



# EMPLOYER BULLETIN

Employer Communication Center  
(608) 264-7900, toll free 1-888-681-3952

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## ERA Open Enrollment

The Employee Reimbursement Accounts (ERA) Program open enrollment period for the 2007 plan year is set for October 9 through November 17, 2006.

Employees may enroll in the ERA program for plan year 2007 either by telephone (IVR) system at 1-800-847-8253, or on the Internet (<http://etf.wi.gov>). Employees without Internet access or who do not wish to use the Internet or telephone for enrollment may submit paper forms. A supply of new ERA enrollment forms will be distributed to agencies in mid-October. Employees may also obtain enrollment forms by calling the toll-free ERA Enrollment Help Line or the toll-free FBMC Customer Service line listed at the end of this bulletin.

**Note: New employees must use a paper enrollment form to enroll for the 2007 plan year** if they wish to enroll before they are on the Fringe Benefits Management Company (FBMC) enrollment system. Eligibility files are sent to FBMC following every payroll, so a new employee enrolling for plan year 2007 must be on at least one payroll to appear on FBMC's system. Employees who use a paper form for open enrollment should mail or fax the form directly to the Tallahassee office, postmarked by the November 17 deadline.

Employees newly hired in late 2006 who wish to enroll for a 2006 ERA account for the remainder of the year must use a paper enrollment form and clearly indicate that the enrollment is for the 2006 plan year. These forms should be returned to the payroll office and processed immediately for payroll deduction, following the same procedure used for new hire enrollment forms received during the plan year.

Employees with enrollment questions **during the open enrollment period** may call the toll-free local help line at 1-866-405-4036. (An incorrect number for the ERA Enrollment Help Line was listed on page 2 of the 2007 ERA Enrollment booklet. The correct one is listed on page 9 of the booklet.) This line will be available only during the open enrollment period. Please do not refer employees with enrollment questions to the local FBMC office phone number. Employees may also call FBMC Customer Service at 1-800-342-8017, from 6:00 a.m. to 9:00 p.m., Monday through Friday, for enrollment assistance. Contact Bill Aye at (608) 829-0435 if your agency does not receive enrollment booklets by October 2, or if you need more booklets or enrollment forms.

## New ERA Enrollment Forms

A supply of new ERA enrollment forms will be distributed in mid-October. You may continue to use forms remaining from the 2006 plan year (rev. 09/05). Please discard any ERA enrollment forms with revision dates prior to 2005. Forms submitted with a revision date prior to September 2005 will be rejected. The ERA enrollment form is used during the plan year to enroll newly hired employees and newly eligible employees (e.g., employee status changes from LTE to permanent). It is also used to enroll rehired employees who have had more than a 30-day break in service and have no continued

coverage from their previous employment.

### ERA Enrollment process:

1. Employees wishing to enroll in the ERA program during the plan year must complete the top part of the form and return it to you.
2. Employers must complete the "For office use only:" section as indicated below. It is important that all information be completed.

For office use only:

Received Date	<u>9/5/06</u>	Payroll Center	<u>Central Payroll</u>	Agency Code	<u>515</u>
Paycheck Frequency	<u>bi-weekly</u>	Paycheck Effective Date	<u>9/28/06</u>	Coverage Effective Date	<u>10/1/06</u>
				Payroll Authorization	<u>MB</u>

- **Received Date:** The date that you received the completed form from the employee.
  - **Payroll Center:** The payroll center through which the employee's paycheck is processed.
  - **Agency Code:** The 3-digit State agency number.
  - **Payroll Frequency:** The number of checks that the employee receives annually. Enter "Monthly" (indicate 12, 9 or 10 Pay), "Bi-weekly," or "Semi-monthly."
  - **Paycheck Effective Date:** The date that the first deduction will be taken from the employee's paycheck
  - **Coverage Effective Date:** The first of the month that begins on or after the date that you received the enrollment form from the employee.
  - **Payroll Authorization:** Legible initials of the payroll officer who processed the form.
3. When completed, process the form immediately for payroll deduction and enter into the payroll system. Delays in processing may result in delayed effective dates and missed deductions.

