

DEPARTMENT OF ADMINISTRATION

Bureau of Human Resources

May 30, 1990

HUMAN RESOURCES MEMORANDUM 14-90

TO: Agency Personnel Officers and Directors
of Administrative Services

SUBJECT: Life Insurance Coverage

A large number of errors have been detected between the MFASIS files and the Retirement System files when reporting life insurance coverage and premiums to the Maine State Retirement System. The MFASIS project team is working in cooperation with the Retirement System to identify and correct these errors.

A necessary preliminary step is to correct missing or inconsistent data in the MFASIS files.

The enclosed report and instructional material are provided to you to facilitate data correction.

Please read the instructions carefully and correct all records for which errors appear on the report. It is important that all records be corrected by Friday, June 15th.

Please note that follow-up work may be necessary to complete this project, as the project team continues its efforts to reconcile data with the Retirement System. You will be contacted as necessary should this be required.

Direct questions concerning this report to either this office or Accounts & Control, Payroll Division.



Donald A. Wills, Acting Director
BUREAU OF HUMAN RESOURCES

Enclosure

INSTRUCTIONS FOR USING THE LIFE INSURANCE INCONSISTENCY REPORT

In order for the State to correctly report life insurance coverage to the Maine State Retirement System, the following information must be correct for all employees:

<u>Screen</u>	<u>Date</u>
HBQ30	Plan status (active, declined coverage, etc.)
HBUU1	Plan option Level of coverage
HOBDC	Deductions (premiums actually withheld)

The enclosed report lists all cases where required records are missing. The report also compares data and reports all inconsistencies in the data contained on these three screens. The following instructions should be used to read this report and to make necessary corrections.

GENERAL INSTRUCTIONS

One common reason for errors is incomplete processing, i.e., changing life insurance deductions directly on HOBDC without causing the system to automatically recalculate level of coverage and deductions by setting the "status" field to "995" on HBQ30. The best way to ensure that both level of coverage and deductions are correct for most employees is to use the automatic calculation features of HBQ30.

Coverage and deductions cannot be automatically recalculated for some employees, such as seasonal employees or employees participating in voluntary reduction programs. For these employees, you must make sure to make changes directly to HBQ30 and HBUU1 records as well as HOBDC deductions whenever coverage or status is changed. Failure to make all changes will result in errors to reporting to the Retirement System.

NOTE: All employees must have a HBQ30 record for basic life, even if coverage is declined.

NOTE: Even if HBQ30 is not used to automatically calculate deductions and level of coverage, HBQ30 and HBUU1 records must be set up for all plans (basic, supplemental, dependent) for which an employee is actively enrolled.

This report will alert you to inconsistencies in data. Care must be taken when interpreting error messages. For example, if the report shows an incorrect amount of deduction (HOBDC), this error message means either that the amount is in fact wrong, or that the level of coverage is wrong on HBUU1 (the report multiplies level of coverage by premium rate and compares the result to the deduction amount on HOBDC). You must investigate the information on all screens before changing data.

Hint: For most employees, the easiest way to make sure that deductions and level of coverage is correct is to use the automatic recalculation feature of HBQ30. This will automatically update all necessary records. Supply any missing data and change the "status" field on HBQ30 for any affected life insurance plans to "995" to cause recalculations over night.

REPORT FORMAT

The first three columns contain the employee's number and name. The remaining columns are described below:

HBQ30 DATA - The fourth column of the report (titled "HBQ/L01") lists all inconsistent or missing data for basic life coverage on HBQ30.

All employees must have a record for basic life (L01), regardless of status (active, ineligible, refused, etc.). All employees missing a "basic life" record are reported.

HBU01 DATA - The next four columns all list inconsistent or missing data on HBU01.

The first three of these columns (titled "HBU/L01, S01, DL1) report missing or inconsistent plan options.

The last "HBU" column reports missing or inconsistent levels of coverage. The following salary components are used to calculate levels of coverage: Regular pay, shift differential, medication premium (pay #1), divers/teachers stipends (pay #5), recruitment stipends (pay #6), non-standard pay (pay #20), longevity (pay #21), 5% in lieu of retirement (pay #30). Remember, you must update level of coverage and deductions whenever one of these pay components changes, either by causing automatic recalculation on HBQ30 or by changing records manually.

