



WISCONSIN YEAR-END RECONCILIATION MANUAL
 Department of Administration – State Controller’s Office

Section	Subsystem Reconciliations
Subsection	Benefits
Accounts	Various Expenditures and Liabilities
Effective Date	07/01/2016
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DESCRIPTION OF RECONCILIATION

Health Insurance and Life insurance

The Department of Employee Trust Funds (ETF) administers the benefit programs on behalf of all state agencies and a variety of other local governments and participant groups. Health and Life insurance are billed monthly via inter-unit billing transactions to the state agencies. Half of the monthly premium is deducted on the first payroll of the month, and the other half on the second payroll of the month. The health and life premiums that are billed to the agencies via the inter-unit billings must be processed (paid) by each agency no later than the 24th of the month.

There is an inherent timing lag between the time an employee is entered into the HCM system, and the time that employee’s health and life insurance deductions are processed by ETF. The timing lag exists for all benefit changes that apply to new employees, terminated employees, coverage changes, etc. So, the amount billed by ETF will nearly always differ from the amount that has been calculated by the HCM system. The differences are recorded into variance accounts, and those amounts must be adjusted via the process prescribed by STAR – HCM.

RECONCILIATION PROCEDURES

STAR created a reconciliation tool for agencies to identify all of the differences between the ETF billings and the HCM system, and where necessary create adjusting entries. The job aid for this process may be found here:

<http://starconnection.wi.gov/Documents/JobAids/HCM/Benefits/stategrouphealthliferecon.pdf>