

SEBB Supplemental LTD Insurance Payroll Setup and Billing Webinars – Frequently Asked Questions



Can employees pay directly for Supplemental LTD?

Employees do not have the option to pay The Standard directly for Supplemental LTD Insurance. Premium payments for the Supplemental LTD Insurance will be taken through post-tax employee payroll deductions by SEBB Organizations. The SEBB Organizations will be responsible for submitting monthly premium payments to The Standard.

Can we reconcile our bill online but still pay with a paper check?

Yes.

Will we have to calculate the premium rate for every employee who signs up for LTD or will The Standard calculate the rate once they receive an application?

Supplemental LTD billing will be handled on a self-administered basis (this means that the SEBB Organizations are the record keeper). Since LTD is an income replacement plan (income based), the SEBB Organizations are responsible for calculating and deducting premium payments from employees' paychecks based on each employee's Insured Earnings.

Enrollment in the Supplemental LTD plan will be through SEBB MyAccount for the initial enrollment period (October 1 – November 15, 2019) for a January 1, 2020 effective date. After the 2019 initial enrollment period is over, employees will enroll in the Supplemental LTD plan using paper enrollment forms and the forms will be entered in SEBB MyAccount by the SEBB benefits administrator. The Washington State Health Care Authority (HCA) will provide the SEBB benefit administrators with an electronic copy of the enrollment form. An electronic copy of the enrollment form will also be available on the HCA LTD website for employees.

If we have staff who enroll in Supplemental LTD during the October 1 – November 15 initial enrollment period, will we need to withhold payment for the December payroll for the January 1 premium payment?

There should be no change to SEBB Organizations' payroll processes for the Supplemental LTD premium deductions. The answer to this will depend on how each SEBB Organization is currently set up for payroll deductions for premium. If your payroll process is set up to take employee payroll deductions for Supplemental coverage in the month prior to when it is due, then you may continue to handle the timing of payroll deductions and premium payment to The Standard in that fashion. If your payroll process is set up to take employee payroll deductions for Supplemental coverage in the month in which premium payment is due, then you may continue to handle the timing of deductions and premium payment to The Standard as you usually would. Premium is due January 1, 2020 for January 1, 2020 insurance coverage. There is a 60 day grace period for Supplemental LTD premium payments – premium is due to The Standard no later than 60 days after the first of the month in which payment is for.

Is data feed billing an option for 1,000+ employees who work for us even though they are not eligible for benefits?

No, this is an option for SEBB Organizations with 1,000+ benefits eligible employees only.

How is the Supplemental LTD percentage rate determined?

The percentage rate for the Supplemental LTD Insurance is an age-graded premium rate that will be provided by the HCA to SEBB Organizations through the SEBB MyAccount billing file. The age-graded premium rate will be multiplied by the enrollee's Insured Earnings to calculate the premium that will be deducted from the employee's paycheck and remitted to The Standard.

Do we have to update the age and salary each and every year?

The Supplemental LTD age-banded premium rate is based on the employee's age as of January 1st each year. Changes in premium related to changes in Insured Earnings will be updated when the change in Insured Earnings occurs.

Are the premiums due on the first of the month for that current month or the following month?

Supplemental LTD premium for the January 2020 month is due January 1, 2020. There is a 60 day grace period for Supplemental LTD premium payments – premium is due to The Standard no later than 60 days after the first of the month in which payment is for.

Do we need to calculate a new rate and premium amount in the month that someone has a birthday?

The Supplemental LTD age-banded rate is based on the employee's age as of January 1st each year.

When is the first payment due? For coverage starting January 1st, is payment due on January 1st or February 1st?

Supplemental LTD premium for the January 2020 month is due January 1, 2020. There is a 60 day grace period for Supplemental LTD premium payment – premium is due to The Standard no later than 60 days after the first of the month in which payment is for.

Why can't employees use SEBB MyAccount after the initial open enrollment?

Due to implementation timing constraints, the HCA can only offer Supplemental LTD Insurance enrollment through SEBB MyAccount for the initial open enrollment; however, the HCA is evaluating the possibility of utilizing SEBB MyAccount for future Supplemental LTD enrollment purposes. The HCA will communicate information to SEBB Organizations as it becomes available.

