



Washington State Health Care Authority
Public Employees Benefits Board

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August 5, 2010

TO: Personnel, Payroll, and Insurance Offices of All State Agencies

FROM: Steve Norsen, Manager
PEBB Outreach & Training Team

SUBJECT: **Revised Fiscal Year 2011 PEBB Program Rates – Composite**

Overview

The state agencies' base monthly funding rate of \$850.00 will remain unchanged until July 1, 2011. However, based on new contracts with the health plans, the state employees' monthly contributions will change effective January 1, 2011.

Medical/Dental

The new contribution schedule is enclosed. In early October the Public Employees Benefits Board (PEBB) program will publish these monthly contributions in the *For Your Benefit* newsletter to all state employees. This newsletter is the employees' only printed open enrollment information. However, information will also be available on the PEBB Web site at www.pebb.hca.wa.gov prior to November 1, 2010, the start of open enrollment.

Life and LTD Insurance

Employee optional life and long term disability (LTD) insurance rates did not change and will remain the same for 2011. The rate schedule for life and LTD insurance is also enclosed.

Additional Taxable Income for Non-Tax Qualified Dependents

Certain individuals may not qualify under IRS regulations as dependents (e.g., domestic partners, dependents of domestic partners, students who are not tax dependents, other post-tax dependents), so deduction from taxable income for benefit premiums/coverage is not appropriate. We have attached tax tables to assist in determining additional taxable income that should be assigned to employees if employee contributions are made for an individual who is not the employee's spouse or dependent child. Tables 1 and 2 provide monthly amounts for additional taxable income for non-tax qualified dependents for 2011.

Tax Treatment for Employee Payroll Contributions

Tables 3-7 provide monthly payroll employee contributions (deductions for subscribers and domestic partners). If a dependent is a non-qualified tax dependent, or is allowed late enrollment outside of an annual or special open enrollment, use Tables 3-7 to determine the amount of employee contributions to withhold on a post-tax basis.

If you have questions about the rates, please contact me at (360) 412-4201 or steve.norsen@hca.wa.gov.

Enclosures

c: Kim Grindrod

**Composite Active Rates for STATE and HIGHER ED,
Commodity Commissions and Employer Groups
(for 01/01/11 through 06/30/11 only)**

2011 PEBB Bid Rates
HCA Financial Services

	07/01/10 through 06/30/11	01/01/11 through 12/31/11				01/01/11 through 06/30/11			
Plan Name	Base Rate	Employee Contributions				Total Base Rates With Employee Contributions			
		Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family	Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
Group Health Classic	\$ 850.00	\$ 71.00	\$ 152.00	\$ 124.00	\$ 205.00	\$ 921.00	\$ 1,002.00	\$ 974.00	\$ 1,055.00
Group Health Value	\$ 850.00	\$ 30.00	\$ 70.00	\$ 53.00	\$ 93.00	\$ 880.00	\$ 920.00	\$ 903.00	\$ 943.00
Kaiser Permanente Classic	\$ 850.00	\$ 105.00	\$ 220.00	\$ 184.00	\$ 299.00	\$ 955.00	\$ 1,070.00	\$ 1,034.00	\$ 1,149.00
Uniform Medical Plan PPO	\$ 850.00	\$ 60.00	\$ 130.00	\$ 105.00	\$ 175.00	\$ 910.00	\$ 980.00	\$ 955.00	\$ 1,025.00

PEBB Program for 2011

Additional Taxable Income for Non-Tax Qualified Dependents

Table 1: Employer Share Medical and Dental

2011 Monthly State Premium Contribution for Medical and Dental for Active Employees
Additional Taxable Income for Non-Tax Qualified Dependent Coverage

MEDICAL AND DENTAL PLAN	Partner*	Subscriber's or Partner's Child(ren)*	Partner and Child(ren)*
All Medical Plans	\$ 481	\$ 380	\$ 861

Table 2: Employer Share Dental Only

Sample chart for dental only enrollment-taxable amount for dependents

DENTAL PLAN	Partner*	Subscriber's or Partner's Child(ren)*	Partner and Child(ren)*
All Dental Plans	\$ 48	\$ 48	\$ 96

2011 Monthly State Contribution for Medicare Retirees (monthly state subsidy)**

Additional taxable income for non-tax qualified domestic partners

GHC Classic	\$ 131
GHC Value	\$ 125
Kaiser Classic	\$ 177
Secure Horizons Classic	\$ 183
Uniform Medical Plan PPO	\$ 183
Plan F Retired	\$ 87
Plan F Disabled	\$ 148

*Premiums displayed are rounded to the nearest dollar, consistent with IRS tax reporting

**Retiree subsidy is limited to 50% of the total premium paid to the health plan by state law

**State and Higher Education Active Employee Monthly Contributions (Deductions)
For Non-Tax Qualified Dependents
Final 2011 PEBB Rates-HCA Finance and Administration**

Table 3: Total Monthly Employee Contribution Owed for All Coverage (Pre-tax and post-tax combined)

Plan Name	Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
GHC Classic	\$ 71	\$ 152	\$ 124	\$ 205
GHC Value	\$ 30	\$ 70	\$ 53	\$ 93
Kaiser Classic	\$ 105	\$ 220	\$ 184	\$ 299
Uniform Medical Plan PPO	\$ 60	\$ 130	\$ 105	\$ 175

