

CITY OF REXBURG

November 2015

# **EMPLOYEE BENEFITS SEMINAR**

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# **ICRMP DRIVER TRAINING/VIDEO**

**PRESENTED BY**

**DUSTIN HIRSCHI**

**JOSH RHODES**

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# **BENEFITS OVER-VIEW**

# IT'S ALL ABOUT THE MONEY

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## FSA (FLEX)

- ✘ Employee Pre-tax Money
- ✘ Qualified Med Expenses
- ✘ “Use It or Lose It”
- ✘ Mar 15<sup>th</sup> and Jun 15<sup>th</sup>
- ✘ \$2550/Year
- ✘ Enrollment Form
- ✘ NBS

## HRA

- ✘ Employer Tax-Free Money
- ✘ Qualified Med Expenses
- ✘ “Carry-over Balances”
- ✘ Dec 1<sup>st</sup> and Jan 1<sup>st</sup>
- ✘ \$1700 or \$3400/Year
- ✘ Wellness Form
- ✘ NBS

# IT'S ALL ABOUT THE MONEY

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COMPLETE & SIGN 2015 CAFETERIA  
ENROLLMENT FORM

# YOUR COST FOR THE MONEY

FSA	\$37.80/YEAR
HRA	\$31.80/YEAR
DEBIT CARD FEE	\$18.00/YEAR
<u>TOTAL FEES*</u>	\$87.60/YEAR
EXTRA CARDS AFTER 2	\$5.00/CARD
*The annual fees are deducted from the FSA and/or the HRA in January of each year.	

# SPENDING THE MONEY

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## ❖ DEBIT CARD

Keep receipts with tax information

## ❖ PAPER CLAIMS

FSA or HRA on the City website at the Employee Portal  
(Employee Benefits, Links)

Submit after insurance has processed via:

- Fax
- Mail
- Email

# KEEPING TABS ON THE MONEY

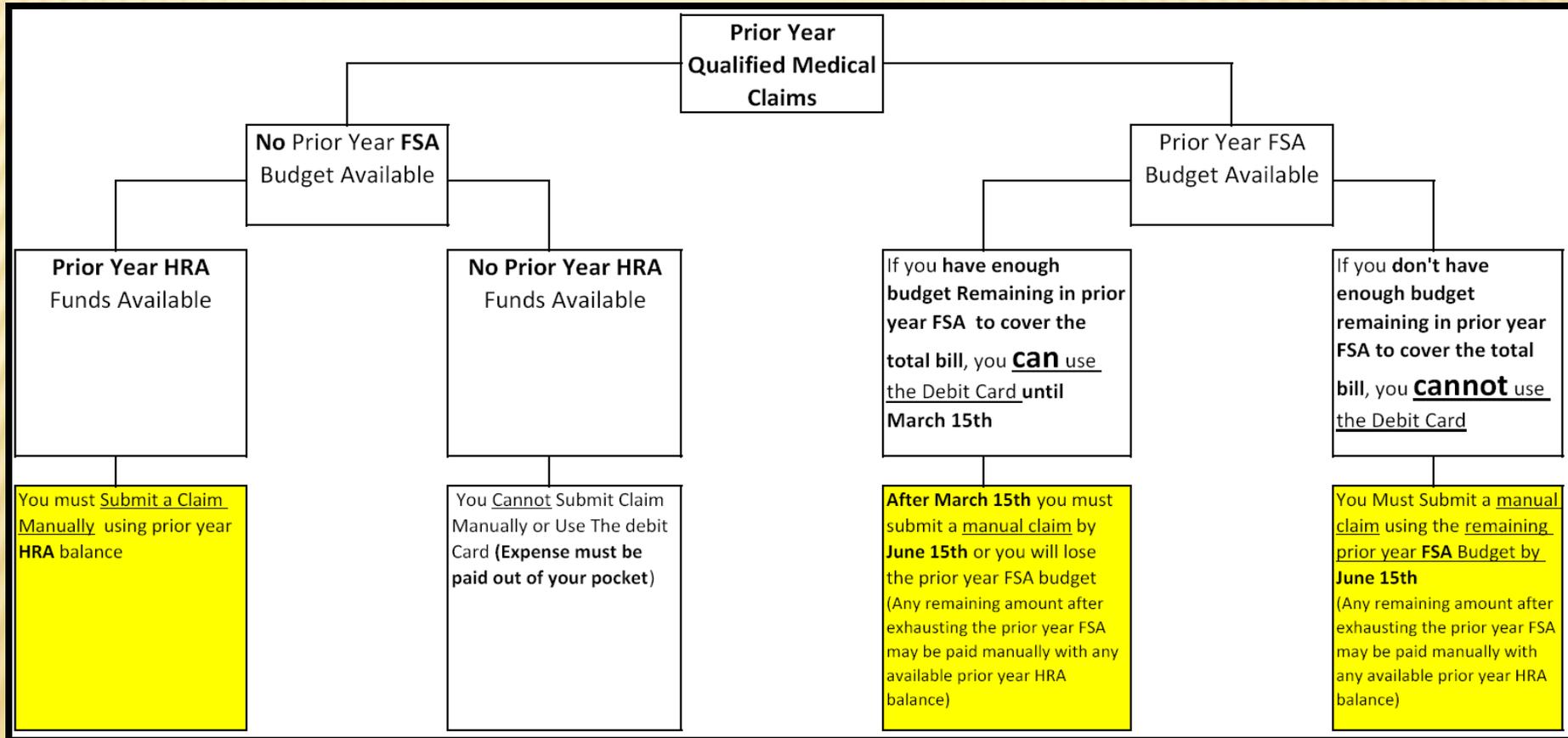
National Benefits Services participant portal is:

