



Legislative Coordinating Commission

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DATE: December 10, 2013

TO: Members of the Legislative Coordinating Commission

FROM: Greg Hubinger

RE: Summary of proposed changes to the 2014 Benefit Book

This memo summarizes proposed changes to the "Legislative Plan for Employee Benefits and Policies," which establishes health insurance benefits, vacation and sick leave accrual policies, and numerous other benefits for legislative branch employees in the House, Senate, joint legislative agencies, and legislative commissions. The insurance, vacation, severance, and sick leave policies are effective when adopted by the LCC. Other provisions are effective when they are adopted by the respective Rules Committees of the House and Senate.

A staff group from the House, Senate, and various joint legislative agencies has met over the last couple of months to develop the proposed amendments to the Plan. A list of the staff who served on the Benefit Book group is included at the end of the summary. A copy of the Benefit Book in legislative format is also attached.

The summary is divided into two sections: 1) Proposals to conform with changes in state and federal law, and to changes to the insurance chapter; 2) Proposed changes to clarify current practices, or establishing consistent policies among the appointing authorities.

Conforming changes

- 1) **Sick leave use.** (Page 15). Comply with statutory change (2011 Session Law, Chapter 87) regarding use of sick leave by employees to care for adult children, siblings and grandparents.
- 2) **Update insurance chapter.** (Pages 30-54). Under Minnesota Statutes section 43A.18, subdivision 6, the LCC is responsible for establishing insurance coverage for staff and members of the Legislature. Because the Legislature has traditionally decided to

purchase insurance coverage through the State Employee Group Insurance Program (SEGIP), the LCC must adopt the insurance coverage that will become effective January 1, 2014.

The health, dental, life, and disability benefits provisions are initially bargained through a joint labor management committee that includes exclusive representatives from all the state's unions. Final bargaining is completed between the state and the exclusive representatives for each union. As a result, the insurance provisions themselves are generally consistent from contract to contract.

Changes to the insurance chapter to conform with the state labor contracts and plans include:

- No changes to the underlying plan design.
- Effective January 1, 2015, employees will begin paying 5% of the employee premium. The employer will continue to pay 85% of dependent coverage. Spouses and dependents of employees who also work for the state will be able to enroll them under that employee's coverage.
- Co-pays, deductibles and co-insurance amounts are not changed.
- Effective in CY 14, the maximum dental coverage will increase from \$1,000 to \$1,500.
- Effective in CY 14, Virtuwell and other in-network on line programs will be available at a \$10 co-pay.
- Premiums are estimated to increase by approximately 4.66% in CY 14. (Premiums are determined by MMB, and are not negotiated.)
- Legislative staff propose deleting an obsolete provision defining eligible dependents. (Page 31). This provision permitted the respective Rules Committees to include as dependents other persons who were considered eligible dependents under SEGIP.

- 3) **Health/dental expense account.** (Page 55). Replace outdated limit on the maximum amount an employee can contribute to this account, and instead refer to the maximum amount permitted by the IRS (currently \$2,500).

Clarifications

These proposed changes are technical in nature, provide greater clarity, or indicate greater consistency in policies across legislative offices.

- 1) **Applicability of plan.** (Page 1). Updates the list of legislative commissions covered by the plan.
- 2) **Statement of Economic Interest.** (Page 2). Update list of legislative employees who must file these statements.
- 3) **Severance pay.** (Page 20). Clarifies that an employee who terminates employment and who is eligible for an annuity receives a \$250 credit to their Health Care Savings Plan.

- 4) **Deferred compensation.** (Page 56). Delete obsolete date references. Clarify that the Appointing Authority must determine when the matching state paid contribution is made.
- 5) **Workers Compensation.** (Page 58). Clarifies that an employee must also complete an incident report when reporting an injury.
- 6) **Employee expense reimbursements.** (Page 61). Increases the maximum reimbursement amounts for meals consumed while on legislative business. These increases match those of executive branch collective bargaining agreements and compensation plans.

If you have any questions about these proposed changes, please feel free to call me at 651.296.2963.

Attach: Benefit Book

Benefit Book Staff Group

The following participated in the staff group that developed the proposed changes to the Legislative Plan for Employee Benefits and Policies:

Kelly Knight, House of Representatives
Deede Larson, Senate
Tom Pender, House Research
Tom Bottern, Senate Counsel, Research, & Fiscal Analysis
Stephanie James, Senate Counsel, Research, & Fiscal Analysis
Michele Timmons, Office of Revisor of Statutes
Elizabeth Lincoln, Legislative Reference Library
Eric Jacobsen, Office of the Legislative Auditor
Diane Henry-Wangenstein, Legislative Coordinating Commission
Greg Hubinger, Legislative Coordinating Commission