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August 1, 2011

TO: Ms. Rita Lauzon, State Board for Community and Technical Colleges – Information Technology

FROM: Steve Norsen, Manager
PEBB Outreach & Training Team

SUBJECT: **Revised Fiscal Year 2012 PEBB Program Rates – Composite**

Overview
The higher-education institutions' base monthly funding rate of $850.00 will remain unchanged until July 1, 2012. However, based on new contracts with the health plans, the employees' monthly contributions will change effective January 1, 2012.

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, 2011, the start of open enrollment.

Life and LTD Insurance
Employee optional life and long term disability (LTD) insurance rates will decrease effective January 1, 2012. 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 and 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 2012.

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 for 2012.

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 01/01/12 through 06/30/12 only)
2012 PEBB Bid Rates
HCA Financial Services

	07/01/11 through 06/30/12	01/01/12 through 12/31/12				01/01/12 through 06/30/12			
		Employee Contributions				Total Base Rates With Employee Contributions			
Plan Name	Base Rate	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	$ 101.00	$ 212.00	$ 177.00	$ 288.00	$ 951.00	$ 1,062.00	$ 1,027.00	$ 1,138.00
Group Health Value	$ 850.00	$ 52.00	$ 114.00	$ 91.00	$ 153.00	$ 902.00	$ 964.00	$ 941.00	$ 1,003.00
Group Health CDHP	$ 850.00	$ 26.00	$ 62.00	$ 46.00	$ 82.00	$ 876.00	$ 912.00	$ 896.00	$ 932.00
Kaiser Permanente Classic	$ 850.00	$ 89.00	$ 188.00	$ 156.00	$ 255.00	$ 939.00	$ 1,038.00	$ 1,006.00	$ 1,105.00
Kaiser CDHP	$ 850.00	$ 24.00	$ 58.00	$ 42.00	$ 76.00	$ 874.00	$ 908.00	$ 892.00	$ 926.00
Uniform Medical Plan Classic	$ 850.00	$ 82.00	$ 174.00	$ 144.00	$ 236.00	$ 932.00	$ 1,024.00	$ 994.00	$ 1,086.00
Uniform Medical Plan CDHP	$ 850.00	$ 27.00	$ 64.00	$ 47.00	$ 84.00	$ 877.00	$ 914.00	$ 897.00	$ 934.00

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

Final PEBB 2012 Rates

HCA Finance and Administration

			Pub No.
Employee Basic*	Monthly Cost:	$ 4.08	
Retiree	Monthly Cost:	$ 6.57	51-275R, 51-403F, 51-516, 51-205, 51-575
Spouse/Child Basic	Monthly Cost:	$ 0.50	50-100

Employee/Spouse Supplemental — 50-100

Monthly Cost for Each $1,000 of Coverage
(Available in $10,000 increments)

Age	Non-Smoker	Smoker
<25	$ 0.024	$0.031
25-29	$ 0.026	$0.037
30-34	$ 0.029	$0.049
35-39	$ 0.036	$0.056
40-44	$ 0.054	$0.063
45-49	$ 0.078	$0.095
50-54	$ 0.122	$0.145
55-59	$ 0.228	$0.270
60-64	$ 0.350	$0.411
65-69	$ 0.646	$0.792
70+	$ 0.964	$1.287

Supplemental AD&D:						Pub No. 50-100	
Employee Coverage	Employee Only Cost	Employee & Dependent(s) Cost	Spouse Coverage No Children	Spouse Coverage With Children	Per Child Coverage With Spouse	Per Child Coverage 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 Plan

For State Actives, Employee Basic coverage is paid by the employer.

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

Coverage is not provided to Actives from Employer Groups, ESD's & K-12's Accepting Medical Only Package.

PEBB LONG TERM DISABILITY PLAN
Rates Paid to Plan and Charged to Subscribers
Final PEBB 2012 Rates
HCA Finance and Administration

Pub No.

