

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS DATE: January 16, 1997
REFERENCE CODE: 97-001

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

ALL PERSONNEL OFFICERS, PERSONNEL TRANSACTIONS SUPERVISORS
AND PERSONNEL TRANSACTIONS STAFF

FROM: Department of Personnel Administration
Benefits Division

SUBJECT: Group Legal Services Plan -- Premium Increase and Annual Open
Enrollment

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The annual open enrollment for the Legal Services Plan will be conducted from March 3 - April 30, 1997. This memo provides information on new premiums, the plan eligibility criteria, effective dates of coverage, training sessions for personnel office staff, benefit orientations for eligible employees, and instructions on ordering plan brochures and enrollment forms.

New Premium Rates

Effective April 1, 1997 the premium rates for the new plan year will increase slightly. Rates for the 1997 plan year will be as follows:

	<u>Old Rate</u>	<u>New Rate</u>
Individual Coverage	\$ 9.07/mo.	\$ 9.49/mo.
Family Coverage	16.52/mo.	17.32/mo.

The current provider for the plan is Midwest Legal Services (MLS) and the new rates are guaranteed through March 31, 1998. This 5% rate increase is the first increase in two years and is necessary to offset the heightened utilization of the Legal Plan by State employees. For those employees currently enrolled in the plan, these new rates will be reflected in the paycheck for the March 1997 pay period. Current enrollees have been notified of the premium increase directly by MLS. The premium deduction for employees who enroll during the 1997 open enrollment will be automatically established at the new rate.

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.

Employees in Bargaining Units 7, 8, 12, 13 & 17 are not eligible to enroll.

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, 1997 (and there are no errors on the form), the first effective date of coverage will be **April 1, 1997**. For those employees whose enrollment forms are received at the SCO by April 10, 1997, the benefit will become effective on **May 1, 1997**. Enrollment forms received by the SCO between April 11 and May 10, 1997 will have a **June 1, 1997** 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

A variety of communications will be used to inform employees of the Legal Services Plan open enrollment. At the end of January, the plan provider, MLS, will be mailing an open enrollment packet directly to the home address (on file with the State Controller's Office) of all eligible employees not currently enrolled in the plan (approximately 138,000). 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 beginning in early March. 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 five-line global message on their March paycheck stub (February pay period).

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 new premiums of \$9.49 for single coverage and \$17.32 for family coverage.**

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 18, 1997, in the DPA State Training Center, 1515 "S" Street, North Bldg., 1st Floor., Feather Room. This training is designed for new Personnel Transactions staff who may be unfamiliar with the Legal Plan and the various enrollment procedures.

Because of limited seating capacity, **advanced reservations are required** for all sessions. Please call Susan Wong at 324-9378 by February 7, 1997 to reserve a seat.

Employee Orientation Schedule

During the month of March, representatives from MLS 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. We would appreciate if this information can be distributed to your offices/field locations via e-mail messages, memos and other feasible communications methods.

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:

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
March 5th
SCIF Bldg.
1275 Market Street
PAC Room

Oakland
March 6th
Dept. of Transportation
111 Grand Avenue
Auditorium

Los Angeles
March 6th
Ronald Reagan Bldg.
300 South Spring St.
Auditorium

Fresno
March 7th
Fresno State Bldg.
2550 Mariposa Mall
Room 1036

Sacramento
March 10 & 11
Water Resources Bldg.
1416 9th Street
Auditorium

San Bernardino
March 12th
State Bldg.
303 West 3rd Street
Auditorium

San Diego
March 13th
State Bldg.
1350 Front Street
Room B-109

Attached for your information is a copy of the Legal Services Plan section from the Benefits Administrative Manual (BAM). This document provides detailed information regarding open enrollment procedures, instructions for completing the enrollment form and the procedures for enrolling employees who become newly eligible after the open enrollment. As in previous years, we 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 Susan Wong at (916) 324-9378 or CALNET 454-9378 or Vallita Lewis at (916) 324-9362 or CALNET 454-9362.



