

MEMORANDUM

TO: PERSONNEL MANAGEMENT LIAISONS DATE: May 17, 2002
REFERENCE CODE: 2002-032

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers
Personnel Transactions Supervisors
Personnel Transactions Staff

FROM: Department of Personnel Administration
Benefits Division

SUBJECT: Group Legal Services Insurance Plan - 2002 Bargaining Unit 8
Open Enrollment

CONTACT: Sondra Cooper, Benefits Program Analyst
(916) 324-9365, CALNET 454-9365
FAX: (916) 322-3769
Email: sondracooper@dpa.ca.gov

The Department of Personnel Administration will conduct a **special open enrollment June 1 through July 31, 2002**, for employees in Bargaining Unit (BU) 8 to enroll in the State's Group Legal Services Insurance Plan.

ELIGIBILITY CRITERIA

The following employees are eligible to enroll during this special open enrollment:

Permanent or probationary employees in BU 8 with a time base of half time or more.

Employees on Training and Development assignments or limited-term assignments if their permanent civil service appointment and CBID is in BU 8.

Permanent-Intermittent employees are not eligible to enroll.

Dependent Eligibility

Eligible dependents are defined as:

1. a lawful spouse;
2. any unmarried, dependent child under the age of 23 who has never been married;
 - a. children include natural, stepchildren, adopted children, and children for whom the employee is the legal guardian; and
 - b. any economically dependent child, 23 years of age or over, if he/she is incapable of self-support because of a physical or mental disability who has never been married 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, domestic partners, children under the age of 23 who are married, or who have been married, and children over age 23, unless disabled as specified above. Employees are responsible for notifying their Human Resources/Personnel Office to complete the necessary paperwork when a child loses dependent eligibility.

PREMIUM RATES

The monthly premium, paid entirely by the employee, is \$9.60 for individual coverage and \$16.95 for family coverage (employee and one or more eligible dependents). Premiums are automatically deducted from payroll after tax.

EFFECTIVE DATES OF COVERAGE

The effective date of coverage is the first day of the pay period following the first premium (payroll) deduction. For example, if enrollment forms are processed by the Personnel Office and forwarded to the State Controller's Office (SCO) by June 10, the first premium deduction will be taken in the June paycheck, and the effective date of coverage will be July 1. Enrollment forms received by SCO between July 11 and August 10 will have an effective date of September 1.

Timely processing is important. Late enrollments will not be approved for a retroactive effective date. Because this is a pre-paid plan, a payroll deduction must appear on the employee's paycheck before coverage can begin. SCO will return any incorrectly completed forms to the Human Resources/Personnel Office for correction, which may delay the enrollment date.

The SCO cannot process enrollment forms that have a future enrollment date. For example: if an employee submits the enrollment form to the Personnel Office on June 1, 2002, and the agency personnel documents the effective enrollment date as August 1, 2002, the SCO will not key the application until the July 10 cut-off date.

EMPLOYEE COMMUNICATIONS

In May, an open enrollment packet will be mailed to the homes of approximately 3,000 BU 8 employees. The packet contains a cover letter (sample attached), enrollment form, and plan brochure.

A global message will appear on BU 8 employees' pay stubs for the June 2002 pay period reminding them about the open enrollment. The March 2002 DPA Benefits News featured the 2002 Group Legal Services Insurance Plan. It can be accessed via the DPA Web site at www.dpa.ca.gov (under publications) for additional details about the program.

PLAN BROCHURES AND ENROLLMENT FORMS

Departmental Personnel/Human Resources Offices do not need to order large quantities of the plan brochure and enrollment forms. Instead, departments should keep an adequate supply of these materials in stock for employees who become newly eligible (e.g., new hire, transfer from a time base of less than half time to a time base of half time or more and for eligible employees who have a status change such as marriage, divorce, birth of a child or adoption, child reaching an ineligible age, etc.)

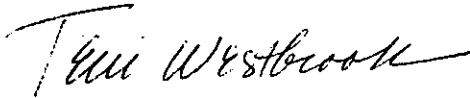
DPA does not maintain these forms for distribution. Departments should order them directly from the carrier (1-800-247-4184 or service@aragroup.com). In addition, for a limited time enrollment kits may be ordered through the Office of State Printing by faxing a STD.67 to Dahya Patel at (916) 445-5356.