Employees will want to know the Supplemental LTD Insurance premium amount before they sign up. How can we calculate the premium amount prior to enrollment?

During the initial enrollment period (October 1 – November 15, 2019) the Supplemental LTD age-graded premium rates will be provided on the SEBB MyAccount enrollment platform along with a sample calculation for employees to use to estimate the monthly Supplemental LTD premium amount that will be deducted from their paychecks prior to enrolling in the Supplemental LTD Insurance. SEBB Organizations will also be provided with resources/tools to calculate premium for the Supplemental LTD Insurance based on the employee's Insured Earnings in the employer packet materials that will be distributed by The Standard.

How should we handle retroactive salary increases? Do we have to pay more Supplemental LTD Insurance premiums in these cases?

Yes. If an employee experiences a retroactive salary increase, Supplemental LTD Insurance premiums should be adjusted retroactively as well and remitted to The Standard.

Are the Supplemental LTD premiums driven by contractual salary items only? Or should they also include variable items (such as time paid for training) that may generate a temporary change in income that is not permanent?

Insured Earnings is defined as the first \$16,667 of each eligible employee's monthly pre-disability earnings (for a 12-month billing cycle). Insured Earnings is also defined as an employee's gross monthly rate of earnings from their SEBB Organization. Insured Earnings does not include bonuses, commissions, overtime pay, shift differential pay, optional stipends, or any other extra compensation. If an employee is paid hourly, their monthly rate of earnings is based on the number of hours the employee is regularly scheduled to work per month, but not more than 173 hours. If an employee does not have regular work hours, the monthly rate of earnings is based on the average number of hours worked per month during the preceding 12 calendar months (or during the period of employment if less than 12 months), but not more than 173 hours.

Will the URL have an age and salary portion that will automatically calculate the monthly deduction for the employee based on the information entered?

SEBB Organizations will be provided with a tool to calculate Supplemental LTD Insurance premiums based on an employee's Insured Earnings in the employer packet materials that will be distributed by The Standard.

Is the benefit waiting period only for continuous time off? If an employee returns to work for a day or two and realizes they can't work after all, does their eligibility start over, or do they get credit from the beginning of the claim?

Under the Temporary Recovery provision of the SEBB Policy, an employee may temporarily recover from a disabling condition and then become disabled again from the same cause or causes without having to serve a new Benefit Waiting Period. Temporary Recovery means the employee ceases to be disabled for no longer than the applicable Allowable Period which is defined as: a total of 90 days of recovery during the Benefit Waiting Period, or 180 days for each period of recovery during the Maximum Benefit Period.

Are employee premiums for Supplemental LTD pre-tax or post-tax?

Employee payroll deductions for the Supplemental LTD Insurance premium will be made on a post-tax basis.

Can we choose a paper check method but paperless billing and submit the statement online?

Yes.

Can you please go over the data feed process again?

SEBB Organizations with 1,000+ benefits eligible employees who elect the data feed billing option on their SEBB Organizations Checklist will be contacted by a member of The Standard to discuss data and technology requirements and initiate the setup of the data feed billing. Details related to the data feed billing option will be discussed individually between The Standard and each SEBB Organization that elects this billing option.

Are WSIPC and The Standard working together on the data feed reconciliation option?

The HCA will be meeting with WSIPC to evaluate how WSIPC can best support SEBB Program readiness. While HCA and WSIPC are discussing possible technology solutions that may streamline processes for WSIPC SEBB Organizations/districts, SEBB Organizations are still ultimately accountable for completing SEBB Program readiness activities. SEBB Organizations may also choose to reach out to WSIPC directly if they have specific support requests of WSIPC in the near term.

Can you explain 12thly, 10thly and 9thly billing modes?

For 9thly premium payments:	12 times the first \$16,667 of the employee's Insured Earnings, divided by 9
For 10thly premium payments:	12 times the first \$16,667 of the employee's Insured Earnings, divided by 10
For 12thly or monthly premium payments:	the first \$16,667 of the employee's Insured Earnings

If the SEBB Organization has all employees on a 9thly or 10thly billing mode, they will only have 9 or 10 bills per year; the SEBB Organization will calculate the employee's Insured Earnings (annual) and divide by the payroll mode (9 or 10) to get the monthly earnings (not to exceed \$16,667) and amount of monthly premium to deduct and remit to The Standard. The monthly premium = monthly Insured Earnings x age banded premium rate percentage.