Patricia Pavone, Chief
Benefits Division

Attachments

GROUP LEGAL SERVICES PLAN 1500**GENERAL INFORMATION 1501**

The Group Legal Services Plan (Plan) is a voluntary, employee-paid plan that provides comprehensive legal coverage. It is designed to meet the most common personal legal needs of an individual and their family. The coverage includes: a toll free legal hotline, preventive legal services and paid-in-full coverage when a network attorney is used for consumer protection, defense of civil actions and criminal misdemeanors, traffic charges, real estate transactions, domestic matters, will preparation, adoptions, bankruptcy and juvenile court proceedings. The employee can also enlist the services of an attorney who is not a member of the network for covered benefits and the attorneys fees will be reimbursed up to a specified maximum.

ELIGIBILITY CRITERIA 1502

Employees who meet the following criteria are eligible to participate in the Plan:

1. Permanent or probationary employee excluded from collective bargaining, with a 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- E21, E67, E77

2. Represented permanent or probationary employees with a half-time or greater time base, in the following bargaining units:
 - Units 1, 2, 3, 4, 5, 6, 9, 10, 11, 14, 15, 16, 18, 19, 20 and 21

Employees on T & D assignments or limited term assignments are eligible to participate in the program only if their permanent civil service appointment and resulting CBID are in one of the eligible categories. Permanent-intermittent employees are not eligible to participate in the Plan.

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, 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 employee's parents and grandparents, unmarried family partners, children under the age of 23 who marry and subsequently divorce, children over age 23, unless disabled as specified above.

ENROLLMENT

1503

Open Enrollment

An annual open enrollment is conducted during the months of March and April. The carrier will mail informational materials directly to the home address on file with the State Controller's Office for all eligible employees not currently enrolled in the Plan. Current enrollees are notified of the open enrollment by the carrier when they receive their semi-annual updated attorney listing. Current enrollees may make additions or deletions of covered dependents or change their level of coverage during the open enrollment period. Employees enrolled in the Plan are not required to reenroll each year in order to remain covered.

Newly Eligible

Newly eligible employees have 60 calendar days from their effective date of eligibility to complete a Group Legal Services Plan Enrollment Authorization Form. The eligibility criteria is:

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

Departmental Personnel Offices are responsible for:

- Notifying newly 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 eligible period.

Effective Date of Coverage

If the employee's enrollment form is processed by the Personnel Office and forwarded to the State Controller's Office (SCO) by the 10th of a month (and there are no errors on the form), the first effective date of coverage would be the beginning of the next pay period. In other words the employee's effective date of coverage does not begin until a payroll deduction appears on the paycheck stub.

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. It is important to make clear to employees that the Plan is not effective until a deduction appears on their paycheck. In addition, several plan benefits have a six month waiting period.

Ordering of Enrollment Authorization Forms

Legal Services Plan Enrollment Authorization forms and brochures should be ordered by calling MLS at (800) 247-4184. Since all eligible employees not currently enrolled in the Plan are mailed informational materials to their home address during open enrollment, departmental Personnel Offices do not need to order large quantities of the forms. However, an adequate supply of enrollment forms and plan brochures should be kept in stock for use by employees who become newly eligible to enroll during the year, or for extras during open enrollment. The DPA does not maintain forms for distribution to departments.

Completion of the Enrollment Authorization Form

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

Section B

1. Employee checks box to authorize automatic payroll deduction
2. Employee selects type of coverage (ie. individual or family) 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 and time base.
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 and open enrollment forms. During Open enrollment, remarks are not required in Section C, item 9. 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**1504****Family Status Changes**

Employees do not have to wait until the open enrollment to make changes to their level of coverage when certain status changes occur. There are various types of qualifying events which may qualify the employee to change 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 from family 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, death of a spouse or child). 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 needed.

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,

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 payroll warrant reflects the premium change.

Cancellation

Cancellation of coverage 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 Section A and Parts 2-5 of Section B of the enrollment form noting that he/she is electing to cancel plan coverage.

Employees should be aware that in order to receive certain covered services (e.g., divorce, bankruptcy, defense of civil actions), they must have been enrolled in the Plan for at least six months. If an employee cancels the plan and subsequently re-enrolls at a later date, he/she will have to fulfill a new waiting period requirement in order to receive coverages with waiting periods.

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

Employees cannot convert the Plan into an individual policy.

Termination/Separation

Employees cannot convert the Plan into an individual policy.

Death

Plan coverage terminates.

Disability

Premiums will be deducted from NDI/IDL checks as long as the employee is on disability.

Leave Without Pay

Employees must contact MLS 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 payment, 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 serve a new six-months waiting period before being eligible for those coverages with a waiting period.