HOBC DATA - The three columns following "HBU" data list missing or inconsistent deductions, i.e., deductions that do not match the deductions that should be found, based on the level of coverage and plan/option information found in the employee's record. These columns are labeled "HOBC/ DED 29, DED 30 and DED 31.

POSITION TYPE - The final column of the report lists the position type to which the employee is assigned. This information may be useful to you in determining eligibility for life insurance coverage.

USE OF ERROR MESSAGES

A number of error codes may appear under the columns on the report. The information on the following pages describes each of these error messages and provides guidance as to corrective action that should be taken.

ERROR CODES

When a discrepancy was detected, the appropriate column was flagged with a letter to denote the type of error. The letters used and their meanings are discussed below.

1. 'E' - flags a deduction amount that is inconsistent with plan membership and level of coverage.
 - . For Deduction 29, Basic life insurance, the premium is calculated by dividing the coverage amount (in the I01 record on HBUU1) by 1000 and multiplying the result by \$0.13.
 - . Deduction 30, Supplemental life insurance, is determined by multiplying the basic premium by the 'Plan Option Chosen' in the S01 record on the HBUU1 screen.
 - . Deduction 31, Dependent life insurance, is based on the 'Plan Option Chosen' field in the DL1 record on the HBUU1 screen. If the option is '01', Deduction 31 is \$0.84; if it is '02', Deduction 31 is \$1.48.

ACTION: Fix the deduction amount on the HOBDC screen or the level of coverage amount on HBUU1 or change the status on the appropriate HBQ30 record and allow the system to automatically recalculate the deduction in the nightly batch run.

For seasonal and voluntary reduced workweek employees, manual recalculation of coverage and premium is necessary. Verify the coverage amount in the I01 record on HBUU1 and the deduction amount on HOBDC. Correct data as necessary.

If premiums have been incorrect, notify the Life Insurance Section of the Maine State Retirement System immediately so that past discrepancies can be resolved.

DO NOT make 'one-time' overrides to deduction amounts.

2. 'M' - signifies that a record is missing.
 - . All employees must have an I01 record on the HBQ30 screen, even if they do not have life insurance.
 - . Employees with basic coverage must also have an I01 record on the HBUU1 screen.
 - . Employees with dependent and/or supplemental coverage should have DL1 and/or S01 records respectively on the HBQ30 and HBUU1 screens.

ACTION: Verify coverage and add the record(s) which has been flagged as missing. If adding an HBQ record, be sure to use the correct 'status in plan'. When adding an HBU record, fill in the 'plan option chosen' and 'coverage amount' fields.

3. 'O' - flags the HBUU1 records with invalid 'Plan Option Chosen' fields.

- . '01' must be entered for the L01 record.
- . '01', '02', and '03' are valid for the S01 record.
- . '01', and '02' are valid for the DL1 record.

ACTION: Correct the 'Plan Option Chosen' field in the HBUU1 record flagged as in error to be consistent with the deduction on HOBDC.

4. 'S' - denotes a 'Status in Plan' error in the L01 record on HBQ30.

This report is run after all status 995's and 999's should have been processed. The only remaining acceptable values are:

- . 000 - Active
- . 020 - Cancelled by the Maine State Retirement System
- . 993 - Ineligible
- . 996 - Coverage Refused or declined by the employee

If status 995 or 999 is found, it means that the employee is ineligible for coverage, or possibly the 'Plan Option Chosen' field in the L01 record on HBUU1 is blank.

ACTION: Determine the correct status and change it in the L01 record on HBQ30, check the 'plan option chosen' field in the L01 record on HBUU2 to ensure the correct code is present.

5. 'Z' - flags employees with zeroes in the 'Coverage Amount' field of the L01 record on HBUU1.

- . This field is required to validate life insurance premiums.

ACTION: Force a recalculation of the life insurance premiums and level of coverage by changing the status to '995' in the L01 and S01 (if the employee has supplemental coverage) on the HBQ30 screen.

For seasonal employees and voluntary reduced workweek employees, update the level of coverage in the L01 record on the HBUU1 screen to be consistent with the deductions on HOBDC.