

# Personnel/Payroll Association (PPA) Meeting

---

September 27, 2016

## MINUTES

### Deferred Compensation: Newly Hired Employee Participation ([ESSB 5435](#))

Marla Mortenson and  
Eleanor Conway,  
Department of Retirement Systems



PPA\_DCP\_09272016  
.pdf

**Refer to the attached pdf file**

#### **Additional comments:**

- DCP is currently a voluntary plan. It will remain voluntary, but enrollment will be automatic for newly hired full-time employees.
- Notices have been sent out and the percentage option will be available starting Monday, October, 3, 2016.
- All withdrawals and 1099 reporting will be handled by Empower.
  - For employees hired not currently using HRMS, employers will have to notify DRS directly. Instructions forthcoming.
- The “Part-time employee” indicator is what determines full-time status in HRMS (IT0007 “Planned Working Time”).
- 95% of people who default stay in the program per statistics. This is an opportunity to help people save.
- Corrections will not be reported retroactively. Agencies will need to work directly with DCP.
- DRS will provide an information sheet for HR to give to employees in new hire packets.
- WaTech overview of reporting, default and deduction timing:
  - 1/2/17 new hire
  - Day 4 file sent to DRS
  - Next day file is sent to Empower
  - Next day a letter is sent to employees by Empower
  - 30 days later the employee defaults if they haven’t made a choice = approximately mid-February
  - Approximately March 10<sup>th</sup> or 25<sup>th</sup> paycheck the first deduction would be taken.
- Erica Munro with OFM State HR will be working on defining the “Part-Time Employee” indicator in IT0007, “Planned Working Time,” and communicating to data stewards, HR Managers, and through GovDelivery.

## Questions and Answers:

Q: What is the waiting period?

A: 30 days = No deferrals for 30 days after the employee is reported to Empower.

90 days = Employees have 90 days to opt out and get their money back after deferrals have started.

Q: In the scenario where an employee opts out within 90 days and wants their money back, is the money returned less payroll taxes?

A: Amounts are subject to gains/losses and income taxes. Empower manages the refund for tax purposes.

Q: Are employees transferring from Higher Ed to HRMS exempt?

A: No. They are “new hires” and HRMS is going to default them.

Q: Does DCP send reports to agencies showing who has auto-enrolled?

A: No. Run reports in HRMS, such as the Payroll Posting Report (WT 2256), or Movement Report.

Q: If an employee is already enrolled, do they auto-enroll?

A: No. Remember that state and higher ed are different employers for purposes of auto-enrollment.

Q: If an employee works for a general government agency, goes to higher ed, then comes back to general government, will the employee be auto-enrolled when he/she returns to general government?

A: Yes.

Q: When the 90 day op-out GAP feed happens, is there an end date?

A: A zero deferral would come over with no end date. This is the same as a current employee changing or stopping their deferral.

Q: If an employee has another 401K, can they roll it into DCP?

A: Yes.

Q: The feed is currently DCP to HRMS every pay period and communication to employee is monthly. It seems like updates take 45 days and timing issues are significant. Is this still going to occur?

A: If additional deferrals come out due to auto enroll, they will be refunded. There is an opportunity for better communication. There could be 120 days involved.

If you have further questions, please contact Marla Mortensen, DRS at (360) 664-7214 or [MarlaM@drs.wa.gov](mailto:MarlaM@drs.wa.gov).

## **PEBB Open Enrollment**

**Amy Corrigan and  
Larry Cade,  
Health Care Authority**



2017\_Pre-OE\_Presentation.pdf

### **Refer to the attached pdf file**

#### **Suggested Action Items for Agencies**

- Print Fair Posters (slide 5)
- Use “My Account” to print Attestations report (slide 17) regarding spousal premium surcharges.
  - These show on the report with a “D” and as a pending default in Pay1 effective 1/1/2017.
- Be aware of new 31 day Life Insurance deadline with MetLife
  - Employees newly eligible November 1, 2016 and December 1, 2016 need to fill out life insurance enrollment forms for Voya **and** MetLife
- Use PEBB messages to keep employees informed.

#### **Additional comments:**

Slide 34: Employer group rate surcharge does not apply to state agencies, K-12, and educational school districts. PEBB is now covering groups we did not previously allow or approve per SB6475. This affects our risk pool.

Slide 37: Still working on the 1/1/2017 enrollment process. Send employees to MetLife. Details are still being defined. An administrative manual will be published.

