

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS

DATE: January 13, 1995  
Reference Code: 95-02

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

ALL PERSONNEL OFFICERS, PERSONNEL TRANSACTION  
SUPERVISORS AND PERSONNEL TRANSACTION STAFF

FROM: Department of Personnel Administration

SUBJECT: Group Legal Services Plan -- Annual Open Enrollment

As you may be aware, the State's contract with the Group Legal Services Plan provider, Midwest Legal Services (MLS), will expire on March 31, 1995. The Department of Personnel Administration (DPA) recently completed a competitive bidding process to select a plan provider. Midwest Legal Services was awarded the contract which will be effective from April 1, 1995 through March 31, 1997.

The annual open enrollment for the Group Legal Services Plan will be conducted from March 2, 1995 through May 1, 1995. This enrollment process is open to all eligible employees. Since implementation of the plan in 1993, employee enrollment has been steadily increasing. There are approximately 150,000 employees eligible for this benefit. Currently, over 8,000 employees are enrolled. Current enrollees are not required to reenroll to continue coverage. However, if they wish to change their level of coverage, this should be done during the open enrollment. In mid-February MLS will be mailing an enrollment package directly to the homes of all employees who are eligible but not enrolled in the Plan. This package will include a plan brochure as well as an enrollment form for the employees' use.

Employees whose enrollment forms are correctly completed and are received at the State Controller's Office by March 10th will have an April 1, 1995 effective date. Forms received by April 10th will have a May 2, 1995 effective date. Forms submitted by May 1st and forwarded to SCO by May 10th will have a June 1, 1995 effective date.

Under the new contract with MLS, the monthly premium amounts will change. Beginning April 1, 1995, the new monthly premiums will be as follows:

Individual employee	\$ 9.07
Employee and one or more dependents	\$16.52

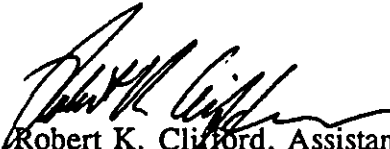
The new premium for individual coverage represents a decrease of \$1.86 per month. The premium for family coverage is increasing by \$.33 cents per month.

Both the Group Legal Services Plan enrollment form and brochure have been revised.

Departmental Personnel Offices should ensure that an adequate supply of forms and brochures are in stock prior to the open enrollment. Additional supplies should be ordered by calling MLS at 1-800-247-4184. The DPA does not maintain these forms for distribution to departments.

We appreciate your continued assistance in communicating information regarding the open enrollment and the legal plan to eligible employees and personnel staff responsible for processing enrollment documents. Your participation and cooperation is crucial to the continued growth and success of the Group Legal Services Plan. To assist you in answering employees' questions, we have attached several documents including a "Question and Answer" sheet that addresses 20 of the most commonly asked questions and the Group Legal Services Plan section from DPA's Benefits Training Manual. MLS representatives are also available to answer calls directly from employees and they can be reached by calling 1-800-247-4184.

If you have any questions regarding the Group Legal Services Plan, please call Susan Wong at (916) 324-9378 (Calnet 454-9378) or Vallita Lewis at (916) 324-9362 (Calnet 454-9362).



