



Washington State Health Care Authority
Public Employees Benefits Board

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TO: Personnel, Payroll and Insurance Offices of School Districts and ESDs

FROM: Susanne Ames, Budget and Rates Manager
Finance and Budget Office

SUBJECT: Revised Fiscal Year 2004 PEBB Program Rates (Composite Rates)

The state agencies and higher education institutions total base rate of \$504.89, the basis for the composite rates, will remain unchanged until July 1, 2004. **However, the employee monthly contributions will be changing effective January 1, 2004 based on new contracts with health plans.** We have enclosed a revised composite active rates for K-12 and ESDs Composite Rates Schedule with this letter detailing the changes by plan.

As you are aware, if an employee's same-sex domestic partner or the partner's child(ren) do not qualify as an IRS dependent, a portion of the premium employers pay toward the family's coverage is considered taxable income to the employee. In an effort to assist you, we have included examples of how the state calculates these amounts for state agency personnel. **These tables should only be used as a template in developing calculations that are based on your employer contribution rate** and for use if you have a section 125 plan in place to allow employee premium dollars to be treated as pre-tax deduction.

Please call Astrid Pearson, at (360) 923-2810 if you have any questions regarding grandfathered composite rates.

For tax questions on same sex domestic partner contributions, contact your organization's tax consultant.

SA:ap

Enclosures

cc: Jayne Wallace
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**Composite Active Rates for ESDs/K-12 School Districts
(for 1/1/04 through 6/30/04 only)**

Final 2004 PEBB Bid Rates

HCA Finance and Administration

Plan Name	Jan 1, 2004 June 30, 2004 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
CHPWA	\$504.89	\$ 41.00	\$ 92.00	\$ 72.00	\$ 123.00	\$545.89	\$596.89	\$576.89	\$627.89
Group Health Cooperative of Puget Sound	\$504.89	\$ 43.00	\$ 96.00	\$ 75.00	\$ 128.00	\$547.89	\$600.89	\$579.89	\$632.89
Group Health Options Inc.	\$504.89	\$ 61.00	\$ 132.00	\$ 106.00	\$ 177.00	\$565.89	\$636.89	\$610.89	\$681.89
Kaiser Foundation Health Plan of the NW	\$504.89	\$ 32.00	\$ 75.00	\$ 56.00	\$ 99.00	\$536.89	\$579.89	\$560.89	\$603.89
PacifiCare of Washington, Inc	\$504.89	\$ 80.00	\$ 170.00	\$ 140.00	\$ 230.00	\$584.89	\$674.89	\$644.89	\$734.89
RegenceCare	\$504.89	\$ 81.00	\$ 172.00	\$ 142.00	\$ 232.00	\$585.89	\$676.89	\$646.89	\$736.89
Uniform Medical Plan PPO	\$504.89	\$ 29.00	\$ 68.00	\$ 51.00	\$ 90.00	\$533.89	\$572.89	\$555.89	\$594.89
UMP Neighborhood*	\$504.89	\$ 19.00	\$ 49.00	\$ 34.00	\$ 63.00	\$523.89	\$553.89	\$538.89	\$567.89

PEBB Program for 2004

Additional Taxable Income for Non-Tax Qualified Domestic Partners

Table 1: Employer Share Medical and Dental

**2004 Monthly State Premium Contribution for Medical and Dental for Active Employees
Additional Taxable Income for Non-Tax Qualified Dependents' coverage***

MEDICAL PLAN	Coverage for DOMESTIC PARTNER*	Coverage for CHILD(REN)*	Coverage for DOMESTIC PARTNER, CHILD(REN)*
All Medical Plans	\$315	\$253	\$568

Table 2: Employer Share Dental Only

Sample chart for dental only enrollment-taxable amount for dependents

DENTAL PLAN	Coverage for DOMESTIC PARTNER*	Coverage for CHILD(REN)*	Coverage for DOMESTIC PARTNER, CHILD(REN)*
All Dental Plans	\$35	\$35	\$70

2004 Monthly State Contribution for Medicare Retirees (monthly state subsidy)
Additional taxable income for non-tax qualified domestic partners**

Medical Supplement Plan E	\$49
Kaiser	\$100
PacifiCare	\$102
All other plans	\$102

*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 Spouses and Dependents (Same Sex Domestic Partners)
 Final 2004 PEBB Rates-HCA Finance and Administration

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

Plan Name	Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
CHPWA	\$ 41	\$ 92	\$ 72	\$ 123
Group Health Cooperative of Puget Sound	\$ 43	\$ 96	\$ 75	\$ 128
Group Health Options Inc.	\$ 61	\$ 132	\$ 106	\$ 177
Kaiser Foundation Health Plan of the NW	\$ 32	\$ 75	\$ 56	\$ 99
PacifiCare of Washington, Inc	\$ 80	\$ 170	\$ 140	\$ 230
RegenceCare	\$ 81	\$ 172	\$ 142	\$ 232
Uniform Medical Plan PPO	\$ 29	\$ 68	\$ 51	\$ 90
Uniform Neighborhood	\$ 19	\$ 49	\$ 34	\$ 63

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

Plan Name	Subscriber and Spouse	Subscriber	Partner
CHPWA	\$ 92	\$ 41	\$ 51
Group Health Cooperative of Puget Sound	\$ 96	\$ 43	\$ 53
Group Health Options Inc.	\$ 132	\$ 61	\$ 71
Kaiser Foundation Health Plan of the NW	\$ 75	\$ 32	\$ 43
PacifiCare of Washington, Inc	\$ 170	\$ 80	\$ 90
RegenceCare	\$ 172	\$ 81	\$ 91
Uniform Medical Plan PPO	\$ 68	\$ 29	\$ 39
Uniform Neighborhood	\$ 49	\$ 19	\$ 30

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

Plan Name	Full Family	Subscriber	Partner and Child(ren)
CHPWA	\$123	\$41	\$82
Group Health Cooperative of Puget Sound	\$128	\$43	\$85
Group Health Options Inc.	\$177	\$61	\$116
Kaiser Foundation Health Plan of the NW	\$99	\$32	\$67
PacifiCare of Washington, Inc	\$230	\$80	\$150
RegenceCare	\$232	\$81	\$151
Uniform Medical Plan PPO	\$90	\$29	\$61
Uniform Neighborhood	\$63	\$19	\$44

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

Plan Name	Full Family	Subscriber and Child(ren)	Partner
CHPWA	\$123	\$72	\$51
Group Health Cooperative of Puget Sound	\$128	\$75	\$53
Group Health Options Inc.	\$177	\$106	\$71
Kaiser Foundation Health Plan of the NW	\$99	\$56	\$43
PacifiCare of Washington, Inc	\$230	\$140	\$90
RegenceCare	\$232	\$142	\$90

Table 7: Monthly Pre-Tax Employee Contributions

Plan Name	Subscriber and Child(ren)	Subscriber	Employee's Children
CHPWA	\$72	\$41	\$31
Group Health Cooperative of Puget Sound	\$75	\$43	\$32
Group Health Options Inc.	\$106	\$61	\$45
Kaiser Foundation Health Plan of the NW	\$56	\$32	\$24
PacifiCare of Washington, Inc	\$140	\$80	\$60
RegenceCare	\$142	\$81	\$61

Uniform Medical Plan PPO	\$90	\$51	\$39
Uniform Neighborhood	\$63	\$34	\$29

Uniform Medical Plan PPO	\$51	\$29	\$22
Uniform Neighborhood	\$34	\$19	\$15