



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: PEBB Participating Commodity Commissions

FROM: Amy Corrigan, Manager
PEBB Outreach & Training Team

SUBJECT: Calendar Year 2016 Program Rates – Composite

Overview

The monthly employer base rate for health care contributions for fiscal year 2016 is \$840 per subscriber. This rate will remain in effect until July 1, 2016. However, due to new contracts with the health plans, the employees' monthly contributions for most plans will change as of January 1, 2016.

Medical/Dental

The new contribution schedule is attached. 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 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 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 (November 1-30). 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

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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 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 2016.

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

Attachments

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

| | | |
|------------------------|---------------|--------|
| Employee Basic* | Monthly Cost: | \$3.89 |
|------------------------|---------------|--------|

| | | |
|----------------|---------------|--------|
| Retiree | Monthly Cost: | \$7.75 |
|----------------|---------------|--------|

| | | |
|---------------------------|---------------|--------|
| Spouse/Child Basic | Monthly Cost: | \$0.60 |
|---------------------------|---------------|--------|

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 | \$0.021 | \$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 |

| Supplemental AD&D: | | | Pub No. | | | |
|-------------------------------|--------------------|------------------------------|----------------------|----------------------|--------------------|-----------|
| Rate per Thousand \$ | \$0.012 | \$0.019 | 50-100 | | | |
| | | | 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 |
|-------------------------------|-----------------------|---------------|

| 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 |