



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 21, 2014

TO: Personnel, Payroll, and Insurance Offices of Employer Groups
(Political Subdivisions)

FROM: Amy Corrigan, Manager
PEBB Outreach & Training Team

SUBJECT: Calendar Year 2015 Program Rates – Composite

The total premium due from your agency will change effective January 1, 2015.

The base rate of \$662, the majority of the basis for the composite rates, will remain unchanged until July 1, 2015. However, total monthly premiums will change due to new contracts with the health plans.

Medical/Dental

The new contribution schedule is attached. Employer Groups have the option to determine how much of the total premium employees are required to pay. 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. Details will also be available on the PEBB website at www.hca.wa.gov/pebb before the start of open enrollment. Employees who make an online plan change using E-Coverage will not see a premium rate. Instead, a pop-up box will prompt them to contact their personnel or payroll office. To support their decisions, you may want to distribute information regarding how much your employees are expected to pay in 2015 for monthly premiums before open enrollment so they can have it available when making a plan selection.

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.

August 21, 2014

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

If you have an IRS Section 125 Plan that allows employee premium dollars to be treated as a pre-tax deduction, a portion of the premium employers pay toward the family's coverage is considered taxable income to the employee if the employee has dependents enrolled who do not qualify as an IRS tax dependent. To assist you, we have included examples of how the state calculates these amounts for state agency personnel [Tables 1-7]. These tables should only be used as a template in developing calculations that are based on your employer contribution rate.

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

Enclosures

c: Janice Baumgardt

Washington State Health Care Authority
2015 PEBB Rate Book

Composite Active Rates for Employer Groups (for January through June 2015 only)

Excluding Tobacco and Spouse Waiver (AV) Surcharges

Group Health Classic
 Group Health Value
 Group Health CDHP
 Kaiser Permanente Classic
 Kaiser CDHP
 Uniform Medical Plan Classic
 Uniform Medical Plan CDHP

Total Premium: January - June 2015			
Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
\$769.00	\$886.00	\$849.00	\$966.00
\$737.00	\$822.00	\$793.00	\$878.00
\$688.00	\$724.00	\$708.00	\$744.00
\$787.00	\$922.00	\$881.00	\$1,016.00
\$697.00	\$742.00	\$723.00	\$768.00
\$746.00	\$840.00	\$809.00	\$903.00
\$693.00	\$734.00	\$716.00	\$757.00

Surcharges

Tobacco Use Surcharge
 Spouse Waiver (AV) Surcharge

\$25.00	\$25.00	\$25.00	\$25.00
\$0.00	\$50.00	\$0.00	\$50.00

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
------------------------	---------------	--------

Retiree	Monthly Cost:	\$7.78
----------------	---------------	--------

Spouse/Child Basic	Monthly Cost:	\$0.62
---------------------------	---------------	--------

Pub No.

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

50-100

50-100

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
Employee Coverage				
\$25,000	\$0.48	\$0.73	\$12,500	\$10,000
\$50,000	\$0.95	\$1.45	\$25,000	\$20,000
\$75,000	\$1.43	\$2.18	\$37,500	\$30,000
\$100,000	\$1.90	\$2.90	\$50,000	\$40,000
\$125,000	\$2.38	\$3.63	\$62,500	\$50,000
\$150,000	\$2.85	\$4.35	\$75,000	\$60,000
\$175,000	\$3.33	\$5.08	\$87,500	\$70,000
\$200,000	\$3.80	\$5.80	\$100,000	\$80,000
\$225,000	\$4.28	\$6.53	\$112,500	\$90,000
\$250,000	\$4.75	\$7.25	\$125,000	\$100,000

* 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%

50-100

* 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