



# Arkansas State Highway and Transportation Department EMPLOYEE NEWSLETTER

VOLUME 15, NUMBER 1

JANUARY 8, 1987

## NO INSURANCE DEDUCTIONS

There will be no deductions for the following on the payroll check received today, January 8, 1987.

1. State Employees Group Insurance ("Group" on the deduction card).
2. Automobile Insurance ("Auto" on the deduction card).

This is due to the rates being semi-monthly (24 times a year) and our pay periods being on a bi-weekly basis (26 times a year). Regular deductions will resume on your next paycheck.

## ADDITIONAL GROUP LIFE INSURANCE

The Highway Department was recently notified of a substantial rate increase on the additional term life insurance program with North American. (Shown as "Life" on the payroll deduction card). This increase was to be effective January 1, 1987.

To avoid this increase in premiums our agent, McGehee and Associates, has changed carriers on our life insurance program from North American to Life of Georgia.

Life of Georgia will be offering an open enrollment for both term and permanent life policies. Employee meetings will be held during January and February to explain these changes.

Some highlights of the new program are:

- TERM:
1. Policies will now be sold in increments of \$10,000 instead of \$2,000. Guaranteed issue during enrollment period up to a maximum of \$50,000; employees age 50 or over guaranteed issue of \$20,000.
  2. All existing policies will be maintained at current face value or employee has option to increase up to next \$10,000 increment (\$8,000 rounded up to \$10,000; \$14,000 rounded up to \$20,000, etc.).
  3. Rates will remain the same: See chart below.

ADDITIONAL LIFE - COST PER PAY PERIOD					
Age	<u>\$10,000</u>	<u>\$20,000</u>	<u>\$30,000</u>	<u>\$40,000</u>	<u>\$50,000</u>
Under 25	.90	1.80	2.70	3.60	4.50
25 - 29	1.00	2.00	3.00	4.00	5.00
30 - 34	1.10	2.20	3.30	4.40	5.50
35 - 39	1.30	2.60	3.90	5.20	6.50
40 - 44	1.50	3.00	4.50	6.00	7.50
45 - 49	2.50	5.00	7.50	10.00	12.50
50 - 54	3.50	7.00	10.50	14.00	17.50
55 - 59	4.50	9.00	13.50	18.00	22.50
60 - 64	6.00	12.00	18.00	24.00	30.00
65 & over	10.00	20.00	30.00	40.00	50.00

- PERMANENT:
1. Guaranteed issue during enrollment period up to \$100,000.
  2. Interest earning whole life policy - current rate of 9%.
  3. Existing policies to be converted to Life of Georgia or maintained with North American on an individual basis.

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## HEALTH INSURANCE UPDATE Pre-Hospital Admission Review

The State Employees Insurance Plan in conjunction with Cost Care and your claims administrator has arranged for the installation of a pre-hospital review program effective January 1, 1987. This program is designed to provide you and your dependents with the best and most appropriate health care.

The pre-hospital review program evaluates requests for hospital admission that you or your dependents may require before expenses are incurred, in order to determine medical necessity. With this program you know in advance how many hospital days are eligible for maximum plan benefits.

Cost Care's pre-hospital review program applies to all emergency and non-emergency hospital admissions. In order to review your maximum plan benefits, there is one very important procedure to follow: All Non-Emergency Admissions Must Be Authorized By Cost Care Before Expenses Are Incurred.

### For Non-Emergency Admissions:

1. When you go to the doctor, present your health plan ID card.
2. If hospitalization is recommended, call Cost Care's toll free number (1-800-762-3029) or ask your doctor to call.
3. It is your responsibility to notify Cost Care of all non-emergency hospital admissions prior to hospitalization. To protect your benefits, call Cost Care's toll free number before hospital expenses are incurred.

### For Emergency Admissions:

1. Show your health plan ID card to your doctor or hospital admitting office.
2. Please have your doctor, hospital, or a relative call Cost Care on the first business day after admission.

In each case, Cost Care evaluates the proposed admission plan and length of stay. Then, based on your individual treatment needs and medical care standards in your community, Cost Care will authorize an appropriate length of stay for your hospitalization.

### Hospital Stay Extensions:

If your hospital stay must be extended beyond the days initially authorized, Cost Care will obtain clinical data from your physician and process an Extension-of-Stay authorization through their continued stay review program.

### Remember

It is the responsibility of the employee to contact Cost Care before hospital admission or to make certain that the attending physician contacts Cost Care.

Effective January 1, 1987, if you do not obtain pre-authorization from Cost Care, the plan will provide for *only 50% of allowable in-hospital charges*. However, if pre-authorization is obtained from Cost Care, the full plan benefits will be payable.

Your cooperation is needed to insure that all hospitalizations are pre-authorized thus eliminating unnecessary hospital costs and keeping your premium cost as low as possible.

