



Washington State Health Care Authority
Public Employees Benefits Board

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August 21, 2014

TO: Personnel, Payroll, and Insurance Offices of K-12 School Districts and ESDs

FROM: Amy Corrigan, Manager
PEBB Outreach & Training Team

SUBJECT: Calendar Year 2015 PEBB Program Rates – Composite

Due to new contracts with the health plans, the total premium due from K-12 and Educational Service Districts (ESD) will change effective January 1, 2015. The base rate of \$662, the majority of the basis for the composite rates, will remain unchanged until September 1, 2015. As you may know, K-12s and ESDs have the option to determine how much of the total premium employees are required to pay.

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.

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.

Open enrollment is November 1 – November 30, 2014. In October, employees will receive the *For Your Benefit* newsletter. This newsletter is the only notice we send employees about open enrollment. Details will also be available at www.hca.wa.gov/pebb before the start of open enrollment.

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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 before open enrollment regarding how much your employees are expected to pay in 2015.

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 the rates, please contact me at 360-725-0826, or amy.corrigan@hca.wa.gov.

Enclosures

c: Janice Baumgardt

**Composite Active Rates for ESD's/K-12 School Districts
(for 1/01/15 through 8/31/15 only)**

2015 PEBB Bid Rates
HCA Financial Services

	01/01/15 through 08/31/15	01/01/15 through 8/31/15			
Plan Name	Base Rate	Total Premium			
		Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
Group Health Classic	\$ 662.00	\$ 769.00	\$ 886.00	\$ 849.00	\$ 966.00
Group Health Value	\$ 662.00	\$ 737.00	\$ 822.00	\$ 793.00	\$ 878.00
Group Health CDHP	\$ 662.00	\$ 688.00	\$ 724.00	\$ 708.00	\$ 744.00
Kaiser Permanente Classic	\$ 662.00	\$ 787.00	\$ 922.00	\$ 881.00	\$ 1,016.00
Kaiser CDHP	\$ 662.00	\$ 697.00	\$ 742.00	\$ 723.00	\$ 768.00
Uniform Medical Plan Classic	\$ 662.00	\$ 746.00	\$ 840.00	\$ 809.00	\$ 903.00
Uniform Medical Plan CDHP	\$ 662.00	\$ 693.00	\$ 734.00	\$ 716.00	\$ 757.00

The following surcharges will be applied to employees who attested "yes" or do not attest to tobacco use and spouse premium surcharges

Tobacco Use Surcharge	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Spouse Surcharge		\$ 50.00		\$ 50.00

Base rate is due to HCA when an employee chooses to waive medical	\$ 662.00	\$ 662.00	\$ 662.00	\$ 662.00
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State and Higher Education Breakdown of Employer (base rate) and Employee Contributions

	01/01/15 through 8/31/15	01/01/15 through 12/31/15			
Plan Name	Base Rate	Employee Contributions			
		Subscriber	Subscriber and Spouse	Subscriber and Child(ren)	Full Family
Group Health Classic	\$ 662.00	\$ 107.00	\$ 224.00	\$ 187.00	\$ 304.00
Group Health Value	\$ 662.00	\$ 75.00	\$ 160.00	\$ 131.00	\$ 216.00
Group Health CDHP	\$ 662.00	\$ 26.00	\$ 62.00	\$ 46.00	\$ 82.00
Kaiser Permanente Classic	\$ 662.00	\$ 125.00	\$ 260.00	\$ 219.00	\$ 354.00
Kaiser CDHP	\$ 662.00	\$ 35.00	\$ 80.00	\$ 61.00	\$ 106.00
Uniform Medical Plan Classic	\$ 662.00	\$ 84.00	\$ 178.00	\$ 147.00	\$ 241.00
Uniform Medical Plan CDHP	\$ 662.00	\$ 31.00	\$ 72.00	\$ 54.00	\$ 95.00

The following surcharges will be applied to employees who attested "yes" or do not attest to tobacco use and spouse premium surcharges

Tobacco Use Surcharge	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Spouse Surcharge		\$ 50.00		\$ 50.00

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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

50-100

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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.

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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.

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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

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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	\$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