

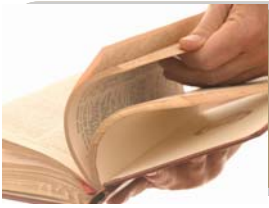
Garden City Public Schools

2015

Benefits Enrollment Guide



Administrators



Open Enrollment Process

Open Enrollment for making insurance benefit changes will be from November 20th to December 4th.

GCPS will continue to offer eligible Administrators the options between three Medical plans. Employee contributions will be adjusted January 1st. Employees should review the employee contributions and estimate their expected utilization to determine which plan is best for their family.

Effective January 1st, the Simply Blue \$1,250/\$2,500 in-network deductible will increase to \$1,300/\$2,600 in-network to meet IRS requirements for HSA status.

Remember that the choices you make now will be effective January 1, 2015 and will remain in effect until December 31, 2015 unless you experience a qualified special enrollment event.

All employees will need to complete the Garden City Public Schools Enrollment and Change form for 2015. GCPS is required to capture dependent social security numbers for reporting under Healthcare Reform. All forms should be sent securely through inner office mail in a sealed envelope.

The Enrollment Form is due to the Benefits Department no later than Thursday, December 4th.

Your other benefits (dental, vision, life and disability) are not changing.

If you are interested in Supplemental Life coverage, contact Anne Waldron for additional details.

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Medical & RX Overview



The chart below offers a high level side by side comparison of the In-Network benefits for these three options. Benefits at a Glance and Summary Benefit and Coverage (SBC's) are available on the district's website for further comparison including the Out-of-Network benefits. Additional limitations and exclusions may apply. For an official description of benefits, please refer to each carrier's official certificate/benefit guide. For more information, please contact the Benefits Department.

	Community Blue PPO 1 (Cost when you use the Coverage)	Community Blue PPO 3 (Cost when you use the Coverage)	Simply Blue HDHP PPO HSA (Cost when you use the Coverage)
	In-Network	In-Network	In-Network
Calendar Year Deductible			
Single	\$0	\$250	\$1,300*
Family	\$0	\$500	\$2,600*
Co-Insurance	Not Applicable	20%	Not Applicable
Calendar Year Co-Insurance Maximum (Deductibles not included)			
Single	Not Applicable	\$1,000	Not Applicable
Family	Not Applicable	\$2,000	Not Applicable
Total Out-of-Pocket Maximum (Including Deductibles, Co-Insurance, Copays and Rx Copays)			
Single	\$6,350	\$6,350	\$2,250
Family	\$12,700	\$12,700	\$4,500
Physician Office Services			
Office Visit & Chiro	\$10 Copay	\$10 Copay	100% coverage after in-network deductible
Emergency Medical Care			
Emergency Room	\$50 Copay	\$50 Copay	100% coverage after in-network deductible
Urgent Care Visits	\$10 Copay	\$10 Copay	100% coverage after in-network deductible
Prescription Drugs (RX)			
Generic or Brand	\$10 Generic / \$20 Brand	\$10 Generic / \$40 Brand	\$10 Generic / \$60 Brand After Deductible
	Mail Order 1 Times the Copay	Mail Order 2 Times the Copay	Mail Order 2 Times the Copay after the deductible
Flexible Spending Account or Health Savings Account			
Flexible Spending Account (FSA)/ Health Saving Account (HSA)	FSA Eligible	FSA Eligible	HSA Eligible (see page 4 for additional information)

* The deductible will increase slightly effective January 1st based on IRS requirements for HSA status.

Medical & RX Continued



The BCBS plans will not provide coverage for voluntary abortions.

Items to Note for the Simply Blue HDHP HSA Plan (In-Network)

- All services, except for preventive care, are subject to the deductible.
- If you are enrolling as a two person or family contract you must satisfy the family deductible before the plan pays 100%
- After the deductible has been satisfied, employees will pay a flat dollar copay for prescription drugs (\$10 generic / \$60 brand) up to the out of pocket maximum.
- Reduced Visits Apply (as compared to the Community Blue Plans):
 - Chiropractic Visits—12 visits per member per calendar year
 - Outpatient Physical, Speech and Occupational Therapy— 30 visits per member per calendar year
 - Skilled Nursing Visits—90 days per member per calendar year

Employee Contributions



Below is the employee contribution or pre-tax deduction for the coverage. Employee contributions will change effective January 1st based on the BCBS renewal and hard cap adjustment under Public Act 152. Employee contributions will be adjusted each year effective January 1st.