**COST CARE'S TOLL FREE NUMBER IS: 1-800-762-3029**

## NEW YEAR PAYROLL CHANGES

The Tax Reform Act of 1986 will probably change the amount of Federal Income Tax that is withheld from your paycheck. This change makes it necessary for you to examine your income tax withholding allowances to be sure you have the correct amount of tax withheld for 1987. Each of you will receive a new Form W-4 (Employee Withholding Allowance Certificate) and instructions in the near future that must be completed and returned to your District or Division Office..

In addition, you will have Social Security withheld from this paycheck at the rate of 7.15%, (the same rate as last year). The maximum amount of wages subject to Social Security Tax in 1987 will be \$43,800.00.

## MARTIN LUTHER KING, JR./ROBERT E. LEE'S BIRTHDAY OBSERVANCE

Monday, January 19, 1987 is a legal holiday for Highway and Transportation Department employees in observance of the birthdays of Martin Luther King, Jr. and Robert E. Lee. The two birthdays were combined into one observance by the State Legislature in 1985. All work will be suspended except in case of emergencies, with the exception of offices in Pulaski County, which will maintain a minimum number of employees since the Legislature is in session.



# EMPLOYEE NEWS LETTER



VOLUME 15, NUMBER 2

FEBRUARY 5, 1987

## L.W. "Bill" CLARK APPOINTED TO HIGHWAY COMMISSION

L.W.(Bill) Clark, of Hot Springs, was appointed to the Highway Commission by Governor Bill Clinton, January 21. The 56 year old Clark replaced Patsy Thomasson when her ten year term expired.

Clark is president of L.W. Clark, Inc. and Burgo, Inc., which has franchises of the Burger King Corporation. He has lived in Hot Springs for four years. Prior to that he was in the Cooperage business at Fordyce.

He is a native of Clarksville and a graduate of Clarksville High School. He attended Hendrix College for two years before joining the Air Force in 1951. After four years in the Air Force he returned to Arkansas and graduated from the University of Arkansas at Fayetteville in 1957 with a degree in business administration. He is a member of the Hot Springs Chamber of Commerce, the State Chamber of Commerce, and a member of the board of the Associated Industries of Arkansas. He was appointed to the State Racing Commission by Governor Clinton in January 1986 and resigned that post to accept the Highway Commission appointment.

Clark and his wife, Barbara, have two sons, a daughter, and four grandchildren. They are members of the Methodist church.

## GEORGE WASHINGTON'S BIRTHDAY

Monday, February 16, is a holiday for Highway and Transportation Department Employees in observance of George Washington's birthday. All work will be suspended except in case of emergencies, with the exception of offices in Pulaski County, which will maintain a minimum number of employees since the Legislature is in session.

## HIRING FREEZE - MAXIMUM EMPLOYEE LEVEL

During these times of fiscal restraints, it is necessary that the Department's commitment to economical administration be strengthened. Therefore, effective immediately, a maximum is established at 4,035 total permanent employees. Every effort will be made to continue to maximize employee productivity and maintain the present employee level.

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### LEGISLATIVE UPDATE

The 1987 Legislative Session began January 12. Several pieces of legislation have been introduced that, if approved, will have an impact on Highway and Transportation Department employees.

The summary of legislation listed below covers the major bills of importance to employees that had been introduced prior to February 2. This summary was compiled by the Finance and Economics Section of the Planning Division and an updated version will be published in the Employee Newsletter every two weeks until the Legislature adjourns.

Senate Bill 21, which received a "do pass" in Senate Committee, allows ninety calendar days of accrued sick leave as retirement credit. This is an incentive not to abuse sick leave and should result in increased productivity. House Bill 1356, which is in House Committee, provides for purchasing up to three years credit in the retirement system for active military service and limits total creditable military service to five years.

For retired members, the following bills are being considered in committees: SB 23 changes the cost of living base to the lesser of Consumer Price Index or 3 percent, effective July 1, 1987; SB 208 increases multiplier for benefits from 1.75 percent to 2 percent including all retired former members or beneficiaries; and SB 43 authorizes payment of retiree's insurance, if they continue in the State plan, up to 40 percent the amount paid by the State for active employees. Senate Bill 22, which received a "do pass" in committee, authorizes beneficiaries of deceased retirants, selecting Option A, to select a beneficiary instead of paying excess benefits to estate. Senate Concurrent Resolution 5, adopted in the Senate and receiving a "do pass" in House Committee, requests a feasibility study of consolidating publicly-supported retirement systems.

Other bills of interest include SB 62 (do pass in committee) which freezes all State employees' salaries at their January 2, 1987 rate of pay for the 1987 and 1989 biennium unless the Governor and Chief Fiscal Officer determine funds are available. House Resolution 1011 (in House Committee) opposes pay freezes for "rank and file" State employees and requests the Governor to propose a fair and equitable alternative. Senate Bill 255, House Bill 1043 and House Bill 1232 are all in committees and prohibit smoking tobacco products in State offices and buildings except in designated areas.

Seasonal employees would benefit from HB 1379 which provides for pay increases and HB 1380 which provides sick leave benefits. Both bills are in House Committees.



