



Washington State Health Care Authority
Public Employees Benefits Board

P.O. Box 42684 • Olympia, Washington 98504-2684
360-725-0440 • TTY 711 • FAX 360-725-0771 • www.hca.wa.gov/pebb

August 20, 2015

TO: Anne Sinnes, State Board for Community and Technical Colleges –
Information Technology

FROM: Amy Corrigan, Manager
PEBB Outreach & Training Team

SUBJECT: Calendar Year 2016 PEBB Program Rates – Composite

Overview

The community and technical colleges' base monthly funding rate of \$840 will remain unchanged until July 1, 2016. However, due to new contracts with the health plans, the employees' monthly contributions will change effective January 1, 2016 for most plans.

Medical/Dental

The new contribution schedule is attached. The Public Employees Benefits Board (PEBB) Open enrollment is November 1 – 30, 2015. In October, employees will receive the *For Your Benefit* newsletter (mailed to the address on record or electronically if they signed up to receive it via email) with open enrollment information. This is the only notice we send employees about PEBB open enrollment. We will also post details at www.hca.wa.gov/pebb.

Premium Surcharges

The biennial budget approved by the Legislature that requires some members to pay tobacco and spousal premium surcharges beginning July 1, 2014 will remain in effect for 2016. The tobacco premium surcharge will remain at \$25 per month per account in addition to the monthly premium, regardless of the number of tobacco users in the family.

The spouse or registered domestic partner premium surcharge will remain at \$50 per month in addition to the monthly premium for subscribers who cover a spouse or registered domestic partner in PEBB medical insurance where the spouse or registered domestic partner has chosen not to enroll in their own employer-based group health insurance. Employees who cover a spouse or registered domestic partner on their 2016 medical coverage will be required to re-attest to the spouse or registered domestic partner premium surcharges during the PEBB annual open enrollment. We will share more information with you in the near future.

Life and Long Term Disability (LTD) Insurance

Employees' optional LTD rates will increase effective January 1, 2016. The increase in optional LTD is due to a need to build up the claims reserve, which prevents PEBB from subsidizing premiums at the same rate. Employee's optional life premiums will decrease effective January 1, 2016. The decrease is attributed to good claims experience. The rate schedule for life and LTD insurance is also attached.

Additional Taxable Income for Non-Tax Qualified Dependents

Certain individuals may not qualify under IRS regulations as dependents, so deduction from taxable income for benefit premiums/coverage is not appropriate. We have attached tax tables to assist you in determining additional taxable income that should be assigned to employees if the employee's contributions are made for a non-tax qualified dependent. Tables 1 and 2 provide monthly amounts for additional taxable income for non-tax qualified dependents for 2016.

Tax Treatment for Employee Payroll Contributions

Tables 3-7 provide monthly payroll employee contributions (deductions for non-tax qualified dependents). If a dependent is a non-qualified tax dependent, or is allowed late enrollment outside of the PEBB annual enrollment or because of a special open enrollment, use Tables 3-7 to determine the amount of the employee contributions to withhold on a post-tax basis for 2016.

If you have questions about the rates, please contact me at 360-725-0826, or amy.corrigan@hca.wa.gov

