

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

ACTION                    **DFES 17-07**  
 NOTICE

ISSUE DATE:                11/28/2017  
DISPOSAL DATE:          12/31/2018

**\*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:**        2018 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 2018 (CY 2018) 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 and 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 previous claims that has diminished the State's fund reserve used to pay the first \$350,000 per occurrence.

**ACTION SUMMARY STATEMENT:**

All W-2 Contractors have the option to choose to obtain WC coverage for their W-2 participants for the 2017-2019 W-2 and Related Programs Contracts by completing and returning the [2018 DCF/DFES Worker's Compensation Coverage Application](#) (Attachment A). The coverage will remain in effect through December 31, 2018 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 [2018 DCF/DHS Worker's Compensation Form \(Declines Coverage\)](#) (Attachment B) and submit the form along with a copy of the policy to demonstrate it has coverage.

The completed form and policy if applicable must be received before 4:30pm (CT) Monday, December 4, 2017. Please email the completed form and policy if applicable as an attachment 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  
[VictoriaM.Stolen@wisconsin.gov](mailto:VictoriaM.Stolen@wisconsin.gov)

Attachments: [Attachment A: 2018 DCF/DFES Worker's Compensation Coverage Application](#)  
[Attachment B: 2018 DCF/DHS Worker's Compensation Form \(Declines Coverage\)](#)