# EMPLOYEE NEWS LETTER



VOLUME 15, NUMBER 3

FEBRUARY 19, 1987

## COST CARE INFORMATION

Accompanying this Newsletter is a bulletin from the State Employees Insurance Office listing some of the more commonly asked questions regarding the recently implemented program for pre-hospital admission review. Please read this bulletin carefully.

## AUTOMOBILE INSURANCE

Principal Casualty Insurance Company is currently updating certain coverages on all policies written by their company. If you have one or more of the following coverages, your premium will increase on the pay check received today or your policy anniversary date:

- 1) Towing coverage has been increased from \$25 to \$100 per disablement.
- 2) Rental reimbursement now pays \$25 per day with a maximum of \$500.
- 3) Uninsured motorist property damage coverage now has a minimum limit of \$65,000, with an additional \$15,000 property damage coverage included in that amount. This change is to comply with the new state law requirements.

These changes are effective March 1, 1987.

## LEGISLATIVE UPDATE

The 76th General Assembly is now in its sixth week of the 60-day session. This summary includes some new introductions and updates the entries in the last newsletter.

The Governor's proposal to establish early retirement incentive plans has been widely discussed, and those bills have now been introduced. Companion bills SB 348 and HB 1516 offer public employees a choice of two retirement incentives for persons of full retirement age prior to 1-1-88. They are both in retirement committees.

Legislation affecting AHTD's Retirement System has changed very little. Companion bills SB 21 and HB 1492, providing for 90 days credit of accrued sick leave toward retirement credit, have had no further action since being reported out of committees with "do pass" recommendations.

The following bills which affect retired AHTD personnel continue to remain in committees: SB 23 changes the cost of living base to the lesser of CPI index or 3%; SB 208 increases the benefits multiplier from 1.75% to 2% for all retired former members or beneficiaries; and SB 43 authorizes payment of retirees' State plan insurance up to 40% the amount paid by the State for active employees. Companion bills SB 22 and HB 1491, which authorizes Option A beneficiaries to select a beneficiary instead of paying excess to the estate, remain out of committees with a "do pass".

SB 62, which freezes State employees' salaries at their 1-2-87 rate for the current biennium, has not advanced from the "do pass" stage. But HR 1011, which opposes pay freezes for "rank and file" State employees, has been adopted by the House. HB 1604 requires each State Agency with more than 40 employees as of 6-30-87 to reduce its work force by 10% during the current biennium preferably by "retirement, resignation, or death; termination to be voluntary." That bill is in committee.



# INSURANCE UPDATE

FROM THE STATE EMPLOYEES INSURANCE OFFICE  
Post Office Box 3278 • Little Rock, Arkansas 72203  
Telephone 371-1479 • Toll Free Number 1-800-482-5850, Ext. 1479

January 1987

## COST CONTAINMENT INFORMATION

Bulletin 27

Q. WHAT FACTORS LED TO THE IMPLEMENTATION OF A COST CONTAINMENT TYPE PROGRAM?

A. The year-to-date claims versus premium ratio was 105%. In other words, the payout in claims expenses were \$1.05 for every \$1.00 in premium.

The State Employees Insurance Advisory Committee was faced with the following choices:

1. raise the rates to cover the 5% deficit.
2. decrease benefits through increased deductibles or lower coinsurance.
3. a combination of 1 and 2 above.
4. implement a cost containment program utilizing pre-admission certification and continued stay review.

Number 4 above is the only choice which actually will reduce costs since 1, 2, and 3 only pass the cost on to the employee.

Q. THE NOTICE SEEMS SO SUDDEN; WHAT IF ONE OF MY FAMILY OR MYSELF HAD BEEN HOSPITALIZED AT THE FIRST OF JANUARY?

A. The benefits would not be reduced. The disincentive for not calling the number does not apply until March 1, 1987. The program is in effect and you can realize the savings involved by calling the Cost Care number; however, **you will not suffer a benefit reduction until March 1.**

Q. WHAT DOES THE COST CARE PROGRAM HOPE TO ACCOMPLISH?

A. Savings by reduction of unnecessary hospital days. This is accomplished by having procedures that can be done on an outpatient basis done in an outpatient setting rather than in-hospital.

Savings by reduction of weekend admissions where not medically necessary, such as a Friday admission for a Monday afternoon surgery.

Q. WHAT IF I AM IN A WEEKEND AUTOMOBILE ACCIDENT AND AM UNCONSCIOUS; THEREFORE, I CAN'T CALL THE COST CARE NUMBER?

A. If you or an eligible dependent are hospitalized for an emergency, please call Cost Care on the first business day after admission. The doctors and hospitals have been notified by Cost Care of this program and will recognize to call. The State Employees Insurance Advisory Committee will monitor emergency admissions since most of your questions have come from this area.