Enclosures

c: Gwen Grams; Stephen Lomnicki

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2016 PEBB Rate Book

State and Higher Education Active Employee Contribution with Surcharges

State Index Rate

\$487.00

	7/1/2015 through 6/30/2016	1/1/2016 through 12/31/2016				1/1/2016 through 12/31/2016			
Plan Name	Base Rate	Employee Contribution				Total: Base Rate with Employee Contribution			
		Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family	Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
Group Health Classic	\$840	\$118	\$246	\$207	\$335	\$958	\$1,086	\$1,047	\$1,175
Group Health Value	\$840	\$81	\$172	\$142	\$233	\$921	\$1,012	\$982	\$1,073
Group Health CDHP	\$840	\$22	\$54	\$39	\$71	\$862	\$894	\$879	\$911
Group Health SoundChoice	\$840	\$45	\$100	\$79	\$134	\$885	\$940	\$919	\$974
Kaiser Permanente Classic	\$840	\$144	\$298	\$252	\$406	\$984	\$1,138	\$1,092	\$1,246
Kaiser CDHP	\$840	\$29	\$68	\$51	\$90	\$869	\$908	\$891	\$930
Uniform Medical Plan Classic	\$840	\$84	\$178	\$147	\$241	\$924	\$1,018	\$987	\$1,081
Uniform Medical Plan CDHP	\$840	\$21	\$52	\$37	\$68	\$861	\$892	\$877	\$908
UMP Plus	\$840	\$59	\$128	\$103	\$172	\$899	\$968	\$943	\$1,012
Premium Surcharges									
Tobacco Premium Use Surcharge		\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Spouse Premium Waiver (AV) Surcharge		\$0	\$50	\$0	\$50	\$0	\$50	\$0	\$50

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2016 PEBB Rate Book

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

Pub No.

Employee Basic*	Monthly Cost:	\$3.89
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51-275R, 51-403F, 51-516, 51-205, 51-575

Retiree	Monthly Cost:	\$7.75
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50-100

Spouse/Child Basic	Monthly Cost:	\$0.60
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50-100

Employee/Spouse Supplemental		
Monthly Cost for Each \$1,000 of Coverage (Available in \$10,000 increments)		
Age	Non-Smoker	Smoker
<25	\$0.021	\$0.027
25-29	\$0.023	\$0.032
30-34	\$0.025	\$0.042
35-39	\$0.032	\$0.049
40-44	\$0.047	\$0.055
45-49	\$0.068	\$0.083
50-54	\$0.106	\$0.127
55-59	\$0.199	\$0.236
60-64	\$0.306	\$0.359
65-69	\$0.564	\$0.691
70+	\$0.842	\$1.124

Pub No.

Supplemental AD&D:		
Rate per Thousand \$	\$0.012	\$0.019

50-100

	Supplemental AD&D		Spouse Only Coverage		Per Child Coverage	
	Employee Only Cost	Employee & Dependent(s) Cost	Spouse No Children	Spouse With Children	With Spouse	No Spouse
Employee Coverage						
\$25,000	\$0.30	\$0.48	\$12,500	\$10,000	\$1,250	\$2,500
\$50,000	\$0.60	\$0.95	\$25,000	\$20,000	\$2,500	\$5,000
\$75,000	\$0.90	\$1.43	\$37,500	\$30,000	\$3,750	\$7,500
\$100,000	\$1.20	\$1.90	\$50,000	\$40,000	\$5,000	\$10,000
\$125,000	\$1.50	\$2.38	\$62,500	\$50,000	\$6,250	\$12,500
\$150,000	\$1.80	\$2.85	\$75,000	\$60,000	\$7,500	\$15,000
\$175,000	\$2.10	\$3.33	\$87,500	\$70,000	\$8,750	\$17,500
\$200,000	\$2.40	\$3.80	\$100,000	\$80,000	\$10,000	\$20,000
\$225,000	\$2.70	\$4.28	\$112,500	\$90,000	\$11,250	\$22,500
\$250,000	\$3.00	\$4.75	\$125,000	\$100,000	\$12,500	\$25,000

* Represents premium paid to Plan

For State Actives, Plan A 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 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.

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PEBB Long Term Disability Plan - Rates Paid to Plan and Charged to Subscribers

Basic Plan for Actives	Monthly Cost*:	\$2.10
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Optional Plan		
Waiting Period	TIAA/CREF or Higher Education Academic Retirement Plan Employees	TRS, PERS, & other Retirement Plan Employees
30 days	2.21%	1.75%
60 days	1.12%	0.93%
90 days	0.61%	0.51%
120 days	0.36%	0.31%
180 days	0.27%	0.24%
240 days	0.26%	0.23%
300 days	0.24%	0.21%
360 days	0.23%	0.20%

* Represents premium paid to plan only.

