



Washington State Health Care Authority
Public Employees Benefits Board

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August 21, 2014

TO: PEBB Participating Commodity Commissions

FROM: Amy Corrigan, Manager
PEBB Outreach & Training Team

SUBJECT: Calendar Year 2015 Program Rates – Composite

Overview

The monthly employer base rate for health care contributions for fiscal year 2015 is currently \$662 per subscriber. This rate will remain in effect until July 1, 2015. However, due to new contracts with the health plans, the employees' monthly contributions will change as of January 1, 2015.

Medical/Dental

The new contribution schedule is attached. Open enrollment is November 1 – November 30, 2014. In October, employees will receive the *For Your Benefit* newsletter with open enrollment information. This newsletter is the only notice we send employees about open enrollment. We will also post details at www.hca.wa.gov/pebb before the start of open enrollment.

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 2015. The tobacco premium surcharge will remain at \$25 per month in addition to the monthly premium, regardless of the number of tobacco users in the family. The spouse/partner premium surcharge will remain at \$50 per month in addition to the monthly premium for subscribers who cover a spouse or state-registered domestic partner in PEBB medical insurance where the spouse or domestic partner has chosen not to enroll in their own employer-sponsored health insurance. Due to the change in PEBB medical premiums for 2015, employees who cover a spouse or domestic partner on their 2015 medical coverage will be required to re-attest to the spouse or domestic partner premium surcharges during the PEBB annual open enrollment.

Life and LTD Insurance

Employees' optional life and LTD rates will increase effective January 1, 2015. The increase in optional life is due to the excess reserves that have kept these premiums low since 2011 being spent. The optional LTD increase is due to the plan change to eliminate the gap between the end of LTD insurance benefits and the beginning of a member's Social Security entitlement date. 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 2015.

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 an annual or special open enrollment, use Tables 3-7 to determine the amount of the employee contributions to withhold on a post-tax basis for 2015.

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

Attachments

c: Janice Baumgardt

Washington State Health Care Authority
2015 PEBB Rate Book

State and Higher Education Active Employee Contribution with Surcharges

State Index Rate \$488.00

	Employee Contribution			
	Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
Excluding Tobacco and Spouse Waiver Surcharges				
Group Health Classic	\$107	\$224	\$187	\$304
Group Health Value	\$75	\$160	\$131	\$216
Group Health CDHP	\$26	\$62	\$46	\$82
Kaiser Permanente Classic	\$125	\$260	\$219	\$354
Kaiser CDHP	\$35	\$80	\$61	\$106
Uniform Medical Plan Classic	\$84	\$178	\$147	\$241
Uniform Medical Plan CDHP	\$31	\$72	\$54	\$95

Surcharges

Tobacco Use Surcharge	\$25	\$25	\$25	\$25
Spouse Waiver (AV) Surcharge	\$0	\$50	\$0	\$50

Washington State Health Care Authority

2015 PEBB Rate Book

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

Employee Basic*	Monthly Cost:	\$4.02
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Retiree	Monthly Cost:	\$7.78
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Spouse/Child Basic	Monthly Cost:	\$0.62
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Pub No.

51-275R, 51-403F, 51-516, 51-205, 51-575

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Employee/Spouse Supplemental		
Monthly Cost for Each \$1,000 of Coverage (Available in \$10,000 increments)		
Age	Non-Smoker	Smoker
<25	\$0.029	\$0.038
25-29	\$0.032	\$0.045
30-34	\$0.035	\$0.059
35-39	\$0.044	\$0.068
40-44	\$0.066	\$0.076
45-49	\$0.095	\$0.115
50-54	\$0.148	\$0.176
55-59	\$0.277	\$0.328
60-64	\$0.425	\$0.499
65-69	\$0.784	\$0.961
70+	\$1.170	\$1.562

Supplemental AD&D:		Pub No.				
Rate per Thousand \$	\$0.019	\$0.029	50-100			
	Employee & Dependent(s) Cost		Spouse Only Coverage			
	Employee Only Cost		Spouse No Children			
			Spouse With Children			
			Per Child Coverage			
			With Spouse	No Spouse		
\$25,000	\$0.48	\$0.73	\$12,500	\$10,000	\$1,250	\$2,500
\$50,000	\$0.95	\$1.45	\$25,000	\$20,000	\$2,500	\$5,000
\$75,000	\$1.43	\$2.18	\$37,500	\$30,000	\$3,750	\$7,500
\$100,000	\$1.90	\$2.90	\$50,000	\$40,000	\$5,000	\$10,000
\$125,000	\$2.38	\$3.63	\$62,500	\$50,000	\$6,250	\$12,500
\$150,000	\$2.85	\$4.35	\$75,000	\$60,000	\$7,500	\$15,000
\$175,000	\$3.33	\$5.08	\$87,500	\$70,000	\$8,750	\$17,500
\$200,000	\$3.80	\$5.80	\$100,000	\$80,000	\$10,000	\$20,000
\$225,000	\$4.28	\$6.53	\$112,500	\$90,000	\$11,250	\$22,500
\$250,000	\$4.75	\$7.25	\$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.