Q. WILL THIS PROGRAM EFFECT DOCTOR OFFICE VISITS, OUTPATIENT SURGERIES, OR OUTPATIENT TESTING?

A. No. The Cost Care Program only applies if you are going into the hospital.

Q. WILL I RECEIVE A NEW IDENTIFICATION CARD WITH COST CARE'S NUMBER?

A. Yes. New I.D. cards are being printed and will be available in four to six weeks.

Q. DOES THIS PROGRAM APPLY IF YOU OR YOUR DEPENDENTS ARE COVERED BY ANOTHER GROUP POLICY OR MEDICARE?

A. If the State Employees Insurance Plan is the **secondary** payor, you do not have to call the number.

NOTE: You can be on Medicare and State Employees Insurance be primary if you or your spouse is an active employee.

Q. WHAT IF I DID NOT GET THE ORIGINAL NOTICE AT MY HOME?

A. If you have never submitted a claim, your address is probably not on the claims data base. Should your address have changed since your last claim submission, you probably did not receive the letter.

Q. IS COST CARE PART OF INSURNATIONAL?

A. No. Cost Care, Inc. performs cost containment services as outlined in their contract with the State. Insurnational administers claims for the State Employee's Self-Insured Insurance Program.

**NOTICE:** YOUR CLAIM CAN BE REDUCED TO 50% COINSURANCE ONLY IF YOU DO NOT CALL COST CARE AS OUTLINED IN THE ATTACHED LETTER. ONCE YOU CALL THE NUMBER AND GIVE THE INFORMATION RELATIVE TO YOUR ADMISSION, THE 50% COINSURANCE REDUCTION DOES NOT APPLY.

SHOULD YOU EXCEED THE LENGTH OF STAY APPROVED BY COST CARE, THIS INSURANCE WILL NOT PAY THE ROOM CHARGE FOR THE EXTRA DAYS.

(SEE REVERSE SIDE)

STATE OF ARKANSAS  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
P.O. BOX 3278  
LITTLE ROCK, AR 72203

OFFICE OF PERSONNEL MANAGEMENT  
STATE EMPLOYEES INSURANCE  
501-371-1479

DECEMBER 29, 1986

## IMPORTANT NOTICE

TO: ALL EMPLOYEES COVERED UNDER THE STATE EMPLOYEES INSURANCE PLAN  
FROM: STATE EMPLOYEES INSURANCE ADVISORY COMMITTEE  
SUBJECT: COST CARE'S PRE-HOSPITAL ADMISSION REVIEW PROGRAM  
EFFECTIVE: JANUARY 1, 1987

EACH YEAR EMPLOYEES AND THEIR DEPENDENTS DEVELOP MEDICAL OR SURGICAL PROBLEMS FOR WHICH THEIR DOCTORS MAY RECOMMEND HOSPITALIZATION. THE STATE EMPLOYEES INSURANCE PLAN IN CONJUNCTION WITH COST CARE AND YOUR CLAIMS ADMINISTRATOR HAS ARRANGED FOR THE INSTALLATION OF A PRE-HOSPITAL REVIEW PROGRAM EFFECTIVE JANUARY 1, 1987. THIS PROGRAM IS DESIGNED TO PROVIDE YOU AND YOUR DEPENDENTS WITH THE BEST AND MOST APPROPRIATE HEALTH CARE.

YOUR STATE EMPLOYEES INSURANCE PLAN COVERS CHARGES THAT ARE CONSIDERED MEDICALLY NECESSARY FOR THE CARE AND TREATMENT OF AN ILLNESS OR INJURY. THE PRE-HOSPITAL REVIEW PROGRAM EVALUATES REQUESTS FOR HOSPITAL ADMISSION THAT YOU OR YOUR DEPENDENTS MAY REQUIRE, BEFORE EXPENSES ARE INCURRED, IN ORDER TO DETERMINE MEDICAL NECESSITY. WITH THIS PROGRAM YOU KNOW IN ADVANCE HOW MANY HOSPITAL DAYS ARE ELIGIBLE FOR MAXIMUM PLAN BENEFITS.

COST CARE'S PRE-HOSPITAL REVIEW PROGRAM APPLIES TO ALL EMERGENCY AND NON-EMERGENCY HOSPITAL ADMISSIONS IN ORDER TO RECEIVE YOUR MAXIMUM PLAN BENEFITS, THERE IS ONE VERY IMPORTANT PROCEDURE TO FOLLOW: ALL NON-EMERGENCY ADMISSIONS MUST BE AUTHORIZED BY COST CARE BEFORE EXPENSES ARE INCURRED.

### FOR NON-EMERGENCY ADMISSIONS

1. WHEN YOU GO TO THE DOCTOR, PRESENT YOUR HEALTH PLAN ID CARD.
2. IF HOSPITALIZATION IS RECOMMENDED, CALL COST CARE'S TOLL FREE NUMBER (1-800-762-3029) OR ASK YOUR DOCTOR TO CALL.
3. IT IS YOUR RESPONSIBILITY TO NOTIFY COST CARE OF ALL NON-EMERGENCY HOSPITAL ADMISSIONS PRIOR TO HOSPITALIZATION. TO PROTECT YOUR BENEFITS, CALL COST CARE'S TOLL FREE NUMBER BEFORE HOSPITAL EXPENSES ARE INCURRED.