When a SEBB Organization has a mixture of employees that are paid monthly (12thly), 10thly and/or 9thly, the SEBB Organization will be billed monthly.

Who can I contact to get a checklist?

Please contact Mike Schmitz at mike.schmitz@hca.wa.gov to obtain a checklist.

Do employees elect Supplemental LTD Insurance when they enroll in SEBB benefits in October? How will SEBB organizations know when employees make this election?

Yes. Employees will elect Supplemental LTD Insurance coverage through SEBB MyAccount during the initial enrollment period which will run October 1 – November 15, 2019. The HCA will provide each SEBB Organization with the enrollment and age-graded premium information for each enrolled employee through the SEBB MyAccount billing file.

When will we receive the rates?

The rates for the Supplemental LTD Insurance will be provided to the SEBB Organizations as soon as possible. The Supplemental LTD Insurance premium rates will be provided in a package of materials from The Standard to the SEBB Organizations. The package of materials will be sent to the designated billing contact as indicated on the SEBB Organizations Checklist.

Is there one rate for everyone, or where will we find the rates?

The rates for the Supplemental LTD Insurance are age-graded premium rates. The Supplemental LTD age-banded rate is based on the employee's age as of January 1st each year; this means that an employee's rate would only change once a year on January 1st. The rates will be included in the package of materials that will be sent to the designated billing contact as indicated on the SEBB Organizations Checklist submitted by the SEBB Organizations.

Will the employee enroll through the SEBB MyAccount platform or directly with The Standard?

Employees will enroll for the Supplemental LTD Insurance through the SEBB MyAccount platform during the initial enrollment period which will run from October 1 –November 15, 2019. After the initial 2019 enrollment period is over, employees will enroll for the Supplemental LTD plan using paper enrollment forms and the forms will be entered in SEBB MyAccount by the SEBB benefit administrators. The HCA will provide the SEBB benefit administrators with an electronic copy of the enrollment form. An electronic copy of the enrollment form will also be available on the HCA LTD website for employees. The Standard will not be managing individual employee enrollments into the Supplemental LTD Insurance plan.

Do we have to pay for employees over the cutoff age?

Employee premiums for the Supplemental LTD Insurance are age-graded, with the first age band starting at Under Age 30, and the last age band ending at Age 65 or Over. Employees enrolled in the Supplemental LTD Insurance must pay premium for the insurance coverage, regardless of how old they are.

Does the employee have to sign up for Supplemental LTD or can they waive coverage?

Employees do not have to sign up for the Supplemental LTD Insurance. Employees will be automatically enrolled in the Basic LTD Insurance. Employees cannot waive basic LTD Insurance.

Is there an eligibility period before filling a claim?

Yes. There is a Benefit Waiting Period the employee must fulfill before LTD Insurance benefits are payable. The Benefit Waiting Period for both the Basic and Supplemental LTD Insurance is the longer of: 90 days, or the period of sick leave or salary continuation the employee is eligible for, or the end of the employee's receipt of the Washington Paid Family and Medical Leave Law benefits.

What date in December will The Standard provide a list of employees who have signed up for the Supplemental plans?

SEBB Organizations will be able to pull a report from SEBB MyAccount at any time to see who is currently enrolled in the Supplemental LTD Insurance and the applicable LTD rate. HCA suggests that the SEBB Organizations pull this report close to the payroll deduction time frame in order to capture the most up-to-date enrollment information.

Will the 12-month pre-existing condition exclusion apply to all current district employees or only to newly hired employees?

The 12-month pre-existing condition exclusion will apply to all current and newly hired SEBB Organization employees. For all SEBB Organization eligible employees (both current and new hire), if a disability is subject to the pre-existing condition exclusion under the SEBB Policy, benefits will be payable if the employee was insured continuously under a prior plan of LTD benefits on the day before the effective date of the SEBB Policy, and benefits would have been paid under the prior plan of LTD benefits had it remained in force. For such a disability, the amount of the employee's LTD benefit will be the lesser of: the benefit that would have been payable under the prior LTD plan, or the LTD benefit payable under the SEBB Policy.

