State of Wisconsin

DOA – DIVISION OF PERSONNEL MANAGEMENT

- COMPENSATION & LABOR RELATIONS BULLETIN -

Date: November 5, 2015

Locator No: DPM-0410-CLR (Correction)

Subject: 2016 Health Insurance Premium Rates, Health Savings Account Amounts, and Opt-Out Information

The purpose of this bulletin is to inform appointing authorities of the monthly employee contribution rates and Health Savings Account (HSA) amounts for health insurance coverage in calendar year 2016. These rates and amounts are set in accordance with Chapter 40, Wis. Stats. In addition, beginning in 2016, certain employees will be eligible to receive $2,000 for opting out of state health insurance coverage.

Additional information on these topics will also be available in the ***It's Your Choice*** material soon to be posted on the Department of Employee Trust Funds (ETF) website.

SECTION I. HEALTH INSURANCE PREMIUMS FOR 2016

Please note that the basic dental coverage provided last year through available health insurance plans is now a separate option for state employees, provided through Delta Dental. Employees will have to choose not to receive the dental benefit, otherwise it will be assumed that the coverage with dental is desired.

A. Teaching and Graduate Assistants

All Teaching Assistants and Graduate Assistants will pay the following new tier rates:

Employee Monthly Premium

	Without Dental		With Dental	
	Single	**Family**	**Single**	**Family**
Tier 1	$41.50	$104.50	$44.50	$112.50
Tier 2	$66.50	$166.50	$69.50	$174.50
Tier 3	$125.00	$312.00	$128.00	$320.00

Teaching Assistants and Graduate Assistants are not eligible for high deductible health plan (HDHP) coverage.

B. Craft-Related Employees

All represented and nonrepresented employees in craft-related classifications will continue to pay 100% of the total monthly premium for the health insurance coverage selected, including 100% of the total monthly HDHP premium for coverage under an HDHP.

C. Employees Appointed to Work Less Than 1,040 Hours

Except as noted in A. and B., above, employees appointed to work less than 1,040 hours will continue to pay 50% of the total monthly premium for the health insurance coverage selected, including coverage under an HDHP.

E. Employees Appointed to Work 1,040 Hours or More

Except as noted in A., B., and C., above, all represented and nonrepresented employees appointed to work 1,040 hours or more will pay the following new tier rates:

***Regular Coverage*:**

Employee Monthly Premium

	Without Dental		With Dental	
	Single	Family	Single	Family
Tier 1	$83	$209	$86	$217
Tier 2	$133	$333	$136	$341
Tier 3	$250	$624	$253	$632

***HDHP Coverage*:**

Employee Monthly Premium

	Without Dental		With Dental	
	Single	Family	Single	Family
Tier 1	$29	$73	$32	$81
Tier 2	$79	$197	$82	$205
Tier 3	$196	$488	$199	$496

SECTION II. STATE HSA CONTRIBUTIONS

State contributions toward the HSA in 2016 will be $750 for single coverage and $1,500 for family coverage, for employees covered by a high deductible health plan. Distribution of the state contributions to the HSA is covered in Section IV.

Employees appointed to work less than 1,040 hours will receive one-half of the State HSA contribution noted above. Craft-related employees will not receive a state HSA contribution.

SECTION III. OPT-OUT BENEFIT

2015 Wisconsin Act 55 created s. 40.513, Wis. Stats., which provides eligibility for a $2,000 stipend if an employee opts out of state group health insurance coverage using an election form (health insurance application) for the following calendar year **and** is eligible for a state contribution toward health insurance premiums in that year. An employee newly hired to state service during the calendar year will be eligible for a pro-rated stipend if election is made within the first 30 days of state employment. Eligibility for the stipend begins the month in which the employee would have been eligible for the employer contribution towards the premium. Distribution of this opt-out benefit is covered in Section IV.

An employee is not eligible for this opt-out benefit, either in 2016 or future years, if the employee was eligible for a state contribution in 2015 and elected not to receive coverage in that year or if the employee will receive state health insurance coverage through a spouse or domestic partner.

Employees, including LTEs, appointed to work less than full-time will be eligible for the full amount of the opt-out benefit, subject to Section IV, below. Craft-related employees will not be eligible for the opt-out benefit because they are not eligible to receive state contributions toward health insurance premiums.

SECTION IV. DEDUCTIONS AND STATE CONTRIBUTIONS/PAYMENTS

Star Agencies Health Insurance Deductions: Beginning in 2016, employees who work for agencies covered by STAR will have health insurance premiums distributed evenly across 24 pay periods per year. The total premium will be split evenly between the first two paychecks payable within the month. If there is a third check payable within the month, no health insurance deductions will be taken from that pay period. Insurance deductions will also no longer be taken one month in advance. To transition to the new schedule, health insurance deductions will not be taken for one pay period (two pay periods for Crafts) at the end of 2015. There will tentatively be no health insurance deduction on the 25B (for Crafts only) and 26A payrolls (December 10th and December 23rd paychecks, respectively). The twice monthly payments will begin with the check payable on January 7, 2016 (the first paycheck payable under STAR).

State HSA Contributions: State HSA contributions in 2016 for employees who are paid biweekly will be provided in 24 payments. For employees who work for agencies covered by STAR, these payments will occur on the first two checks payable within the month. Employees paid monthly will receive one payment per month. Employees changing coverage due to a qualifying event, or those obtaining state coverage after January 1, will receive the full annual employer contribution amount spread out in equal amounts over the remaining eligible paychecks in the calendar year. Pro-ration of contributions for employees who leave state service will be accomplished by not providing any payments that would have occurred on future paychecks. However, since IRS guidance indicates that an employee eligible for health insurance on the first of a month must receive the full HSA contribution for that month, it may be

necessary to process a Pay One-Time Transaction (POTT) for an employee that terminates early in a month, to ensure that the employee receives an amount equal to two biweekly HSA contributions for that month.

State Opt-Out Payments: State payments for opting out of health insurance in 2016 for employees who are paid biweekly will be provided in 24 biweekly payments. For employees who work for agencies covered by STAR, these payments will occur on the first two checks payable within the month. Employees paid monthly will receive one payment per month. Pro-ration of payments for employees who leave state service will be accomplished by not providing any payments that would have occurred on future paychecks. Unlike HSA contributions, there is no need to ensure that an employee receives both biweekly opt-out payments in a month when an employee terminates. For those obtaining state coverage after January 1 (e.g., new hires or due to a qualifying event), a pro-ration will be accomplished by providing the same size payments as other employees receive but only on the remaining eligible paychecks (first and second checks payable within the month for STAR agencies) in months that the employee would have been eligible for state contribution toward health insurance coverage.

The opt-out payments will be considered taxable but will not count toward Wisconsin Retirement System earnings.

SECTION V. REFERRAL OF QUESTIONS

Employee Questions:
Employees with questions regarding the contents of this bulletin should contact their agency Human Resources or Payroll Office directly.

Employer Questions:
Employer questions regarding the contents of this bulletin should be directed to Paul Ostrowski by phone at (608) 267-0343 or by e-mail at paul.ostrowski@wisconsin.gov.

Employer questions regarding ***payroll processing*** for Central Payroll should be directed to Nancy Krueger by phone at (608) 264-9571 or by e-mail at nancy.krueger@wisconsin.gov.

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