[participant.nbsbenefits.com](http://participant.nbsbenefits.com)

Employer ID: NBS174223

Employee ID: SS#  
without dashes

# HOW THE MONEY FLOWS



See Employee Portal on [www.rexburg.org](http://www.rexburg.org) (Full-time Employee Benefits)

## HOW THE MONEY FLOWS (CONT)

THE LAW DOES NOT ALLOW THE USE OF CURRENT YEAR FSA OR HRA MONEY ON PRIOR YEAR CLAIMS.

# ADDITIONAL BENEFITS

BENEFIT	CITY-PAID	EMPLOYEE-PAID
▪ PERSI (state retirement)	X	X
CHOICE 401-K		X
LIFE INSURANCE		X
▪ UNUM LIFE & DISABILITY INS	X	
▪ COLONIAL ACCIDENT INS	X	
▪ AFLAC INSURANCE		X
▪ BLUE CROSS HEALTH INS	X	X
▪ BLUE CROSS DENTAL INS	X	X
▪ AMERICAN FUNDS 401-K	X	X
▪ SOCIAL SECURITY/MEDICARE	X	X
▪ WORKERS COMPENSATION INSURANCE	X	

# LIFE INSURANCE-CITY SPONSORED PLAN

- ✘ 100% paid by city (employer)
- ✘ Coverage
  - + Employee- \$50,000 to age 65 and an additional \$50,000 if the employee dies by accident
  - + Spouse- \$5,000
  - + Child(ren)- \$5,000 (Children covered up to age 19 or age 26 if Fulltime students)

# LIFE INSURANCE-VOLUNTARY

- ✘ 100% paid by employee
- ✘ Cortney Jones from Archibald Agency
  - + GUARANTEED ISSUE UP TO \$100 K THROUGH UNUM
- ✘ Review voluntary rates online

## COMPLETE UNUM BENEFICIARY PAPERWORK

### 3 Forms:

- ✘ **One for enrollment-** Only needs to be completed by those that are electing voluntary life insurance for the first time or are new hires that have not enrolled. If you complete this form, you are **not required to complete other 2 forms in addition.**
- ✘ **One is for those that are currently enrolled in voluntary** and a specific form for each respective person will be handed out in the meeting. If you complete this form, you are **not required to complete other 2 forms.**
- ✘ **One is for designating your beneficiaries.** Only complete this form if you have not completed one of the other 2 forms

\* Complete only if you are electing to add voluntary Life insurance for the first time



GROUP INSURANCE ENROLLMENT FORM  
 Unum Life Insurance Company of America  
 2211 Congress Street, Portland, ME 04122

Please print legibly and complete this form in its entirety. Blank fields will cause significant delays in processing.

Policyholder Name  Policy No.  Division No.