Slide 42: MetLife will take beneficiaries over the phone. Online is their preferred method.

Slide 44: Correction to first version sent out first bullet should say “\$10,000 without SOH.” New language with SOH (Statement of Health), but you may still see EOI (Evidence of Insurability) in some documentation.

Slide 45: Note that tobacco use is now specified by individual. Rates are per person.

Slide 46: Last line update and reminder: The A.45 screen will be turned off March 31, 2017!

Slide 48: Employees won’t receive any information if they are separated or career-seasonal inactive with continuing insurance.

Slide 53: Direct billing is in reference to those employers that do not have payroll deduction. Commissions are working on payroll deduction. State and higher ed are set up with payroll deduction already. Other employers are not set up yet.

Slide 56: WAC and worksheet are changing effective January 1, 2017, regarding the new 31 days after the date of eligibility deadline for life insurance.

Slide 75: Outreach and Training has expanded their sample letters and reference guide. If you have not met the worksheet notification deadlines, visit the website.

Slide 79: WT2554 cannot be keyed as a negative to get money back on IT0015, "Additional Payments" screen. Manually end the HSAP record on IT0169, "Savings Plan," on the 15<sup>th</sup> of the month. If the deadline is missed and a deduction is taken in error, work directly with Health Equity.

**WaTech overview of MetLife deduction:**

- IT 0377 for Life Insurance is currently set up as a monthly amount, but will be changed to a pay period amount.
- WT 2124 will still be for life insurance deductions sent to HCA for Voya insurance.
- All current optional life insurance coverage will end 12/31/2016.
- New optional life insurance options will load starting 1/1/2017, with the pay period amounts going to MetLife.
- Starting 1/1/2017, there will be a new wage type WT 2125 for MetLife insurance deductions.
  - It will be a pay period amount and will not create an arrears item.
  - It will not retro.
  - HRMS will take what it can if there is not enough net pay to cover the deduction. The next pay period feed will increase the deduction to catch up.
  - There may be a direct pay option to MetLife.

**Questions and Answers:**

Q: If an employee has a FMLA situation and is on LWOP, what happens if they can't pay their life insurance premiums?

A: This is a process question for the administrative manual since it is not for open enrollment. HCA is working with MetLife to figure this out.

- WaTech has programmed for missed premiums to be reported to MetLife so that they can send a higher amount due the next pay period.

Q: Will K-12 be billed separately?

A: Yes. Employees are sent a bill at home from MetLife.

Q: What happens if there is a significant shortfall amount on the premium owed when on LWOP?

A: This hasn't been defined yet. The administrative manual will have an answer to this question. Employees can work directly with MetLife.

Q: Will error correction go away?

A: No.

Q: In a claim situation, can the settlement be paid in increments?

A: No answer yet.

Q: Is this considered a new coverage, or break in coverage?

A: No.

Q: Can children who reach 26 convert? Will they receive a conversion packet?

A: Don't know yet.

Q: Will retirees convert over?

A: If they are not currently enrolled in optional coverage, they cannot convert. Retirees legacy plan still available for 2 years, or convert to new.

Q: Current optional amount will transfer to MetLife?

A: Yes.

Q: What about nine (9) month continuing insurance?

A: Collect premiums ahead suggested at this time.

Q: How would a prepayment be processed in HRMS?

A: Use WT 2125 to credit their account.

Q: What about employees changing from an FSA this year to an HSA next year?

A: The FSA has to be at \$0.00 before they can contribute to the HSA. This could be as late as April 1, 2017. If they are at \$0.00 on 12/31/16, they can contribute starting 1/1/2017. The HSA employer share will be deposited at the end of January, but can't be used until April or FSA is at \$0.00

Q: What should agencies do about problems with dependent verification?

A: HCA will no longer be sending out dependent verification letter notices. Dependent verification documents should be sent in with the enrollment forms = within 31 days. Otherwise the employee has to wait until open enrollment or for a special open enrollment event to enroll them. Reminder the first child enrolled can be verified for up to a year.

Q: If an employee had a FSA in Michigan earlier in 2016 and moves to Washington, can they have a one here?

A: No. You can't have two FSA's in the same calendar year.

Q: Was Group Health bought out by Kaiser?

A: Yes. Group Health will be available for all of 2017 as far as HCA knows. They do not have any information about the merger.

#### Next Meeting:

- Wednesday, November 9, 2016
- 9:00 – noon
- OB-2 Auditorium