**Central Payroll agencies, Legislature, WHEDA, UWHC, WISCRAFT:** Enter the deduction into the payroll system. Retain the pink "department" copy (or a photocopy) for your records and send the form directly to the Tallahassee FBMC office at the address found at the end of this bulletin. (Do not send a copy of the form to FBMC's Madison office.)

**UW Campuses and UW Departments:** Follow the processing procedures from the University of Wisconsin-Service Center (UW-SC).

4. Upon receipt of a properly authorized form, FBMC will certify that the enrollment is complete and enter the enrollment information into its system. FBMC will return a copy of the form to you and mail a confirmation notice to the employee indicating that the desired account(s) has (have) been established and enclose a blank reimbursement claim form.

NOTE: Enrollment forms received by FBMC that have not been authorized by the payroll/staff benefits representative will be returned to the employee with instructions to submit it to their payroll office.

Additional enrollment forms can be obtained by calling Bill Aye at the FBMC Madison Office. The form is also on ETF's internet site at [http://etf.wi.gov/publications/era\\_2007\\_enrollment\\_form.pdf](http://etf.wi.gov/publications/era_2007_enrollment_form.pdf).

## ERA Election Changes and Late Enrollments

Employees can change their 2007 ERA elections at any time during the open enrollment period by using the IVR or Internet systems through November 17, 2006. After November 17, all requests to enroll or change ERA enrollment elections must be in writing, as follows:

- Employee writes a letter of appeal, explaining the need for an enrollment change or why they were unable to enroll during the enrollment period.
- Employee includes a completed enrollment form (provided by employer) for the 2007 Plan Year.
- Employee faxes or mails the appeal request (letter and enrollment form) to the FBMC Wisconsin Appeals Committee, Attention: Cathy Sculley, using the address at the end of this bulletin.

FBMC reviews appeals on a weekly basis and notifies employees of the appeal decision. Payroll offices are also notified of approved enrollments. Employees may have double payroll deductions at the beginning of the plan year for enrollment requests approved after the payroll cutoff date for the first January check.

## ERA Program Grace Period Extended to Include Dependent Care Reimbursement Accounts

The ERA program now offers a 2-1/2 month “grace period” following the end of each plan year for both medical expense and dependent care accounts, first effective for the 2006 plan year. Expenses for services provided through March 15, 2007, may be reimbursed with funds remaining from 2006 ERA medical expense and dependent care account funds. However, any unused amounts from the prior plan year that are not used for expenses incurred by March 15 remain subject to the “use it or lose it” rule and will be forfeited.

The deadline (or run-out period) for filing both medical expense and dependent care claims incurred during the plan year, including the grace period, is April 15, 2007.

## Revised *ERA Medical Expense Account Continuation Election Form (ET-1518)* Now Available

The *ERA Medical Expense Account Continuation Election Form (ET-1518)* has been revised (REV 5/2006). Please discard all prior versions of the form. The form is available on the ETF Internet site at <http://etf.wi.gov/publications/et1518.pdf>, or you may request a supply from ETF's Supply and Mail Services section at (608)266-3302.

Under Federal COBRA law, participants who lose eligibility for ERA medical expense reimbursement account coverage due to termination of employment may continue the same coverage that was currently in force through the end of the plan year, including the grace period. The *ERA Medical Expense Account Continuation Election Form* must be issued **within 14 calendar days** of the qualifying event (i.e. termination of employment) that will cause the employee to lose eligibility to participate. A participant's survivor who may wish to continue coverage after a participant's death may also use the form.

For each employee whose coverage is ending, complete the top portion of the *Continuation* form and give it to the employee or survivor(s). Make copies of the form and send one copy to the Department of Employee Trust Funds (ETF), Division of Trust Finance and Employer Services, and one copy to FBMC as notice of termination. Keep a copy of the form for your records.

