

*Information for Human Resources and Business Risk Professionals in the Colorado State Personnel System****In this issue...***

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New Application Period for Medical Insurance Supplement – Apply April 20 - May 23

The supplement for medical insurance will again be available to qualified low-income state employees with dependent children. **This year the application period coincides with benefits open enrollment, Wednesday, April 20 - Monday, May 23, 2011.** By placing the application period during open enrollment, approved applicants will receive their supplement for medical insurance premiums sooner than in past years.

Possible applicants should be aware that as part of the online application, the required documentation (such as 2010 federal tax forms, marriage certificates, and birth certificates) **must be in electronic versions**, PDFs or JPGs, to be uploaded as part of the application process. Applications without the electronically attached documents will be considered incomplete and will not be reviewed.

What is the Supplement Program and who is it for?

The supplement is for low-income employees with dependent children who will enroll in one of the State's medical insurance options during open enrollment, or be willing to enroll if approved. It is used to cover at least a portion of the cost of medical insurance premiums for FY 2011-12 for approved applicants. Employees who do not choose a State medical plan during open enrollment, but who are approved for the supplement, will be given an opportunity to enroll in one of the state medical insurance options at a later time.

More Information

Employees interested in applying for the supplement program are encouraged to review the [Medical Insurance Supplement Program Web pages](#). There they can find information on how to apply and minimum qualifications, along with a Special Edition of *HealthLine* on the supplement program.

Employees with questions or limited computer or Internet access should contact their [department's benefits or human resources \(HR\) offices](#). Personnel in these offices can answer questions, offer assistance in accessing and completing the online application, and help in uploading documentation into the application. If you don't know how to contact your agency's benefits or HR office, call 303.866.3434 / 1.800.719.3434 to find out.

Documentation for Benefits

You've probably heard a lot about documentation recently. With open enrollment, the dependent eligibility verification process, and the medical insurance supplement program all occurring at or around the same time this year, it is possible you may be asked for some sort of documentation for your spouse or children more than once. So which processes require documentation? Why might some documentation be required more than once?

Dependent eligibility verification process for all employees with dependents covered on state benefits

The State has contracted with the firm HMS Employer Solutions to conduct the dependent eligibility verification process. This is a separate process from open enrollment, conducted by an outside third-party that will help the State to control rising healthcare costs for its employees.

All employees with dependents (spouse/same-gender domestic partner/children) covered on the State's medical, dental, or life insurance plans must provide documentation to verify their eligibility for those benefits. During the month of April, you will receive correspondence from HMS requesting documentation. This letter will describe the type of documentation required, the methods for submitting the documents, and the deadline for submission. **Failure to provide the requested documentation by the deadline will result in the termination of a dependents' medical, dental, or life insurance.**

Open enrollment for employees who add covered dependents during open enrollment

Employees who add dependents to their medical, dental, or life insurance during open enrollment must provide documentation to verify the eligibility of those dependents.

Employees will be contacted after the close of open enrollment and asked to provide the necessary documentation for spouses/same-gender domestic partners (marriage certificates, 2010 tax return, affidavits for common law marriage or same-gender domestic partnership); and for children (birth/adoption certificates, appropriate custody documents or allocation of parental responsibility). **Failure to provide the requested documentation by the deadline will result in the termination of a dependents' medical, dental, or life insurance for the FY 2011-12 plan year.**

Medical Insurance Supplement Program for employees applying for the supplement program

The supplement is used to cover a portion of the cost of medical insurance premiums for the FY 2011-12 (July 1, 2011 - June 30, 2012) for approved applicants who are low-income employees with dependent children.

FY 2011-12 Open Enrollment – Logistics and Facts

The following information is offered to the State's human resources community regarding the upcoming open enrollment for employee benefits for the FY 2011-12 plan year - July 1, 2011 to June 30, 2011.

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- Open enrollment is **Wednesday, April 20 - Monday, May 23, 2011**. Participation is **MANDATORY**, as current medical and dental coverage **WILL NOT** roll forward into the next plan year. If the employee does not make a choice for medical and dental coverage during open enrollment, the employee and family will not have medical and dental coverage for the FY 2011-12 plan year, which starts July 1, 2011.