### FOR EMERGENCY ADMISSIONS

1. SHOW YOUR HEALTH PLAN ID CARD TO YOUR DOCTOR OR HOSPITAL ADMITTING OFFICE.
2. PLEASE HAVE YOUR DOCTOR, HOSPITAL, OR A RELATIVE CALL COST CARE ON THE FIRST BUSINESS DAY AFTER ADMISSION.

IN EACH CASE, COST CARE EVALUATES THE PROPOSED ADMISSION PLAN AND LENGTH OF STAY. THEN, BASED ON YOUR INDIVIDUAL TREATMENT NEEDS AND MEDICAL CARE STANDARDS IN YOUR COMMUNITY, COST CARE WILL AUTHORIZE AN APPROPRIATE LENGTH OF STAY FOR YOUR HOSPITALIZATION.

### HOSPITAL STAY EXTENSIONS

IF YOUR HOSPITAL STAY MUST BE EXTENDED BEYOND THE DAYS INITIALLY AUTHORIZED, COST CARE WILL OBTAIN CLINICAL DATA FROM YOUR PHYSICIAN AND PROCESS AN EXTENSION-OF-STAY AUTHORIZATION THROUGH THEIR CONTINUED STAY REVIEW PROGRAM.

### REMEMBER

IT IS THE RESPONSIBILITY OF THE EMPLOYEE TO CONTACT COST CARE BEFORE HOSPITAL ADMISSION OR TO MAKE CERTAIN THAT THE ATTENDING PHYSICIAN CONTACTS COST CARE.

EFFECTIVE JANUARY 1, 1987, IF YOU DO NOT OBTAIN PRE-AUTHORIZATION FROM COST CARE, THE PLAN WILL PROVIDE FOR ONLY 50% OF ALLOWABLE IN-HOSPITAL CHARGES. HOWEVER, IF PRE-AUTHORIZATION IS OBTAINED FROM COST CARE, THE FULL PLAN BENEFITS WILL BE PAYABLE.

WE WANT TO MAKE SURE YOU AND YOUR FAMILY RECEIVE THE HIGHEST QUALITY MEDICAL SERVICES AND YOUR MAXIMUM PLAN BENEFITS BY MONITORING AND ANALYZING YOUR TREATMENT. WE NEED YOUR COOPERATION TO INSURE THAT ALL HOSPITALIZATIONS ARE PRE-AUTHORIZED SO THAT WE MAY ELIMINATE UNNECESSARY HOSPITAL COSTS AND KEEP YOUR PREMIUM COST AS LOW AS POSSIBLE.

**COST CARE'S TOLL FREE TELEPHONE NUMBER IS: 1-800-762-3029**



# EMPLOYEE NEWS LETTER



VOLUME 15, NUMBER 4

MARCH 19, 1987

## LEGISLATIVE UPDATE

**House Bill 1516**, the early retirement incentive legislation, has been signed into law by Governor Bill Clinton and is now **Act 187 of 1987**. The original bill was modified through a number of amendments, one of which specifies that any AHTD retiree under this Act cannot be subsequently employed by any State agency covered under a State supported retirement system. Employees wishing to find out more about the Act and how it may affect them, should contact their District or Division payroll clerk or office manager.

**Senate Bill 21/House Bill 1492** provide for 90 days credit of accrued sick leave toward retirement credit. These bills have been reported out of committees with "do pass" recommendations, however, no vote in either chamber has been taken.

**House Bills 1598, 1599, 1791, and 1792** all address the concern over the possible loss of motor fuel tax monies through evasion of laws and seek a stronger enforcement process and more efficient collection and administration of gasoline and diesel fuel taxes. The last three have been amended in committee and recommended for passage by the House.

**House Bill 1772** increases military leave to fifteen days per calendar year for State employees. This bill is still under consideration in committee.

March 12 marked the 60th day of the 76th Session of the Arkansas General Assembly. The extended session began on March 13 pursuant to the provisions of House Concurrent Resolution 1039. No fixed date for adjournment was specified but a target date of March 27 is the apparent goal.

## PERSONAL DATA CHANGES

The new paycheck being received by employees now contains the employees address. Please check the address on the paycheck to see if it is correct. If not, contact your supervisor immediately and make the necessary corrections.

## W-4 FORMS NEED TO BE TURNED IN

Several weeks ago all employees received new W-4 Forms to fill out. If you have not filled out this form, please do so as soon as possible and return it to your District or Division payroll clerk.

## FOUR DAY WORK WEEK

Effective April 9, all field maintenance personnel, shop crews and storeroom personnel will work a four-day, ten-hour schedule Monday through Thursday. Work hours will be 7:00 a.m. to 5:30 p.m. The four-day, ten-hour work week will end on October 21.