EMPLOYEE CONTRIBUTIONS (Cost to have the Coverage)

Please note that the amount of the deduction may vary depending on the number of pays you receive and your employment status (i.e. part time).

Election	Community Blue PPO 1	Community Blue PPO 3	Simply Blue HDHP HSA
Single	\$179.98 Per Month \$2,159.76 Annually	\$54.07 Per Month \$648.84 Annually	\$0.00 Per Month \$0.00 Annually
Two Person	\$584.55 Per month \$7,014.60 Annually	\$282.38 Per month \$3,388.56 Annually	\$0.00 Per Month \$0.00 Annually
Family	\$679.94 Per Month \$8,159.28 Annually	\$302.24 Per Month \$3,626.88 Annually	\$0.00 Per Month \$0.00 Annually



Health Savings Account Overview

A Health Savings Account (HSA) is a cross between a flexible spending account (FSA), an IRA, and a 401(k)/403(b). Only those who enroll in the Simply Blue Plan have the option to participate in the HSA, if eligible. You can access your HSA to pay for eligible expenses. In addition, your account has the ability to grow, year-to-year, tax deferred. HealthEquity will be the HSA third party trustee. The HSA account is your property and responsibility. Like a 401(k)/403(b), it is your money and stays with you.

Eligibility

You must meet certain other requirements in order to participate in the HSA Contribution Feature. To be eligible, you must:

- (a) Be covered by the Simply Blue High Deductible Health Plan;
- (b) Not be claimed as another person's tax dependent;
- (c) Not be actually covered by Medicare; and
- (d) Not have any health coverage other than coverage under a High Deductible Health Plan. Other coverage that will disqualify you from being eligible for the HSA Contribution Feature includes, but not limited to, coverage under your spouse's health plan if his/hers is not considered a HDHP plan under IRS guidelines. Coverage under your spouse's medical expense reimbursement plan or flexible spending account, and coverage under a health reimbursement arrangement, including your spouse's health reimbursement arrangement.

HSA Employee Funding (Optional)

You will have the option to fund your account with pre-tax dollars. You can elect a per pay deduction (over 21 or 26 pays) or a lump sum deduction in the first pay in January. In order to make this election you MUST indicate your election on the Enrollment Form due on December 4th. The Statutory Maximum HSA Contribution for 2015 is \$3,350 for a single and \$6,650 for a family. If you are age 55 or older, you can make an additional catch-up contribution amount of \$1,000 in 2015. The HSA cannot receive contributions after you have enrolled in Medicare.

You have the ability to adjust your HSA pre-tax election monthly.

Using Your HSA

Money in your HSA can be used to pay for a variety of healthcare-related expenses for you and your IRS eligible dependents (any out of pocket medical, dental and vision coverage after the insurance plan pays or processes the claim) ranging from routine physicals to prescription drugs. A full listing of eligible expenses can be found at: <http://www.irs.gov/pub/irs-pdf/p969.pdf>. To pay for expenses, you simply present your HSA debit card to your provider, and money will be deducted directly from your HSA.

Keeping track of your account balance is easy. You can review your account information 24/7 by logging onto the www.BCBSM.com website. You will need to select the "my coverage" tab and it will take you through the necessary prompts or you can contact HealthEquity at 877-284-9840.

Your HSA money is tax-free as long as it is used to pay for qualified medical expenses. If you use the money for any other reason, you will be required to pay income tax and a 20% tax penalty on that amount (you will not pay a penalty if you are disabled or age 65 or older). Please note that you are not required to submit receipts for the purchases that you make. It is up to you to keep the supporting records to show the Internal Revenue Service whether you used the funds to pay qualified medical expenses. For tax filing purposes, HSA contributions will appear on your W-2 as a line item.