CARRIER

The carrier, ARAG® Group, currently provides coverage for more than 25,000 State of California employees. Its attorney network spans the State, and is also accessible to employees located in other states. ARAG Group's toll-free number is (800) 247-4184; its Web site is at <http://members.araggroup.com/california>.

We appreciate your continued assistance in explaining the Group Legal Services Insurance Plan to your employees and processing the enrollment documents on a timely basis. Last year more than 4,500 employees enrolled in the plan.

If you have any questions regarding this memo, you may call Sondra Cooper at (916) 324-9365, CALNET 454-9365, or e-mail sondracooper@dpa.ca.gov.



Terri Westbrook, Chief
Benefits Division

Attachment

DEPARTMENT OF PERSONNEL ADMINISTRATION**BENEFITS DIVISION**

1515 "S" STREET, NORTH BUILDING, SUITE 400

SACRAMENTO, CA 95814-7243

(916) 324-9365

(916) 322-3769 (fax)



May 2002

Dear State Employee:

I am pleased to announce that **you are now eligible to enroll in the affordable State-sponsored Group Legal Services Insurance Plan**, administered by ARAG® Group. For only \$9.60 a month for individual coverage, or \$16.95 a month for family coverage (employee and one or more eligible dependents) you can receive comprehensive legal protection – and there are no hidden costs or discounted fees after enrolling.

Membership is even more affordable now that the State has negotiated **lower rates**. Don't miss this opportunity to join more than 25,000 State of California employees who participate in this plan. Sign up during the **special open enrollment June 1 through July 31, 2002, being held especially for Bargaining Unit 8 employees**.

The Group Legal Services Insurance Plan offers comprehensive services and insurance protection. (See enclosed brochure for details.) As a plan member, you receive free, unlimited telephone advice from a participating California law firm. Additional in-office services include will preparation, consumer protection services, document preparation and review, real estate purchasing and refinancing assistance, trial defense, personal bankruptcy, defense of motions to modify divorce decrees, and defense of criminal misdemeanor charges. **Plus, new to this year's plan is Identity Theft Services.**

When comparing legal plans, cost is not the only factor you should consider. Also compare coverage – what is covered by the plan? Is it a paid-in-full benefit? Other plans often provide only basic coverage, and most services are offered at a discounted or corporate hourly rate (see table on the next page). Some plans may require a retainer. The plan offered by ARAG Group includes paid-in-full benefits for **all** covered services. There are no additional fees except for out-of-pocket expenses such as filing fees, reporter fees, and court costs. ARAG Group also employs a superior network of attorneys, who average 18 years of legal experience.

With attorneys in California charging an average of \$217 per hour, legal expenses can add up fast. Take a few minutes to review the enclosed information, learn about the

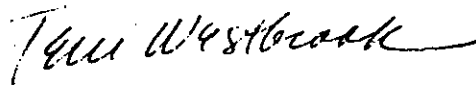
important features of this plan, and decide if it would be valuable to you and your family. If you have questions, call ARAG Group at 1-800-247-4184, visit its Web site at <http://members.araggroup.com/california>, or send an e-mail to service@araggroup.com.

Basic Plan Comparison for Individual Coverage

Legal Service Coverage	The State-Sponsored Group Legal Services Insurance Plan \$9.60 per month	Plan A \$8.00 per month	Plan B \$9.99 per month
Standard Will	Free	\$170	Free
Traffic Ticket Defense	Free	\$89	Discounted at \$70 an hour
Bankruptcy	Free	\$250	Discounted at \$70 an hour
Name Change	Free	\$155	\$295
Divorce contested/uncontested	Free	\$210	Uncontested (limit on net assets, no children)
Continuation of in-process legal services if employee cancels the plan.	Coverage through completion of the legal matter	Insured must pay the attorney through the conclusion of the legal service	Insured must pay the attorney through the conclusion of the legal service

Please note this open enrollment ends **July 31, 2002**. If you miss this opportunity to enroll in the Group Legal Services Insurance Plan, you won't be able to enroll until March 2003.

Sincerely,



Terri Westbrook, Chief
Benefits Division

Enclosure