If an employee's rate change is retroactive to the beginning of the school year, do we retroactively adjust their rates as well?

Yes. If an employee experiences a retroactive pay increase, Supplemental LTD Insurance premiums should be adjusted retroactively as well and remitted to The Standard.

Wouldn't we want all voluntary and mandatory benefit deductions for all vendors to run on the same cycle, either under a grace period or not?

While this is preferable, there are many factors that have contributed to the agreed upon billing cycles and processes with the Supplemental carriers, including different payment terms and other varying carrier requirements.

Do we pay premium on hourly employees based on their assignment or do we have to adjust the amount monthly based on any extra hours they may work?

If an employee is paid hourly, their monthly rate of earnings is based on the number of hours the employee is regularly scheduled to work per month, but not more than 173 hours. If an employee does not have regular work hours, the monthly rate of earnings is based on the average number of hours worked per month during the preceding 12 calendar months (or during the period of employment if less than 12 months), but not more than 173 hours.

On the Basic LTD, is the district to pay the monthly premium due to HCA?

Yes. The SEBB organizations are responsible for paying HCA the Basic LTD premiums. HCA will then pay Standard for all employer contributions for the Basic LTD plan. SEBB Organizations will remit payment to The Standard for the Supplemental LTD Insurance coverage only.

[Will the SEBB Organization packet materials that will be distributed after July 26, 2019 include the plan booklet?](#)

No. The LTD Insurance plan booklet materials will be distributed separately from the employer packet materials related to the payroll setup and billing administration. The HCA will provide a URL link to the LTD Insurance plan booklet on the HCA SEBB LTD website.

[Is the salary based on their base contract or all gross wages? For instance, if the teacher is also a coach, and gross earnings are \\$90,000, can they pay for only \\$45,000 of coverage?](#)

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[If we choose ACH or check now, can we change to data feed later?](#)

The HCA is requiring a minimum one-year commitment to the billing remittance selected. The HCA will revisit this topic in 2020 to see if there is a way to expand the number of data feed districts (SEBB Organizations with 1,000+ benefits eligible employees) in plan year 2021.

[May we use our previous logins?](#)

No. The new SEBB Policy will be different than the previous SEBB Organization's Policy so each SEBB Organization must create a new login.

[If our salaried employees work extra hours, do we need to adjust for that? Or is the rate based on their base salary?](#)

The premium rates for Supplemental LTD Insurance are based on the employee's age, not their salary. The age-graded premium rate should be multiplied by Insured Earnings to arrive at the premium deduction that will be deducted from an employee's paycheck and remitted to The Standard. Insured Earnings is defined as the first \$16,667 of each eligible employee's monthly pre-disability earnings (for a 12-month billing cycle). Insured Earnings is also defined as an employee's gross monthly rate of earnings from their SEBB Organization. Insured Earnings does not include bonuses, commissions, overtime pay, shift differential pay, optional stipends, or any other extra compensation. If an employee is paid hourly, their monthly rate of earnings is based on the number of hours the employee is regularly scheduled to work per month, but not more than 173 hours. If an employee does not have regular work hours, the monthly rate of earnings is based on the average number of hours worked per month during the preceding 12 calendar months (or during the period of employment if less than 12 months), but not more than 173 hours.

Are employees who work only during the school year set up for a 12-month billing cycle or a 9-month billing cycle?

If employees only work and receive pay for 9 months out of the year, they should be set up on a 9-month billing cycle. If employees work and receive pay for 12 months out of the year they should be set up on a 12-month billing cycle. When a SEBB Organization has a mixture of employees that are paid monthly, 10thly and/or 9thly the SEBB Organization will be billed monthly.

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For 12thly or monthly premium payments:	the first \$16,667 of the employee's Insured Earnings

If the SEBB Organization has all employees on a 9thly or 10thly billing mode, they will only have 9 or 10 bills per year; the SEBB Organization will calculate the employee's Insured Earnings (annual) and divide by the payroll mode (9 or 10) to get the monthly earnings (not to exceed \$16,667) and amount of monthly premium to deduct and remit to The Standard. The monthly premium = monthly Insured Earnings x age banded premium rate percentage.