Basic Plan for Actives	Monthly Cost*:	$ 2.00

Optional Plan Waiting Period	TIAA/CREF or Higher Education Academic Retirement Plan Employees	TRS, PERS, & other Retirement Plan Employees
30 days	1.86%	1.47%
60 days	0.95%	0.78%
90 days	0.52%	0.43%
120 days	0.30%	0.26%
180 days	0.23%	0.20%
240 days	0.22%	0.20%
300 days	0.20%	0.18%
360 days	0.20%	0.17%

50-100

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

PEBB Program for 2012

Additional Taxable Income for Non-Tax Qualified Dependents

Table 1: Employer Share Medical and Dental

2012 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	$ 479	$ 378	$ 857

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	$ 45	$ 45	$ 90

2012 Monthly State Contribution for Medicare Retirees (monthly state subsidy)**
Additional taxable income for non-tax qualified domestic partners

GHC Classic	$ 125
GHC Value	$ 125
GHC Medcare Only	$ 125
Kaiser Classic	$ 144
Uniform Medical Plan Classic	$ 150
Plan F Retired	$ 94
Plan F Disabled	$ 150

*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

Pub No. 50-704

State and Higher Education Active Employee Monthly Contributions (Deductions)
For Non-Tax Qualified Dependents
Final 2012 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
	$ -	$ -	$ -	$ -
Group Health Classic	$ 101	$ 212	$ 177	$ 288
Group Health Value	$ 52	$ 114	$ 91	$ 153
Group Health CDHP	$ 26	$ 62	$ 46	$ 82
Kaiser Permanente Classic	$ 89	$ 188	$ 156	$ 255
Kaiser CDHP	$ 24	$ 58	$ 42	$ 76
Uniform Medical Plan Classic	$ 82	$ 174	$ 144	$ 236
Uniform Medical Plan CDHP	$ 27	$ 64	$ 47	$ 84

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

Plan Name	Subscriber and Spouse	Subscriber	Partner
	$ -	$ -	$ -
Group Health Classic	$ 212	$ 101	$ 111
Group Health Value	$ 114	$ 52	$ 62
Group Health CDHP	$ 62	$ 26	$ 36
Kaiser Permanente Classic	$ 188	$ 89	$ 99
Kaiser CDHP	$ 58	$ 24	$ 34
Uniform Medical Plan Classic	$ 174	$ 82	$ 92
Uniform Medical Plan CDHP	$ 64	$ 27	$ 37

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

Plan Name	Full Family	Subscriber and Child(ren)	Partner
	$ -	$ -	$ -
Group Health Classic	$ 288	$ 177	$ 111
Group Health Value	$ 153	$ 91	$ 62
Group Health CDHP	$ 82	$ 46	$ 36
Kaiser Permanente Classic	$ 255	$ 156	$ 99
Kaiser CDHP	$ 76	$ 42	$ 34
Uniform Medical Plan Classic	$ 236	$ 144	$ 92
Uniform Medical Plan CDHP	$ 84	$ 47	$ 37

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

Plan Name	Full Family	Subscriber	Partner and Child(ren)
	$ -	$ -	$ -
Group Health Classic	$ 288	$ 101	$ 187
Group Health Value	$ 153	$ 52	$ 101
Group Health CDHP	$ 82	$ 26	$ 56
Kaiser Permanente Classic	$ 255	$ 89	$ 166
Kaiser CDHP	$ 76	$ 24	$ 52
Uniform Medical Plan Classic	$ 236	$ 82	$ 154
Uniform Medical Plan CDHP	$ 84	$ 27	$ 57

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
	$ -	$ -	$ -
Group Health Classic	$ 177	$ 101	$ 76
Group Health Value	$ 91	$ 52	$ 39
Group Health CDHP	$ 46	$ 26	$ 20
Kaiser Permanente Classic	$ 156	$ 89	$ 67
Kaiser CDHP	$ 42	$ 24	$ 18
Uniform Medical Plan Classic	$ 144	$ 82	$ 62
Uniform Medical Plan CDHP	$ 47	$ 27	$ 20