Important Considerations

An HSA is an employee's property and HSA account holders are responsible for ensuring they meet the eligibility requirements for the pre-tax benefit as well as ensuring the funds are used to pay for qualified medical expense. The HSA is separate from the medical high deductible plan and is a bank account used to help pay for those expenses not covered by the plan with pre-tax dollars. The next few pages provides an overview of the important requirements as well as some commonly asked questions. We encourage you to contact your tax adviser with specific HSA questions as the impact of these accounts changes based on circumstances.



Health Savings Account Continued

Frequently Asked HSA Questions

What is my HSA?

Your HSA is a health savings account (as defined under the Internal Revenue Code) established by you with a third party trustee/custodian (e.g., bank or insurance company) that is authorized to be the trustee of HSAs. Your Employer does not establish or sponsor your HSA. Furthermore, your Employer does not own your HSA; it is owned by you.

You may invest the funds in your HSA as allowed by the trustee/custodian of the account. Your employer has no control of, or responsibility for, the investment of your HSA.

What are the limits on the amount of contributions?

The total contributions made by you and/or made on your behalf into HSAs owned by you are subject to a maximum contribution limit. Generally, the maximum contribution you may receive in a year is an indexed amount. **The Statutory Maximum HSA Contribution for 2015 calendar year is \$3,350 for a single and \$6,650 for a family.**

You are allowed to make or receive an additional catch up contribution for the year in which you will attain age 55 before the end of the year and for any year thereafter while you remain eligible. The catch up contribution is currently \$1,000 per year.

If you are eligible for contributions for only a portion for the year, your maximum contribution (including catch up contributions) is determined in accordance to certain rules. Please contact your tax advisor for details on the impact.

Rollover contributions may also be made to an HSA from another health savings account or from an Archer MSA. Rollover contributions are not subject to the contribution limit described above.

What happens if my contributions exceed the contribution limit?

If the contributions to your HSA exceed the applicable maximum contribution limit for a year, generally the excess contributions will be included in your income and an excise tax will be imposed upon them. You will also be taxed on any earnings earned on the excess amounts. However, you can avoid the excess tax if you take a distribution of the excess contributions (and the net income attributable to the excess contribution) before the last day (including extensions) for filing your federal income tax return. This distribution must be included as a taxable income when you file your taxes.

What are the tax consequences of the HSA Contribution Feature?

The contributions made under this HSA Contribution Feature will not be included in your gross income, unless they exceed the applicable maximum contribution limit as discussed above.

What are the rules regarding distributions from my HSA?

Your Employer has no control over or involvement with distributions made from your HSA. Your Employer does not substantiate expenses for which such distributions are made. Information regarding the procedure for obtaining distributions or the consequences of taking distributions is available from the trustee/custodian of your HSA.

Health Savings Account Continued

When does my participation end?

Participation in the HSA Contribution Feature ends upon the earlier of the date your participation in Plan ceases or the date you no longer satisfy the eligibility requirements of the plan. You need not be a participant in the HSA Contribution Feature (or be employed by the Employer) in order to obtain distributions from your HSA. In addition, you may make contributions to your HSA outside this Plan, provided you are eligible to do so under IRS rules, after you have left employment with the Employer or have ceased to be a participant in the Plan.

NOTE: This HSA Contribution Feature is **not** a group health plan for purposes of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), the Family and Medical Leave Act (FMLA), and the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). COBRA, FMLA, and USERRA do not apply to this HSA Contribution Feature. However, COBRA, FMLA, and USERRA may apply to the Qualifying High Deductible Health Plan.

Can the contributions made to my HSA be forfeited?

No, once the contributions have been deposited in your HSA, you will have a nonforfeitable interest in the funds. You will be free to request a distribution of the funds or to move them to another provider of HSAs, to the extent allowed by law.

What are the reporting requirements?

Your Employer is responsible for reporting contributions made to your HSA through this HSA Contribution Feature on your Form W-2. You are also responsible for reporting contributions to your HSA, and for reporting distributions from your HSA, on appropriate forms available from IRS.

The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It does not necessarily fully address all of your specific issues. It should not be construed as, nor is it intended to provide, legal or tax advice.

Items to Note

Your life insurance policy pays death benefits to your survivors if you should die while participating in the program. Your will or trust document often is not enough to control how your death benefits are paid. **You must file a Beneficiary Designation with the program provider to determine who receives the benefit.** It's important to keep a record of your beneficiary designations and to update them whenever your circumstances change.