Employee Social Security Number  -  -  Gender  M  F Date of Birth (mm/dd/yyyy)  /  /  Hours Worked Per Week

Employee First Name  M.I.  Last Name

Employee Street Address  City  State  Zip Code

Original Date of Hire  /  /  Annual Salary \$  ,  ,  Occupation

Exempt  Non-Exempt

Date entered into an eligible class (ex: part time to full time) or  
 Rehire Date or  
 Date of promotion to an eligible class

Spouse First Name (if coverage is selected)  Spouse Date of Birth (mm/dd/yyyy)  /  /

COVERAGE ELECTIONS: Your employer will inform you of available coverage. Check yes to enroll; check no if you decline or coverage is not available.

Life/AD&D  Yes  No Dependent Life  Yes  No LTD  Yes  No STD  Yes  No

AMOUNT OF COVERAGE SELECTED FOR:

LIFE/AD&D You: \$  ,  ,  Spouse: \$  ,  ,  Child: \$  ,

Note: If you have chosen coverage over the Guarantee Issue amount for you or your spouse, you will also need to complete an Evidence of Insurability form. The amount of coverage over your Guarantee Issue amount will be subject to medical underwriting and will become effective on the first of the month coincident with or next following the date Unum approves your Evidence of Insurability form. If you **DO NOT APPLY FOR** coverage for you or your dependent (s) during your or their initial enrollment period, you will need to complete an Evidence of Insurability form for all amounts of coverage. You may complete and electronically submit an Evidence of Insurability form—please see your Plan Administrator.

Beneficiary Information:

Name (last name, first, middle initial):	Relation to You:	Benefit %:
If the beneficiary(ies) named above are not living, then pay:		

**Request for Signature and Certification:** I understand that my coverage may be subject to exclusions, limitations, delayed effective dates and benefit offsets, as described in the enrollment materials or employee booklet(s) that have been provided to me by my employer. I certify that all statements are true to the best of my knowledge and belief and I understand that a copy of this form will be made available to me at my request. I authorize my employer to make the necessary deductions from my salary or wages to pay the premium when my insurance becomes effective. I understand that my payroll deduction amount will change if my coverage or costs change.

Employee Signature \_\_\_\_\_ Date \_\_\_\_\_ Work Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Unum is a registered trademark and marketing brand of Unum Group and its insuring subsidiaries.

Must complete for employer - sponsored Plan



**BENEFICIARY DESIGNATION FORM**  
**GROUP LIFE AND GROUP ACCIDENTAL DEATH**  
**& DISMEMBERMENT INSURANCE**  
Unum Life Insurance Company of America  
Provident Life and Accident Insurance Company  
The Paul Revere Life Insurance Company

**Instructions:** Please complete, sign and date this form to designate your beneficiary(ies) or to change your existing beneficiary(ies). This form cancels all prior designations. If more than one beneficiary is named and no percentages are indicated, payment will be made to them in equal shares. If there are more than three (3) primary and/or contingent beneficiaries, please attach a separate sheet of paper. **Return the completed form to your employer.**

**SECTION 1: Employee Information**

Name (Last Name, Suffix, First Name, MI) \_\_\_\_\_ Social Security Number \_\_\_\_\_

Employer Name \_\_\_\_\_

Check the coverages listed below to which this beneficiary designation applies:  
 Basic Life  Supplemental Life  AD&D  All

City of Rexburg \_\_\_\_\_

**SECTION 2: Primary Beneficiary (ies)**

I choose the person(s) named below to be the primary beneficiary(ies) of the Life Insurance benefits that may be payable at the time of my death. If any primary beneficiary(ies) is disqualified or dies before me, his/her percentage of this benefit will be paid to the remaining primary beneficiary(ies).

Name & Address	Relationship	Social Security Number	Date of Birth	Percentage

Total Must Equal 100%

**SECTION 3: Contingent Beneficiary (ies)**

If all primary beneficiaries are disqualified or die before me, I choose the person(s) named below to be my contingent beneficiary(ies).

