



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

DFES 20-09

ISSUE DATE: 11/25/2020

DISPOSAL DATE: 12/31/2021

- 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: November 25, 2020

TO: W-2 Contract Agency Directors

FROM: Connie M. Chesnik
Division Administrator

RE: 2021 Wisconsin Works Worker's Compensation Premium Rates

PURPOSE:

This memo announces the availability of statewide Worker's Compensation (WC) coverage to Wisconsin Works (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 2021 (CY 2021) will be increased from \$33 to \$36 per participant per calendar quarter.

BACKGROUND:

All W-2 Contractors are required to provide WC coverage for their participants engaged in a work experience activity 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 activity 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 \$36 per participant, using a three-month average, per calendar quarter which is \$12 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.

ACTION SUMMARY STATEMENT:

All W-2 Contractors have the option to choose to obtain WC coverage for their W-2 participants for the 2020-2021 W-2 and Related Programs Contracts by completing and returning the 2021 DCF/DFES Worker's Compensation Coverage Application ([Attachment A](#)). The coverage will remain in effect through December 31, 2021, 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 2021 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) Monday, December 7, 2020. 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

Attachments: [Attachment A: 2021 DCF/DFES Worker's Compensation Coverage Application](#)
[Attachment B: 2021 DCF/DFES Worker's Compensation Form \(Declines Coverage\)](#)