Healthcare Premiums

Employee contributions are outlined on page 3. Please note these amounts will be adjusted each January 1st.

Premium Conversion

To help minimize your employee contribution for your medical plan, Garden City Public Schools will continue to offer an IRC (Internal Revenue Code) Section 125 Premium Conversion Plan. This allows you to pay for your coverage on a pre-tax (before tax) basis. As a result, your net take home pay will be higher than if contributions were deducted on a post-tax (after tax) basis.

Contributions taken on a pre-tax basis are not subject to federal or state income taxes or FICA taxes. The amount of savings depends on your individual contribution and tax bracket. Your 2015 Enrollment Election will be locked in for the entire benefit year (January 1st to December 31st). Election changes are only allowed if you experience a mid-year qualifying event.

Flexible Spending Account (FSA)

The Health Care FSA is replaced by the Health Savings Account (HSA) for all employees enrolling in either of the Simply Blue High Deductible Health Plan (HDHP). Employees enrolling in the Blue Cross Blue Shield Community Blue plans or eligible but not enrolling in the BCBS Simply Blue High Deductible Health Plan (HDHP) can still continue to participate in the Health Care FSA.

Benefit eligible employees are still eligible to enroll in the Dependent Care FSA or Daycare Account.

Please contact Anne Waldron in the Benefits Department for the enrollment packet.

Required Action Step:

**Forms must be completed and turned into the Benefits Dept. no later than
Thursday, December 4th.**



Your Rights Under Federal Law

Change in Status or Special Enrollment

You may qualify for a special enrollment if certain events occur in your life:

- If you decline coverage for yourself and/or your dependents (including your spouse) because you are covered under another health plan, you may be able to enroll yourself and/or your dependents in the plan if you experience an involuntary loss of that coverage (e.g., spouse loses his/her job, divorce).
- If you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents in the plan.

In either situation, you must request enrollment through the Employee Benefits Department within 30 days after the special enrollment event as described above. If you enroll as the result of a special enrollment event, coverage will be made effective on the date of the event.

Newborn and Mother's Health Protection Act

Group health plans and health insurance issuers generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Women's Health & Cancer Rights Act

Federal law requires a group health plan to provide coverage for the following services to an individual receiving plan benefits in connection with a mastectomy:

These services include:

- Reconstruction of the breast upon which the mastectomy has been performed;
- Surgery/reconstruction of the other breast to produce a symmetrical appearance;
- Prosthesis;
- Physical complication during all stages of mastectomy, including lymph edemas.

The plan may not:

- Interfere with a woman's right under the plan to avoid these requirements;
- Offer inducements to the health provider, or assess penalties against the health provider, in an attempt to interfere with the requirements of the law.

However, the plan may apply deductibles and co-insurance requirements consistent with other coverage provided under the plan.



Your Benefit Resources



Medical, Prescription Drug and Dental **Blue Cross Blue Shield—BCBS**

800-637-2227
www.bcbsm.com

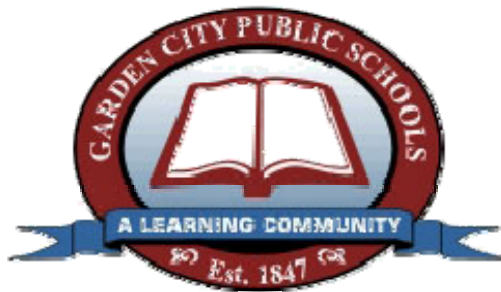
Flexible Spending Accounts (FSA)

Next Generation Enrollment (NGE)

888-266-1732
www.nextgenerationenrollment.com

Health Savings Account (HSA) **Health Equity**

866-346-5800
www.bcbsm.com



The information contained in this summary should in no way be construed as a promise or guarantee of employment or benefits. The company reserves the right to modify, amend, suspend, or terminate any plan at any time for any reason. If there is a conflict between the information in this notice and the actual plan policies, the policies will always govern. Complete details about the benefits can be obtained by reviewing current plan descriptions, contracts, certificates, and policies available from the Benefits Department.