



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

DFES 19-09

ISSUE DATE: 11/29/2019

DISPOSAL DATE: 12/31/2020

ACTION

NOTICE

PROGRAM CATEGORIES:

- W-2 - Wisconsin Works
- RA - Refugee Assistance
- CS - Child Support
- CF - Children First
- TJ - Transitional Jobs
- TMJ - Transform Milwaukee Jobs

DATE: 11/29/2019

TO: W-2 Contract Agency Directors

FROM: Connie M. Chesnik
Division Administrator

RE: 2020 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 2020 (CY 2020) will be \$33 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 \$33 per participant, using a three-month average, per calendar quarter which is \$11 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 claims that have 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 2019-2020 W-2 and Related Programs Contracts by completing and returning the 2020 DCF/DFES Worker's Compensation Coverage Application ([Attachment A](#)). The coverage will remain in effect through December 31, 2020, 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 2020 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.

The completed form and policy if applicable must be received before 4:30pm (CT) Tuesday, December 6, 2019. Please email the completed form and policy if applicable as an attachment to 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

Attachment: [Attachment A](#): 2020 DCF/DFES Worker's Compensation Coverage Application
[Attachment B](#): 2020 DCF/DFES Worker's Compensation Form (Declines Coverage)