

DEPARTMENT OF CHILDREN AND FAMILIES  
DIVISION OF FAMILY AND ECONOMIC SECURITY  
ADMINISTRATOR'S MEMO SERIES

ACTION  
 NOTICE

**DFES15-09**

ISSUE DATE: 11/18/2015  
DISPOSAL DATE: 12/31/2016

\*PROGRAM CATEGORIES:

AS  FM  ML  TR  
 CC  FL  NA  W-2  
 CS  IT  RA  WIA  
 CF  JC  TC  
 CR  LM  TA

**To:** W-2 Contract Agency Directors

**From:** Kristiane Randal  
Division Administrator

**RE:** 2016 Wisconsin Works (W-2) Worker's Compensation (WC) Premium Rates

**PURPOSE:**

This memo announces the availability of statewide WC Insurance coverage to W-2 Contractors to cover W-2 work experience participants and individuals repaying a Job Access Loan (JAL) through community service. Premium rates for Calendar Year 2016 (CY 2016) will be \$27 per participant per calendar quarter.

**BACKGROUND:**

All W-2 Contractors are required to provide WC coverage for their participants engaged in a work experience unless the work site sponsor agrees to provide coverage.

Specifically for W-2 Contract Agencies, 49.147(4)(c), Wis. Statutes states that "A participant under this subsection is an employee of the Wisconsin works agency for purposes of worker's compensation coverage, except to the extent that the person for whom the participant is performing work provides worker's compensation coverage."

**WORKER'S COMPENSATION COVERAGE**

Sentry Insurance is currently under contract with the State to provide claim services for the W-2 Contractors who opt to be covered by the State's Self-Insured WC Program. Sentry Insurance also provides coverage for liabilities in excess of the State's Self-Insured amount of \$350,000 per occurrence. This coverage applies ONLY to W-2 participants engaged in a work experience and individuals who are repaying a JAL through community service.

W-2 Contract Agencies that opt to participate in the program are charged WC premiums as a direct expense to their W-2 Base contract for their W-2 participants. The premiums are charged on a quarterly basis and are based on the average number of participants enrolled in a work

experience for each of the three months within each calendar quarter per the Client Assistance for Reemployment and Economic Support system. Each participating agency will be charged \$27 per participant, using a three month average, per calendar quarter which is \$9 per participant per month for coverage.

The Department of Children and Families (DCF) calculated the premium based on several factors including the estimated insurance premium that Sentry charges DCF, WC fund reserve, loss reserve for current claims, and DCF's administration cost related to processing the Insurance. In addition, DCF has had a number of recent claims that has diminished the State's fund reserve used to pay the first \$350,000 per occurrence.

All W-2 Contractors have the option to choose to obtain WC coverage for their W-2 participants by completing and returning the 2016 DCF/DFES Worker's Compensation Coverage Application (Attachment A). The coverage will remain in effect through December 31, 2016, unless the Department receives a written request to change that selection and proof that the Contractor has coverage.

If a W-2 Contractor chooses to decline coverage, it must complete the 2016 DCF/DFES Worker's Compensation Form (Declines Coverage) (Attachment B) and submit the form along with a copy of the policy to demonstrate it has coverage.

**ACTION SUMMARY STATEMENT:**

W-2 Contractors must return one of the two attached forms before 4:30 p.m. (CT) Friday, November 27, 2015<sup>1</sup>. If W-2 Contractors decline the offered coverage, they must also include a copy of their policy with their decline form. Please email the completed form to [VictoriaM.Stolen@wisconsin.gov](mailto:VictoriaM.Stolen@wisconsin.gov). Alternatively, you can mail them to the following address:

Wisconsin Department of Children and Families  
Bureau of Finance  
Attn: Victoria Stolen  
201 E Washington Ave., Room A200  
Madison WI 53703

**CONTACT:** Victoria Stolen  
Bureau of Finance  
(608) 422-6394

Attachments: [Attachment A: 2016 DCF/DFES Worker's Compensation Coverage Application](#)  
[Attachment B: 2016 DCF/DHS Worker's Compensation Form \(Declines Coverage\)](#)

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<sup>1</sup> W-2 Contractors must take into consideration that this is the Friday after Thanksgiving and take appropriate action to ensure that the forms are received timely.