# EMPLOYEE NEWS LETTER



VOLUME 15, NUMBER 5

APRIL 2, 1987

## RODNEY SLATER NAMED TO HIGHWAY COMMISSION

Rodney Slater, 32, of Jonesboro, was appointed to the Arkansas Highway Commission by Governor Bill Clinton, March 23. Slater, the first black to be named to the Commission, replaces Dalton Farmer of Jonesboro who resigned citing increasing business responsibilities. Slater's term will expire in 1995.

Slater attended Eastern Michigan University and the University of Arkansas at Fayetteville Law School, where he graduated in 1980.

A native of Marianna, Slater served as an assistant state attorney general from 1980 to 1982, was Governor Clinton's deputy campaign manager in 1982, 1984 and 1986, was appointed the Governor's special assistant for community and minority affairs in 1983, and became the Governor's executive assistant for economic and community programs in 1985. Slater resigned his post in the Governor's office and is now the director of governmental relations at Arkansas State University in Jonesboro.

## U.S. SAVINGS BOND DRIVE UNDERWAY

The U.S. Savings Bond Drive is currently in progress to encourage state employees to take advantage of the payroll deduction plan for purchasing bonds.

Series EE Savings Bonds earn variable market-based interest as long as they are held for at least five years. The market-based rate for Series EE Bonds purchased before April 30, 1987 is 6.06%.

Bonds are purchased at 50% of their face amount and are sold in denominations of \$50, \$75, \$100, \$200, \$500, \$1,000, \$5,000, and \$10,000.

There are many advantages to buying U.S. Savings Bonds, including:

Education - A college fund built with savings bonds can provide a tax savings. When bonds are purchased in the child's name (with parent as beneficiary rather than co-owner) and an income tax return is filed annually in the child's name listing the accrued interest as income, no tax will be due as long as the child's total income does not exceed the amount of his or her personal exemption.

Retirement - There are no state or local income taxes on the interest earned from savings bonds, thus your investment dollars earn more and you can defer federal income tax on the accrued interest until the bonds are cashed or mature. Series EE bonds can be exchanged for Series HH bonds and the exchange allows you to continue to defer federal income taxes until the HH bonds are redeemed or mature. The result is current income to supplement retirement and up to 10 years continued tax deferral on your EE bond interest.

For more information concerning U.S. Savings Bonds, contact the Payroll Section, Fiscal Services Division at 569-2504.

## ADDITIONAL GROUP LIFE INSURANCE

The open enrollment period for Life of Georgia's term and permanent life insurance program ends April 8, 1987. Applications submitted after this date will be subject to health questions. For more information, contact Diann Gwatney or Kay Hoggard at 569-2420.

## 1988 HIGHWAY MAP PHOTO CONTEST

The State Highway Map Photo Contest is open to all Highway and Transportation Department employees and family members. The winning entry will appear in the 1988 State Highway May. This year's winner was Jerry McKown of the Records and Reproduction Division. His photo of I-630 in Little Rock appears on the inside panel of the 1987 map. Anyone interested in entering the contest should contact Charles Frazier of the Mapping and Graphics Section, Planning Division. An entry form and contest rules will appear in the Summer 1987 Arkansas Highways magazine.



# EMPLOYEE NEWS LETTER



VOLUME 15, NUMBER 6

APRIL 16, 1987

## LEGISLATIVE UPDATE

The 76th General Assembly recessed around 10:00 p.m. April 4 after an 82-day session. Legislative leaders will return Monday, April 20, only as a formality to adjourn the session sine die, or without scheduling a day to reconvene.

Several items of interest to Highway and Transportation Department employees were acted on during the session. The following summary provides an update of some of those items.

Act 742 (HB 1639) The Highway and Transportation Department appropriation for personal services and operating expenses.

Act 455 (HB 1356) Permits members of the Highway Employees Retirement System to purchase up to three (3) years credit for active military service, provided that the service was incurred after they became members of the System and were not eligible to purchase credit under previous legislation.

Act 81 (HB 1124) State employees required to drive to and from their permanent residence in State-owned vehicles do not have to reimburse the State.

Act 809 (HB 1576) Increases Highway Employees Retirement System benefits for those retired prior to June 30, 1985.

Act 187 (HB 1516) The early retirement incentive legislation. This was explained in an earlier Newsletter.

The following bills have passed both Houses and await the Governor's action:

HB 1641 increases the State's 1987 contribution for employee health insurance to \$80 and for 1988-89 to \$90.

HB 1713 authorizes governmental entities to offer "cafeteria plan" of fringe benefits to eligible employees who may enter into a salary reduction agreement.

HB 1772 grants employees of the State 15 days of military leave per calendar year (now two weeks).

The following bill was vetoed by the Governor:

HB 1492 which would have provided for 90 days credit of accrued sick leave toward retirement credit. This legislation was the result of a recommendation by the Management Audit Study and the AHTD Retirement Board to increase productivity.

Three bills which deal with the possible loss of motor fuel tax monies through evasion of laws and seek a stronger enforcement process and more efficient collection and administration of gasoline and diesel fuel taxes were all passed by both Houses. The Governor has signed one of them into law. HB 1792 is now Act 763.