Employees wishing to continue ERA coverage are responsible for completing the form and sending it to ETF within 60 calendar days from the coverage termination date or within 60 calendar days of the "Date of This Notice" on the continuation form, whichever is later. If the request is not received by ETF within 60 calendar days, coverage will lapse.

### **Determining the date that ERA participation terminates:**

ERA participation generally ends at the end of month from which the last ERA deduction was made.

Example: Employee terminates employment on September 22, 2006. The last paycheck from which an ERA deduction is taken is October 12. ERA coverage ends October 31.

The qualifying event for continuation (COBRA) notification for participants on Family and Medical Leave Act (FMLA) leave occurs when an employee does not return to work and coverage would be lost were it not for COBRA coverage. Therefore, the qualifying event for ERA participation occurs on the last day of FMLA leave, unless coverage is lost under the plan at a later date. This may occur if an employee has paid contributions prior to or during his or her leave that extends coverage past the employee's termination date.

Example: Jim's FMLA leave starts April 3, 2006. He pays his bi-weekly contributions out-of-pocket through his employer to keep his coverage open while he is on leave. Jim does not return to work following a 12-week FMLA leave; therefore, his qualifying event (employment termination) is June 26, the last day of FMLA leave. Jim must be issued an *ERA Medical Expense Account Continuation Election Form* (ET-1518) within 14 calendar days of June 26.

Example: Joan's FMLA leave starts April 3. She paid for 12 weeks of ERA coverage in advance from her last paycheck before she went on leave. Joan notifies her employer on May 1 that she is terminating her employment. Because she has paid for eight more weeks of coverage, her qualifying event (end of ERA coverage) is June 30, the last day of the month for which the last ERA deduction was made. Joan must be issued an *ERA Medical Expense Account Continuation Election Form* within 14 calendar days of June 30.

### **2007 Employee Reimbursement Accounts Program Administrative Fees**

The administrative fee for the Employee Reimbursement Accounts Program will remain at \$.60 per state health insurance contract per month for plan year 2007. Agencies should report the total fee (number of contracts x \$.60) via the *State Health Insurance Summary* (ET-1608) form.

State agencies remain responsible for ERA administrative costs even when an agency has no employees enrolled in the medical expense or dependent care reimbursement portions of the ERA program. For most state agencies, employer FICA savings due to pre-tax funding of premiums, which remain in agency fringe benefit lines, more than offset ERA fees.

Questions about reporting and transmitting the fee with the *State Health Insurance Summary* (ET-1608) form should be directed to Ron Diehl, Division of Trust Finance & Employer Services at (608) 266-2737 or [ron.diehl@etf.state.wi.us](mailto:ron.diehl@etf.state.wi.us).

For more information about the fee structure or ERA program administration, contact Marcia Blumer at (608) 266-2640 or e-mail: [marcia.blumer@etf.state.wi.us](mailto:marcia.blumer@etf.state.wi.us).

**Fringe Benefits Management Company Contact Information**

Fringe Benefits Management Company, PO Box 1878, Tallahassee, FL 32302-1800

FBMC Enrollment Processing: Brent Hughes; FAX (850) 514-5806; [bhughes@fbmc-benefits.com](mailto:bhughes@fbmc-benefits.com)

FBMC Enrollment Appeals: Cathy Sculley; FAX (850) 425-6220; [csculley@fbmc-benefits.com](mailto:csculley@fbmc-benefits.com)

FBMC Customer Service: 1-800-342-8017, from 6:00 a.m. to 9:00 p.m. Monday through Friday

FBMC internet site: <http://www.myfbmc.com>

FBMC Madison Office:

Bill Aye

7818 Big Sky Drive, Suite 210A

Madison, WI 53719

(608) 829-0435;

FAX (608) 829-0008;

[baye@fbmc-benefits.com](mailto:baye@fbmc-benefits.com)

ERA Enrollment Help Line: 1-866-405-4036. (Available only during the open enrollment period.)

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