more than one year, the employee may arrange to make premium payments in multiple installments. Should there be an overpayment of the premium, the carrier shall refund the difference.

If the employee chooses not to make direct payments, the coverage will terminate until the employee returns to work. Upon return to active pay status, the payroll deduction will start automatically and the effective date will start anew. Consequently, the employee will have to requalify for those coverage with a waiting period.

Termination/Separation

Employee cannot convert the Group Legal Services Plan into an individual policy.

Death

Plan coverage terminates.

GROUP LEGAL SERVICES PLAN

ROLES AND RESPONSIBILITIES

- PERSONNEL OFFICE**
- Be aware of new appointments who are eligible and transactions that change an employee's status from ineligible to eligible
 - Notify all newly eligible employees and provide a copy of the Legal Services Plan enrollment brochure
 - Process enrollment authorization forms and forward to the State Controller's Office
 - Respond to general questions from employees regarding eligibility and plan coverage
 - Maintain an adequate supply of plan brochures and enrollment forms
- DPA**
- Define Group Legal Services eligibility criteria. DPA drafts cover letter that is included in packet sent by carrier to eligible employees
 - Conducts competitive bidding process to select carrier and administers the contract
 - Notifies departments of open enrollment periods and provides technical consultation to departments and eligible employees
 - Schedules Legal Services training sessions for Personnel Services Specialists
 - Coordinates with SCO, General Services and the carrier to initiate global messages on pay warrants and mailing of enrollment kits to eligible employees during open enrollment periods
 - Bursts carrier copies of enrollment authorization forms during open enrollments and mails to the carrier
 - Responds to requests from departments and individual employees for exceptional enrollments when open enrollment deadline has passed
- SCO**
- Provides DPA with eligible employees' home address mailing labels
 - Implements global messages on eligible employees' pay warrants
 - Processes enrollment authorization forms (including enrollments and cancellations)
 - Establishes automatic payroll deductions
- CARRIER**
- Responds to more technical questions from departments and eligible employees, produces enrollment video, and assists DPA in conducting training sessions
 - Prints and mails enrollment kits to eligible employees during open enrollment periods
 - Mails a "fulfillment kit" to each enrolled employee once the deduction code is automatically established
 - Provides departments with extra supplies of enrollment forms and brochures