Name & Address	Relationship	Social Security Number	Date of Birth	Percentage

Total Must Equal 100%

**SECTION 4: Signature**

X \_\_\_\_\_ Date \_\_\_\_\_  
Employee Signature

# SUMMARY OF HEALTH INSURANCE RENEWAL

- ✘ **Renewal rates for the same health option we currently have, came back with a 10.94% increase originally**
  - + We were able to **negotiate to an 8.45% increase** (two year total increase 6.45%).
- ✘ **Renewal rates for the same dental option we currently have, came back with a 32.41% increase**
  - + Providers have experienced losses on dental for the prior 6 years

# EXPLANATION OF INCREASES

## Health

- ✘ **High Prescription drug utilization**
  - + Paid dollars increased 10.13% thru September
- ✘ Cost of health care has risen on average 12% nation wide
- ✘ **Medical benefits paid in our plan have risen 9.72% thru Sept.**
  - + Loss ratio average through August 81% (85% considered break-even)

## Dental

- ✘ **Increased benefits 6 years ago**
  - + Individual Benefit Period Max. raised to \$2,500 from \$1,500
  - + Ortho. Lifetime Max. for eligible dependent children raised to \$2,000 from \$1,500
- ✘ **High utilization of the benefit** has been experienced
  - + In order from highest paid out is
    - ✘ Restorative, Diagnostic, Preventive, and Orthodontics.
  - + Beginning to trend more favorably, but at a **loss ratio of 92%** through August

# RECOMMENDATIONS FROM EMPLOYEE COMMITTEE APPROVED BY CITY COUNCIL

## Health

- ✘ Implement a \$250 annual deductible per insured for prescription drugs (accumulates toward overall prescription out of pocket limit of \$2,000/\$4,000 family)
  - + Deductible does not apply to generic drugs (only brand name)
    - ✘ Brand name is only 10% of prescriptions, but 69% of the cost
  - + Prescription co-pays move to \$10/30/50 (currently \$10/25/40)

## Dental

- ✘ **Surcharge the Blue Cross PPO Dental by an additional 5%** (projected savings to city over \$12,300)- Cheaper option still available with Dental Blue Connect
- ✘ Do not implement reduction in benefits by lowering the plan back to \$1,500 period maximum and \$1,500 Ortho. Maximum, which would save about \$14,000

# RECOMMENDED EMPLOYEE PREMIUMS

## Recommended Employee Premiums

Coverage	2015 Rate/Month	2016 Rate/Month	Increase Per Month	Percentage Of Total*
Single	\$ 86.00	\$ 95.82	\$ 9.82	13.8%
Couple	\$ 166.00	\$ 185.32	\$ 19.32	13.9%
Emp/Child	\$ 128.00	\$ 147.63	\$ 19.63	14.2%
Emp/Children	\$ 169.00	\$ 191.85	\$ 22.85	14.0%
Family	\$ 231.68	\$ 258.87	\$ 27.19	14.1%

2015 Family % of total was 13.4%

\* This rate reflects if they choose the Blue Cross PPO Dental Plan

- + 4.59% / \$ 89,455 increase to city departments
- + 11.83% / \$ 34,497 increase to employees
- + 5.54% / \$123,952 total increase
- + An increase in the savings of \$37,700, moving balance to \$134,337

# HEALTH INSURANCE

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- ❖ Remaining with Blue Cross of Idaho
  - ❑ Will not need to reenroll, unless making changes to your plan in 2016
  - ❑ Most components of the plan will remain unchanged, with the exception of prescription drugs as described above
    - Summary of Benefits and Large Group PPO Summary on Web Portal
      - ★ Vision Service
      - ★ Prescriptions-Now has an Out of Pocket Limit
      - ★ EAP
      - ★ Nurseline
      - ★ Transparency Tools- Cost Advisor
      - ★ Health

<http://rexburg.org/pages/employee-portal>

# IMPORTANT ITEMS OF NOTE

- ✘ Still subject to the **mandatory generic substitution for prescriptions**
  - + If you or your physician requests the brand name medication when a generic equivalent is available, you are responsible to pay the difference between the contracted cost of the generic and brand name drug in addition to the tier 3 copayment.
  - + The cost share differential does not accumulate toward your plan deductible or out-of-pocket limit
- ✘ **A separate Individual Out-of-Pocket Limit exists for In-Network and Out-of-Network**

# COST ADVISOR

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- ✘ Know Before You Go Video:  
[https://www.youtube.com/watch?v=JaJ6tXYLBoU&feature=em-share\\_video\\_user](https://www.youtube.com/watch?v=JaJ6tXYLBoU&feature=em-share_video_user)
- ✘ Must register with an account at Blue Cross to use  
<https://www.bcidaho.com/>
  - + Will require enrollee ID, Group Number, DOB
  - + Must agree to terms and set up a profile
- ✘ Process will take 10- 20 minutes to set up