## SAVINGS BOND DRIVE

Along with today's paycheck, brochures and payroll authorization cards are being distributed for participation in the Savings Bond drive that is currently in progress. Each employee is encouraged to consider the many advantages offered through the Savings Bond program as outlined in the attached buyer's guide.

For more information on completing the payroll authorization card refer to Section 75 of the Accounting Manual or contact the Payroll Section of Fiscal Services Division at 569-2504.



*Arkansas State Highway & Transportation Department*  
**EMPLOYEE NEWSLETTER**

VOLUME 15, NUMBER 7 - JUNE 11, 1987

## PERSONNEL CHANGES

Paul Broyles has been promoted to Right of Way Division Head replacing Glendo Jackson who retired May 20 with over 30 years of loyal and dedicated service to the Department.

Paul began his career at the Department in 1961, left in 1964 and returned in April 1966. Since that time, he has held the positions of Draftsman, Title and Abstract Researcher, Negotiator and Chief of Acquisition. His 22-plus years of experience will be valuable in his new position. Paul attended the University of Arkansas at Little Rock and is retired as a Colonel in the Army Reserves. He is married with two children and five grandsons.

James Moore, director of the On-The-Job Training Supportive Services Program in the Construction Division, has been transferred to the EEO Section. His work with this program has received national recognition. He will continue to serve in that capacity as well as assist in the administration of the External EEO Program and other EEO related activities.

## AHTD "HEALTH FAIR" TO BE HELD JUNE 18

The Highway Department's Physical Fitness Committee is once again planning a "Health Fair" to be held in the Central Office Lobby on Thursday, June 18, 1987. The Baptist Medical Center will provide the services, and they will offer Department employees a wide variety of health tests, information booths, and consultations. Following is a list of activities the Medical Center has planned for the Health Fair:

Diabetes	Back School
Blood Pressure	Work Hardening
Cancer	Health Advantage HMO
Height/Weight	Pulmonary Function
Nutrition	Glaucoma
Women's Health	Hemoglobin
MedFlight	Drug Interaction
Exercise Programs	Medical Review
Fitness Evaluation	Dental Exams
Arkansas Cardiovascular Institute	

## NOTICE TO ALL BLOOD DONORS

Effective immediately blood donors will no longer receive a \$25.00 deduction from their state income tax. This is a result of Act 382 (State Income Tax Act) that was passed during the last legislative session. The Act states that anyone donating blood January 1, 1987 and thereafter can no longer deduct \$25 from their state income tax each time they donate.

The American Red Cross Arkansas Regional Blood Services learned of this legislative repeal on May 28, 1987 and cannot be liable for the deduction slips that they have given to donors so far this year.

## HIGHWAY COMMISSION AND LETTING DATES

The Arkansas Highway Commission has scheduled the following Commission Meeting and Letting dates for the last half of 1987 as follows:

June 11  
July 16  
August 27  
September 24  
October 29  
December 2

Please see that all work schedules in your respective areas are planned accordingly. Minute Orders to be considered by the Commission must be in the Director's office no later than Wednesday afternoon of the week prior to the Commission Meeting.



# EMPLOYEE NEWS LETTER



VOLUME 15, NUMBER 8

JULY 9, 1987

## NO INSURANCE DEDUCTIONS

There will be no deductions for the following on the payroll check received today, July 9, 1987:

1. State Employees Group Health Insurance ("Group" on the deduction card).
2. Automobile Insurance ("Auto" on the deduction card).

**NOTE:** There will be no deduction made for Life of Georgia Insurance ("Life" on the deduction card) on the next paycheck received on July 23, 1987.

This is due to the rates being semi-monthly (24 times a year) and our pay periods being on a bi-weekly basis (26 times a year).

## BROOKS NICHOLS RE-ELECTED TO RETIREMENT BOARD

Brooks Nichols, Assistant Chief Engineer-Design, has been re-elected to a two-year term on the Board of Trustees of the Retirement System. He has been a member of the Board for four years. Nichols is a Registered Professional Engineer and a member of the Arkansas Academy of Civil Engineering. He was first employed by the Department in 1951 as a Rodman in District 7, and worked several summers while attending college. Upon graduation he went to work in Roadway Design where he served as Designer, Senior Roadway Designer, Assistant Division Head and Division Head. He was promoted to Assistant Chief Engineer-Design in 1979.

The other elected member of the Board is Jim Chaney, District Engineer, District Five, Batesville. His term will expire in 1988.

Other Board members, who serve by virtue of position, are: B.K. Cooper, Chief Engineer; Jimmie Lou Fisher, State Treasurer; and Malon Martin, Director of the Department of Finance and Administration.