Washington State Health Care Authority

2015 PEBB Rate Book

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

Pub No.

Basic Plan for Actives

Monthly Cost*:

\$2.10

Optional Plan

Waiting Period	TIAA/CREF or Higher Education Academic Retirement Plan Employees	TRS, PERS, & other Retirement Plan Employees
30 days	1.95%	1.54%
60 days	1.00%	0.82%
90 days	0.55%	0.45%
120 days	0.32%	0.27%
180 days	0.24%	0.21%
240 days	0.23%	0.21%
300 days	0.21%	0.19%
360 days	0.21%	0.18%

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* Represents premium paid to plan only.

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

Washington State Health Care Authority

2015 PEBB Rate Book

Additional Taxable Income for Non-Tax Qualified Dependents

Table 1: Employer Share Medical and Dental

2014 Monthly State Premium Contribution for Medical and Dental for Active Employees

Additional Taxable Income for Non-Tax Qualified Dependent Coverage

		Subscriber's or Partner's Child(ren)*	Partner and Child(ren)*
MEDICAL AND DENTAL PLAN	Partner*		
All Medical Plans	\$523.00	\$411.00	\$934.00

Table 2: Employer Share Dental Only

Sample chart for dental only enrollment-taxable amount for dependents

		Subscriber's or Partner's Child(ren)*	Partner and Child(ren)*
DENTAL PLAN	Partner*		
All Dental Plans	\$45.00	\$45.00	\$90.00

2015 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 Medicare Only	\$142.00
Kaiser Permanente Classic	\$147.00
Kaiser CDHP	
Uniform Medical Plan Classic	\$150.00
Uniform Medical Plan CDHP	
Plan F Retired	\$104.00
Plan F Disabled	\$150.00

*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

Washington State Health Care Authority

2015 PEBB Rate Book

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	\$107.00	\$224.00	\$187.00	\$304.00
Group Health Value	\$75.00	\$160.00	\$131.00	\$216.00
Group Health CDHP	\$26.00	\$62.00	\$46.00	\$82.00
Kaiser Permanente Classic	\$125.00	\$260.00	\$219.00	\$354.00
Kaiser CDHP	\$35.00	\$80.00	\$61.00	\$106.00
Uniform Medical Plan Classic	\$84.00	\$178.00	\$147.00	\$241.00
Uniform Medical Plan CDHP	\$31.00	\$72.00	\$54.00	\$95.00

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

Plan Name	Subscriber and Spouse	Subscriber	Partner
Group Health Classic	\$224.00	\$107.00	\$117.00
Group Health Value	\$160.00	\$75.00	\$85.00
Group Health CDHP	\$62.00	\$26.00	\$36.00
Kaiser Permanente Classic	\$260.00	\$125.00	\$135.00
Kaiser CDHP	\$80.00	\$35.00	\$45.00
Uniform Medical Plan Classic	\$178.00	\$84.00	\$94.00
Uniform Medical Plan CDHP	\$72.00	\$31.00	\$41.00

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	\$304.00	\$107.00	\$197.00
Group Health Value	\$216.00	\$75.00	\$141.00
Group Health CDHP	\$82.00	\$26.00	\$56.00
Kaiser Permanente Classic	\$354.00	\$125.00	\$229.00
Kaiser CDHP	\$106.00	\$35.00	\$71.00
Uniform Medical Plan Classic	\$241.00	\$84.00	\$157.00
Uniform Medical Plan CDHP	\$95.00	\$31.00	\$64.00

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

Plan Name	Full Family	Subscriber and Child(ren)	Partner
Group Health Classic	\$304.00	\$187.00	\$117.00
Group Health Value	\$216.00	\$131.00	\$85.00
Group Health CDHP	\$82.00	\$46.00	\$36.00
Kaiser Permanente Classic	\$354.00	\$219.00	\$135.00
Kaiser CDHP	\$106.00	\$61.00	\$45.00
Uniform Medical Plan Classic	\$241.00	\$147.00	\$94.00
Uniform Medical Plan CDHP	\$95.00	\$54.00	\$41.00

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	\$187.00	\$107.00	\$80.00
Group Health Value	\$131.00	\$75.00	\$56.00
Group Health CDHP	\$46.00	\$26.00	\$20.00
Kaiser Permanente Classic	\$219.00	\$125.00	\$94.00
Kaiser CDHP	\$61.00	\$35.00	\$26.00
Uniform Medical Plan Classic	\$147.00	\$84.00	\$63.00
Uniform Medical Plan CDHP	\$54.00	\$31.00	\$23.00