# HEALTH INSURANCE PREMIUMS

HEALTH							
Position	Coverage	Amount per Pay Period	Amount per Month	Annual Amount	Percentage Increase	Monthly Increase	Annual Increase
<b>EMPLOYEE SHARE</b>							
Employee	Single	\$43.57	\$87.14	\$1,045.68	12.58%	\$9.74	\$116.88
Employee	Couple	\$83.99	\$167.98	\$2,015.76	12.44%	\$18.58	\$222.96
Employee	Employee/Child	\$60.44	\$120.88	\$1,450.56	4.93%	\$5.68	\$68.16
Employee	Employee/Children	\$82.55	\$165.10	\$1,981.20	8.55%	\$13.00	\$156.00
Employee	Family	\$109.68	\$219.36	\$2,632.32	4.28%	\$9.00	\$108.00
<b>EMPLOYER SHARE</b>							
Employer	Single	\$284.99	\$569.98	\$6,839.76	-8.36%	-\$51.98	-\$623.76
Employer	Couple	\$549.43	\$1,098.86	\$13,186.32	11.10%	\$109.80	\$1,317.60
Employer	Employee/Child	\$395.37	\$790.74	\$9,488.88	29.80%	\$181.52	\$2,178.24
Employer	Employee/Children	\$540.02	\$1,080.04	\$12,960.48	13.56%	\$129.00	\$1,548.00
Employer	Family	\$717.54	\$1,435.08	\$17,220.96	3.82%	\$52.76	\$633.12

- ✘ Employee pays approximately 14% of the cost
- ✘ New Deduction amounts effective 12/15/15

# DENTAL INSURANCE

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- ✘ Remaining with same Blue Cross dental options
- ✘ A 5% surcharge will be applied if you choose **Blue Cross PPO Dental option**
  - + This allows you to choose from a much larger pool of providers in Southeast Idaho
  - + Link on employee portal-27 options returned in Rexburg
- ✘ The **Dental Blue Connect option** will be a lower premium
  - + Only provides a few locations where you can obtain services, none of which are in Rexburg
  - + One location in Idaho Falls, next closest Twin Falls

# DENTAL OPTIONS (SAME TWO OPTIONS)

- ✘ Same insurance card for dental and medical
- ✘ Preferred Blue Dental PPO
  - + \$50/\$150 deductible
  - + Individual benefit period max. \$2,500
  - + Orthodontia- \$2,000 lifetime max-Eligible Dependent Children only
  - + Coinsurance (In-Network):
    - ✘ Preventative- You pay nothing
    - ✘ Basic- You pay 20% of the allowed amount
    - ✘ Major- You pay 50% of the allowed amount

# DENTAL OPTIONS

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## × Dental Blue Connect-Willamette

- + No deductible or annual max.
- + \$15 copays/visit, even for preventative
- + Predetermined Copayments-See list
- + Adult Orthodontic Services Available
- + Once enrolled, cannot switch back until next December

# DENTAL INSURANCE PREMIUMS

## DENTAL - Blue Cross PPO Option

Position	Coverage	Amount per Pay Period	Amount per Month	Annual Amount	Percentage Increase	Monthly Increase	Annual Increase
<b>EMPLOYEE SHARE</b>							
Employee	Single	\$4.35	\$8.70	\$104.40	1.16%	\$0.10	\$1.20
Employee	Couple	\$8.68	\$17.36	\$208.32	4.58%	\$0.76	\$9.12
Employee	Employee/Child	\$13.38	\$26.76	\$321.12	109.06%	\$13.96	\$167.52
Employee	Employee/Children	\$13.38	\$26.76	\$321.12	58.34%	\$9.86	\$118.32
Employee	Family	\$19.75	\$39.50	\$474.00	85.10%	\$18.16	\$217.92
<b>EMPLOYER SHARE</b>							
Employer	Single	\$19.15	\$38.30	\$459.60	-33.11%	-\$18.96	-\$227.52
Employer	Couple	\$38.23	\$76.46	\$917.52	-22.56%	-\$22.28	-\$267.36
Employer	Employee/Child	\$58.94	\$117.88	\$1,414.56	48.09%	\$38.28	\$459.36
Employer	Employee/Children	\$58.94	\$117.88	\$1,414.56	7.81%	\$8.54	\$102.48
Employer	Family	\$87.01	\$174.02	\$2,088.24	9.82%	\$15.56	\$186.72