Robert K. Clifford, Assistant Chief  
Benefits and Training Division

Attachments

STATE OF CALIFORNIA  
GROUP LEGAL SERVICES PLAN

Most Commonly Asked Questions

1. Q. Will the Plan cover advice regarding a problem I am having with my employer?  
A. No. Legal actions involving the State, any of its agencies or departments, any of its insurers or administrative subcontractors or any of the labor organizations are specifically excluded.
2. Q. Is there a pre-existing condition clause?  
A. Yes. The Plan will not provide benefits/coverage for any legal matters that were initiated and/or where an attorney has been retained prior to the date your coverage begins.
3. Q. Can I receive a retroactive effective date?  
A. No. There is no retroactivity. This is a pre-paid plan which means that a current premium must be deducted from your paycheck before coverage can begin. If there is an error on your enrollment form, your payroll deduction will not be processed and your coverage effective date may be later than the date specified by your Personnel Office. The State Controller's Office will send you an "effective date correction" letter advising you of any change in your effective date.
4. Q. Are there waiting periods before I can use the Plan?  
A. Yes. All new enrollees must wait six months before using the plan for domestic matters, defense of motions to modify, bankruptcy proceedings, and defense of civil actions.
5. Q. Am I required to remain in the Plan for a specified period of time?  
A. No. Cancellation of coverage can occur at any time by completing Sections A and B of the enrollment form, noting that you are electing to cancel. The form should be submitted to your department's Personnel Office.
6. Q. If I cancel my coverage, can I reenroll at any time?  
A. No. You must wait until the next annual open enrollment. When you reenroll, you will be required to requalify for those covered services with a six-month waiting period.
7. Q. Am I required to re-enroll each open enrollment in order to continue coverage?  
A. No. Coverage will automatically continue unless you submit a new form specifically requesting cancellation.
8. Q. If I am currently on an unpaid leave of absence (i.e., maternity leave, etc.), can I enroll in the Plan during the open enrollment?  
A. No. You must be on active pay status at the point of initial enrollment as your monthly premiums will be automatically deducted from your paycheck. Once you return to active pay status, you will be considered a "newly eligible employee" and will have 60 days in which to submit an enrollment form to your departmental Personnel Office.
9. Q. Once enrolled in the Plan, can I continue coverage if I go on an unpaid leave of absence?  
A. Yes. You must contact MLS directly 30 days in advance of the leave to make arrangements for direct payment. If the anticipated leave period is one year or less, you must pay the full premium amount in advance. If the leave period is expected to be more than one year, you may arrange to make premium payments in multiple installments.

10. Q. What happens if I go on an unpaid leave of absence and choose not to make direct payments to continue benefit coverage?
- A. Your coverage will terminate until you return to active pay status. Your payroll deduction will restart automatically and the effective date will start anew. Consequently, you will have to requalify for those coverages with a waiting period.
11. Q. If I have a status change, do I have to wait until the next annual open enrollment to make changes to my level of coverage?
- A. No. There are various types of events (e.g., divorce, legal separation, marriage, birth of an eligible child, death of a spouse or eligible child, child losing eligibility due to age or marriage) which may qualify you to make changes to your level of coverage. You can make a change in your level of coverage by submitting a new enrollment form to your Personnel Office within 60 days of the qualifying event.
12. Q. If I am terminated or leave state service and I am in the middle of a case involving a covered matter, will the Plan provide coverage until my case is completed?
- A. Yes. The Plan will continue to provide coverage to bring the case to closure if the legal matter was initiated while you were covered under the Plan.
13. Q. Can I continue coverage if I retire or leave state service?
- A. No. You cannot convert the Group Plan into an individual policy.
14. Q. Am I limited to only one attorney consultation for each paid-in-full covered service?
- A. No. While you are limited to one use per covered service per plan year, this does not mean that you can only consult once with an attorney. The Plan will cover your legal fees through resolution of each covered legal matter (including trial coverage) provided you are using a participating attorney.
15. Q. Can I use the Plan to initiate a modification to my child support or visitation rights?
- A. No. The Plan provides for defense only coverage of motions to modify or enforce valid divorce decrees. The Plan will provide coverage for you as a defendant in an action initiated by your ex-spouse.
16. Q. If I am enrolled in the Plan and handling my parents' legal affairs, may I use the preventive services benefit to obtain legal advice on their legal matters?
- A. No. Your parents do not qualify as dependents under the policy.
17. Q. If I have dependent coverage, does this mean that each member of my family is entitled to 1 hour per calendar quarter under the preventive legal services benefit?
- A. No. Under preventive services you or your family members are entitled to an aggregate maximum of 1 hour per calendar quarter during each 12-month period.
18. Q. My spouse is not covered under the Plan. Can both my spouse and I have a joint will prepared.
- A. No. Coverage is provided only for the Named Insured.
19. Q. I own rental property and have been having problems with the tenants. Do I have coverage under the Plan?
- A. No. Representation in business matters is excluded.
20. Q. Does the Plan provide benefits if I want to appeal a decision to a higher court?
- A. No. Coverage is not provided for appeals.

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# 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).

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## 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

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## **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.

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## 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