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

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Additional Taxable Income for Non-Tax Qualified Dependents

Table 1: Employer Share Medical and Dental (FMV)

2016 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	\$522	\$410	\$932
All Medical Plans + Domestic Partner Surcharge, if applicable	\$572	Not Applicable	\$982

Table 2: Employer Share Dental Only (FMV)

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

2016 Monthly State Contribution for Medicare Retirees (monthly state subsidy)**

Additional taxable income for non-tax qualified domestic partners

Group Health Classic	
Group Health Value	
Group Health CDHP	
Group Health SoundChoice	
Group Health Medicare Only	\$130
Kaiser Permanente Classic	\$150
Kaiser CDHP	
Uniform Medical Plan Classic	\$150
Uniform Medical Plan CDHP	
UMP Plus	
Plan F Retired	\$104
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

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State and Higher Education Active Employee Monthly Contributions (Deductions) for Non-Tax Qualified Dependents

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	\$118	\$246	\$207	\$335
Group Health Value	\$81	\$172	\$142	\$233
Group Health CDHP	\$22	\$54	\$39	\$71
Group Health SoundChoice	\$45	\$100	\$79	\$134
Kaiser Permanente Classic	\$144	\$298	\$252	\$406
Kaiser CDHP	\$29	\$68	\$51	\$90
Uniform Medical Plan Classic	\$84	\$178	\$147	\$241
Uniform Medical Plan CDHP	\$21	\$52	\$37	\$68
UMP Plus	\$59	\$128	\$103	\$172

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

Plan Name	Subscriber and Spouse	Subscriber	Partner
Group Health Classic	\$246	\$118	\$128
Group Health Value	\$172	\$81	\$91
Group Health CDHP	\$54	\$22	\$32
Group Health SoundChoice	\$100	\$45	\$55
Kaiser Permanente Classic	\$298	\$144	\$154
Kaiser CDHP	\$68	\$29	\$39
Uniform Medical Plan Classic	\$178	\$84	\$94
Uniform Medical Plan CDHP	\$52	\$21	\$31
UMP Plus	\$128	\$59	\$69

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	\$335	\$118	\$217
Group Health Value	\$233	\$81	\$152
Group Health CDHP	\$71	\$22	\$49
Group Health SoundChoice	\$134	\$45	\$89
Kaiser Permanente Classic	\$406	\$144	\$262
Kaiser CDHP	\$90	\$29	\$61
Uniform Medical Plan Classic	\$241	\$84	\$157
Uniform Medical Plan CDHP	\$68	\$21	\$47
UMP Plus	\$172	\$59	\$113

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

Plan Name	Full Family	Subscriber and Child(ren)	Partner
Group Health Classic	\$335	\$207	\$128
Group Health Value	\$233	\$142	\$91
Group Health CDHP	\$71	\$39	\$32
Group Health SoundChoice	\$134	\$79	\$55
Kaiser Permanente Classic	\$406	\$252	\$154
Kaiser CDHP	\$90	\$51	\$39
Uniform Medical Plan Classic	\$241	\$147	\$94
Uniform Medical Plan CDHP	\$68	\$37	\$31
UMP Plus	\$172	\$103	\$69

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	\$207	\$118	\$89
Group Health Value	\$142	\$81	\$61
Group Health CDHP	\$39	\$22	\$17
Group Health SoundChoice	\$79	\$45	\$34
Kaiser Permanente Classic	\$252	\$144	\$108
Kaiser CDHP	\$51	\$29	\$22
Uniform Medical Plan Classic	\$147	\$84	\$63
Uniform Medical Plan CDHP	\$37	\$21	\$16
UMP Plus	\$103	\$59	\$44