## DENTAL - Dental Blue Connect-Willamette Option

Position	Coverage	Amount per Pay Period	Amount per Month	Annual Amount	Percentage Increase	Monthly Increase	Annual Increase
<b>EMPLOYEE SHARE</b>							
Employee	Single	\$2.60	\$5.20	\$62.40	-39.53%	-\$3.40	-\$40.80
Employee	Couple	\$5.19	\$10.38	\$124.56	-37.47%	-\$6.22	-\$74.64
Employee	Employee/Child	\$8.01	\$16.02	\$192.24	25.16%	\$3.22	\$38.64
Employee	Employee/Children	\$8.01	\$16.02	\$192.24	-5.21%	-\$0.88	-\$10.56
Employee	Family	\$11.82	\$23.64	\$283.68	10.78%	\$2.30	\$27.60
<b>EMPLOYER SHARE</b>							
Employer	Single	\$16.68	\$33.36	\$400.32	-41.74%	-\$23.90	-\$286.80
Employer	Couple	\$33.27	\$66.54	\$798.48	-32.61%	-\$32.20	-\$386.40
Employer	Employee/Child	\$51.30	\$102.60	\$1,231.20	28.89%	\$23.00	\$276.00
Employer	Employee/Children	\$51.30	\$102.60	\$1,231.20	-6.16%	-\$6.74	-\$80.88
Employer	Family	\$75.75	\$151.50	\$1,818.00	-4.39%	-\$6.96	-\$83.52

# TOTAL PREMIUMS

- ✘ Assumes Blue Cross PPO Dental option chosen

Total							
Position	Coverage	Amount per Pay Period	Amount per Month	Annual Amount	Percentage Increase	Monthly Increase	Annual Increase
<b>EMPLOYEE/EMPLOYER SHARE</b>							
	Single	\$352.06	\$704.12	\$8,449.44	-7.98%	-\$61.10	-\$733.20
	Couple	\$680.33	\$1,360.66	\$16,327.92	8.52%	\$106.86	\$1,282.32
	Employee/Child	\$528.13	\$1,056.26	\$12,675.12	29.31%	\$239.44	\$2,873.28
	Employee/Children	\$694.89	\$1,389.78	\$16,677.36	13.05%	\$160.40	\$1,924.80
	Family	\$933.98	\$1,867.96	\$22,415.52	5.39%	\$95.48	\$1,145.76

## Family Plan

- ✘ Employee pays \$3,106/Year before tax savings
- ✘ City pays \$19,309

# HEALTH INSURANCE PAPERWORK

COMPLETE AND SIGN THE GROUP HEALTH  
INSURANCE ACCEPTANCE/WAIVER FORM

# EMPLOYEE PORTAL & BENEFITS SUMMARIES

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- ✘ Employee Portal

- <http://rexburg.org/admin/employee-portal>

- ✘ Retirement

- + 3 Legged Approach to Retirement Planning

- ✘ Employee Benefits

- + 2016 Benefits Summary

- + Recreation Benefits Summary

- + Voluntary Benefits Section

# PARTICIPANT FEE DISCLOSURE FOR 401 K

- ✘ Each Fulltime employee required to read online at <http://policy/default.aspx> and pass the quiz



AMERICAN FUNDS®

From Capital Group

## Notice of changes to your retirement plan account

Plan name: City of Rexburg Salary Reduction Plan

Effective: December 29, 2015

### Investment Changes

Effective December 29, 2015, investment(s) in your plan will have a name change.

Current investment name	New investment name
Investment name	Investment name
Oppenheimer International Small Co A	Oppenheimer International Small-Mid Co A

### More information

If you have any questions, please get in touch with your plan contact.

# ENROLLMENT DEADLINES

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- ❖ Health and Dental 12/7/15
- ❖ Cafeteria election deadline 12/1/15
- ❖ Wellness Exam Deadline Dec 31<sup>st</sup>
  - November 30<sup>th</sup> if you need the money available by January 1, 2016.

# THE END

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- ❖ Please set up chairs for planning and zoning meeting on Thursday Night after training