**INFORMATIONAL CIRCULAR NO.:** 17-P-005

**DATE:** September 28, 2016

**SUBJECT:** New Benefit Plan Type/Benefit Plans/Deduction Codes for Voluntary Supplemental Insurance

**EFFECTIVE DATE:** January 1, 2017

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**APPROVAL:**

**SUMMARY:** New Benefit Plan Type/Benefit Plans/Deduction Codes for Voluntary Supplemental Insurance

The Employee Health Care Commission recently passed a motion authorizing the offering of voluntary supplemental employee insurance products to State of Kansas employees via payroll deduction.  These new products will be offered by Colonial Life during open enrollment in October, 2016 for coverage beginning January 1, 2017.

To implement this new Voluntary Supplemental Insurance payroll deduction, a new benefit plan type, benefit plans and deduction codes will be added to SHaRP. The new Voluntary Supplemental Insurance payroll deductions will be processed in SHaRP effective for the payroll period beginning December 18, 2016, ending December 31, 2016, paid January 13, 2017.

The new Voluntary Supplemental Insurance benefit plan type, benefit plans and deduction codes are:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **PLAN**  **TYPE** | **DEDUCTION CODE** | **DESCRIPTION** | **SHORT DESCRIPTION** | **BENEFIT PLAN** | **BENEFIT PLAN DESCRIPTION** |
| 29 | VSPIAT | Voluntary Supp Insurance-AT | VolSuppIns | VSPIAT | Voluntary Supp Insurance-AT |
| 29 | VSPIBT | Voluntary Supp Insurance-BT | VolSuppIns | VSPIBT | Voluntary Supp Insurance-BT |

As previously communicated to Regent institutions, the new Voluntary Supplemental Insurance payroll deduction will be included on the State Employee Health Plan BERF file provided to SHaRP and to each Regent payroll system to complete the Colonial Life deduction via the existing payroll process.  Employees with multiple coverages with Colonial Life will be ‘rolled’ together into one payroll deduction by Tax Class. **Please note that during 2017 payroll deductions will only be offered on an after-tax basis; pre-tax payroll deductions are anticipated to be available for qualifying deductions beginning in January, 2018.**

The Office of the Chief Financial Officer, Payroll Systems Team is responsible for making the necessary updates to the SHaRP payroll system. Regents’ institutions are responsible for ensuring that these changes are reflected in their individual systems. **In addition, Regent’s institutions should be prepared to test their payroll files for the new deduction/benefit plans by November 1, 2016.**

DH:NTR:ewb