Requiring employees to make new medical and dental elections every year allows employees to become more familiar with available options, leading to a better understanding of their final choices. Even in year like this, when there are few changes, the premiums are different, the influences on employees' choices, like personal health and finances, have changed. It also affords employees the opportunity to update information on themselves and their family.

- Open enrollment is completed **ONLY** through the State's online Benefits Administration System (BAS), accessed at the [Employee Benefits Web site](#), where employees can also research their benefit options, view premiums, and review online system instructions.

- Flexible Spending Accounts (FSAs) do not roll over to the next plan year, and must be chosen every year. *Those who want an FSA in FY 2011-12 must enroll in the FSA during open enrollment.*
- Open enrollment is the **ONLY TIME** to make changes to an employee's benefits, except in very limited, life altering circumstances. Forgetting to enroll, not confirming online choices, suffering a financial hardship, or just a change of mind are not permitted reasons for making changes beyond open enrollment (per IRS regulations).
- Social security numbers for spouses, same-gender domestic partners, and dependent children are required when enrolling.
- Encourage employees to complete their enrollment early to avoid last-minute problems.
- Employees can use open enrollment to update dependent information and remove any ineligible dependents (e.g., overage children, ex-spouses).
- Be sure employees know to go all the way through an open enrollment election. On the confirmation page the employee must click "I Agree" for his choices to be submitted. The employee is finished when she gets to the screen that says, "Enrollment Complete."
- If terminating employment with the State *before* July 1, 2011, the employee **DOES NOT PARTICIPATE** in the FY 2011-12 open enrollment. The employee should contact the State's COBRA administrator at 1.877.725.4545 for information about COBRA continuation coverage.

Information & Resources can be found at the [Employee Benefits Web Site](#).

Fair Labor Standards Act (FLSA) – Lunch Breaks

Using automatic payroll deductions for lunch breaks may create liabilities for an employer. Many supervisors schedule employees to an 8½ hour day, 5 days a week, and set their payroll systems to automatically deduct at least a ½ hour lunch break for nonexempt employees. Although Colorado's state wage and labor laws require providing a 30-minute, paid meal period when an employee works a minimum of five hours, the State of Colorado, as an employer, is not covered by these laws. The State must comply with the federal Fair Labor Standards Act (FLSA), which does not require lunch breaks. However, it is good business practice to provide employees with at least a 30-minute uninterrupted lunch break. This practice also allows for more efficient coverage by having staff available to provide customer service during normal business hours (e.g., 8:00 a.m. to 4:30 p.m. or 8:30 a.m. to 5:00 p.m.).

Potential liability issues when using an automatic deduction for lunch breaks.

- The employee fails to take the scheduled full 30 minutes for lunch. If the employee takes less than the full 30 minutes, the break time must be paid.
- The employee's lunch break is interrupted when co-workers or supervisors ask a work-related question or the employee eats at his/her desk and answers the phone or responds to an e-mail. Because this is considered work time and cuts into the 30 minutes, the entire lunch break period must be paid.

What you can do.

- Train nonexempt employees to take their full scheduled 30-minute lunch break.
- Provide a separate location for employees to take their lunch breaks and insist that employees take lunch breaks away from their work areas.

- Train supervisors and co-workers not to interrupt employees during their lunch breaks with questions, phone calls, text messages, or e-mails.
- Train employees and supervisors to make the proper adjustments to work hours.
- Hold employees accountable and take appropriate corrective and or disciplinary action when they fail to follow the departmental overtime policies.
- Allow for flextime if the employee has been required or approved to work through his/her lunch break, to manage paid time to 40 hours in one week.

For questions regarding break periods or other issues related to FLSA, please contact Joi Simpson at 303-866-5496 or Joi.Simpson@state.co.us or Kristi Rudy at 303-866-4236 or Kristi.Rudy@state.co.us.

Now More Than Ever Working Together Needs Your Help

Help *Working Together* make a difference for state employees in crisis. Please let your employees know about the number of convenient methods to make **tax-deductible** donations to Working Together: direct payroll deduction, Colorado Combined Campaign (#1300), automatic debit from the employee's account at any financial institution, electronic fund transfer for Credit Union of Colorado members, and direct donation by check.