*Arkansas State Highway & Transportation Department*

# EMPLOYEE NEWSLETTER

VOLUME 15, NUMBER 10 - AUGUST 6, 1987

## HEALTH INSURANCE PREMIUM INCREASE

The State Employees Insurance Advisory Committee has received approval from the Legislative Council to implement a rate increase effective August 1, 1987 on our health insurance premiums (Plan I only). This increase will be effective on the paycheck received August 20, 1987. The Amount of the increase, per pay period, for the various categories is shown below:

Employee Only	\$2.00
Employee & Spouse	\$4.87
Employee & Children	\$3.81
Employee, Spouse & Children	\$4.88

Several other changes have been made effective August 1, 1987. The amount of the State's contribution was increased from \$70.00 to \$80.00 a month. This is the amount paid by the State for each employee's health insurance premium. To provide a better understanding of the total cost of your health and basic life insurance premium, the chart below illustrates the amount paid by the State and the employee:

	<u>Total</u> <u>Monthly</u> <u>Premium</u>	<u>Monthly</u> <u>Cost Paid</u> <u>By State</u>	<u>Monthly</u> <u>Cost To</u> <u>Employee</u>	<u>Bi-Weekly Amt.</u> <u>Deducted</u> <u>from Check</u>
Employee Only	\$114.88	\$80.00	\$ 34.88	\$16.10
Employee & Spouse	\$186.83	\$80.00	\$106.83	\$49.31
Employee & Children	\$146.08	\$80.00	\$ 66.08	\$30.50
Employee, Spouse & Children	\$187.20	\$80.00	\$107.20	\$49.48

Also effective August 1, State agencies on a bi-weekly pay schedule will no longer have any "free" pay periods for health insurance deductions. Deductions will be made from each pay check (26) rather than the 24 deductions in the past. The rates shown above will be withheld from all 26 paychecks.

The money collected from the employees along with the State's contribution is used to pay the health and life claims for the employees. The figures shown below reflect total premiums collected and total claims paid by health class, from July 1, 1986 to June 30, 1987. This increase in premiums is to offset the deficit in claims paid over premiums collected.

	<u>Premiums Collected</u>	<u>Claims Paid</u>
Employee Only	\$10,525,183.87	\$ 9,193,389.03
Employee & Spouse	\$ 4,893,627.16	\$ 6,573,060.45
Employee & Children	\$ 4,292,621.65	\$ 4,035,994.43
Employee, Spouse & Children	<u>\$ 9,727,008.95</u>	<u>\$10,156,853.01</u>
	\$29,438,441.63	\$29,959,296.92

## AUTOMOBILE INSURANCE PREMIUM INCREASE

Principal Casualty Insurance Company has notified the Highway Department that they have received approval of a rate increase in automobile rates from the Arkansas Insurance Department. This increase will be effective on the anniversary date of your policy. Notices will be mailed prior to your anniversary date indicating a change in your premium. Those employees whose anniversary date is September 1, 1987 are currently receiving these notices.

The new state law requiring proof of liability insurance in order to renew car tags has recently been enacted. The "declarations" page of your policy can be used to show proof of coverage when renewing your license. If you have misplaced your declarations page or policy, please contact our agent, Fred S. James Company (223-3111) to receive an ID card indicating proof of insurance coverage.



*Arkansas State Highway & Transportation Department*

# EMPLOYEE NEWSLETTER

VOLUME 15, NUMBER 11 - AUGUST 20, 1987

## HEALTH INSURANCE PREMIUM INCREASE

Effective with the paycheck received today the recent increase in health insurance premiums has been implemented. The rates for Plan I and Plan II are shown below and will be deducted 26 times per year. If an employee has optional or dependent life coverage these amounts must be added to the health premium in order to determine the actual amount deducted from your paycheck.

	<u>Plan I</u>	<u>Plan II</u>
Employee Only	\$16.10	\$ 4.27
Employee & Spouse	\$49.31	\$15.26
Employee & Children	\$30.50	\$ 9.44
Employee, Spouse & Children	\$49.48	\$15.32

NOTE: The above health rates include \$5000 Basic Life Insurance. The rates shown below for Dependent and Optional Life have decreased due to insurance deductions being withheld 26 times instead of 24.

### Dependent Life Rates

Units	1	2	3	4	5	6	7	8	9	10
Amount	2,000	4,000	6,000	8,000	10,000	12,000	14,000	16,000	18,000	20,000
Cost	\$.51	\$1.02	\$1.53	\$2.04	\$2.55	\$3.06	\$3.57	\$4.08	\$4.59	\$5.10

### Optional Life Rates

<u>Amounts</u>	<u>Age to 35</u>	<u>36-50</u>	<u>51-64</u>	<u>65-69</u>
5,000	0.32	0.48	2.63	5.15
10,000	0.65	0.97	5.26	10.29
15,000	0.97	1.45	7.89	15.44
20,000	1.29	1.94	10.52	20.58
25,000	1.62	2.42	13.15	25.73
30,000	1.94	2.91	15.78	30.88
35,000	2.26	3.39	18.42	36.02
40,000	2.58	3.88	21.05	41.17
45,000	2.91	4.36	23.68	46.32