Table 4: Post-Tax Partner Share for "Subscriber and Spouse" Tier

Plan Name	Subscriber and Spouse	Subscriber	Partner
GHC Classic	\$ 152	\$ 71	\$ 81
GHC Value	\$ 70	\$ 30	\$ 40
Kaiser Classic	\$ 220	\$ 105	\$ 115
Uniform Medical Plan PPO	\$ 130	\$ 60	\$ 70

Table 6: Post Tax Partner and Child(ren) Share for "Full Family" Tier

Plan Name	Full Family	Subscriber	Partner and Child(ren)
GHC Classic	\$ 205	\$ 71	\$ 134
GHC Value	\$ 93	\$ 30	\$ 63
Kaiser Classic	\$ 299	\$ 105	\$ 194
Uniform Medical Plan PPO	\$ 175	\$ 60	\$ 115

Table 5: Post Tax Partner Share for "Full Family" Tier

Plan Name	Full Family	Subscriber and Child(ren)	Partner
	\$ -	\$ -	\$ -
GHC Classic	\$ 205	\$ 124	\$ 81
GHC Value	\$ 93	\$ 53	\$ 40
Kaiser Classic	\$ 299	\$ 184	\$ 115
Uniform Medical Plan PPO	\$ 175	\$ 105	\$ 70

Table 7: Post Tax Partner's Child(ren) Share for "Subscriber and Child(ren)" Tier

Plan Name	Subscriber and Child(ren)	Subscriber	Partner's Children
	\$ -	\$ -	\$ -
GHC Classic	\$ 124	\$ 71	\$ 53
GHC Value	\$ 53	\$ 30	\$ 23
Kaiser Classic	\$ 184	\$ 105	\$ 79
Uniform Medical Plan PPO	\$ 105	\$ 60	\$ 45

PEBB Life and AD&D Rates Paid to Plan and Charged to Subscribers

Final PEBB 2011 Rates
HCA Finance and Administration

Pub No.

Plan A Basic for Actives*:	Monthly Cost:	\$ 5.07
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Plan A Basic for Retirees:	Monthly Cost:	\$ 2.19
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51-275R, 51-403F, 516-R

Plan B Basic (Dependents):	Monthly Cost:	\$ 0.50
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Plan B Supplemental, Plans C (Optional) and D (Supplemental):		
Monthly Cost for Each \$1,000 of Coverage		
Age	Non-Smoker	Smoker
<25	\$ 0.028	\$0.036
25-29	\$ 0.030	\$0.044
30-34	\$ 0.034	\$0.058
35-39	\$ 0.042	\$0.066
40-44	\$ 0.064	\$0.074
45-49	\$ 0.092	\$0.112
50-54	\$ 0.144	\$0.170
55-59	\$ 0.268	\$0.318
60-64	\$ 0.412	\$0.484
65-69	\$ 0.760	\$0.932
70+	\$ 1.134	\$1.514

Plan E Life (Voluntary AD&D):							
Employee Coverage	Employee Only Cost	Employee & Dependent(s) Cost	Spouse Coverage		Per Child Coverage		
			No Children	With Children	With Spouse	No Spouse	
\$ 25,000	\$ 0.20	\$ 0.30	\$ 12,500	\$ 10,000	\$ 1,250	\$ 2,500	
\$ 50,000	\$ 0.40	\$ 0.60	\$ 25,000	\$ 20,000	\$ 2,500	\$ 5,000	
\$ 75,000	\$ 0.60	\$ 0.90	\$ 37,500	\$ 30,000	\$ 3,750	\$ 7,500	
\$ 100,000	\$ 0.80	\$ 1.20	\$ 50,000	\$ 40,000	\$ 5,000	\$ 10,000	
\$ 125,000	\$ 1.00	\$ 1.50	\$ 62,500	\$ 50,000	\$ 6,250	\$ 12,500	
\$ 150,000	\$ 1.20	\$ 1.80	\$ 75,000	\$ 60,000	\$ 7,500	\$ 15,000	
\$ 175,000	\$ 1.40	\$ 2.10	\$ 87,500	\$ 70,000	\$ 8,750	\$ 17,500	
\$ 200,000	\$ 1.60	\$ 2.40	\$ 100,000	\$ 80,000	\$ 10,000	\$ 20,000	
\$ 225,000	\$ 1.80	\$ 2.70	\$ 112,500	\$ 90,000	\$ 11,250	\$ 22,500	
\$ 250,000	\$ 2.00	\$ 3.00	\$ 125,000	\$ 100,000	\$ 12,500	\$ 25,000	

* Represents premium paid to the Plan only.

For State Actives, Plan A Basic coverage is funded by the state.

For Actives from Employer Groups, ESDs, and K-12 Districts Accepting the Full Benefits Package, the premium for Plan A Basic coverage is included in the rates for the selected medical plan.

Coverage is not provided to Actives from K-12 Districts Accepting Medical Only Package.

PEBB LONG TERM DISABILITY PLAN

Rates Paid to Plan and Charged to Subscribers

Final PEBB 2011 Rates

HCA Finance and Administration

Pub No.

Basic Plan for Actives	Monthly Cost*:	\$	2.00
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Optional Plan	TIAA/CREF or Higher Education Academic Retirement Plan Employees	TRS, PERS, & other Retirement Plan Employees
Waiting Period		
30 days	2.48%	1.96%
60 days	1.26%	1.04%
90 days	0.69%	0.57%
120 days	0.40%	0.34%
180 days	0.30%	0.27%
240 days	0.29%	0.26%
300 days	0.27%	0.24%
360 days	0.26%	0.23%

* Represents premium paid to plan only.
 For State Actives, Basic Plan coverage is funded by the state.