



Washington State Health Care Authority  
*Public Employees Benefits Board*

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August 20, 2015

TO: Benefits Office of University of Washington, Central Washington University, Eastern Washington University, The Evergreen State College, Washington State University, and Western Washington University

FROM: Amy Corrigan, Manager  
PEBB Outreach & Training Team

SUBJECT: Calendar Year 2016 PEBB Program Rates – Composite

Overview

The higher education institutions' monthly base funding rate of \$840 will remain unchanged until July 1, 2016. However, due to new contracts with the health plans, the employees' monthly contributions will change effective January 1, 2016 for most plans.

Medical/Dental

The new contribution schedule is attached. The Public Employees Benefits Board (PEBB) 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 get it via email). This is the only notice we send employees about the PEBB open enrollment. Information will also be available at [www.hca.wa.gov/pebb](http://www.hca.wa.gov/pebb) before the start of the PEBB 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. We will share more information with you in the near future.

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#### 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 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 an individual who is not the employee's spouse or dependent child. 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 the PEBB annual open enrollment or when a special open enrollment occurs, 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](mailto:amy.corrigan@hca.wa.gov).

Enclosures

c: Gwen Grams; Stephen Lomnicki

**Washington State Health Care Authority**

**2016 PEBB Rate Book**

State and Higher Education Active Employee Contribution with Surcharges

State Index Rate

\$487.00

|                                      | 7/1/2015<br>through<br>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<br>and Spouse | Subscriber<br>and Child(ren) | Full Family | Subscriber                                  | Subscriber<br>and Spouse | Subscriber<br>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     |
| <b>Premium Surcharges</b>            |                                  |                             |                          |                              |             |   |                          |                              |             |
| 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        |

**Washington State Health Care Authority**

**2016 PEBB Rate Book**

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

|                        |               |        |
|------------------------|---------------|--------|
| <b>Employee Basic*</b> | Monthly Cost: | \$3.89 |
|------------------------|---------------|--------|

|                |               |        |
|----------------|---------------|--------|
| <b>Retiree</b> | Monthly Cost: | \$7.75 |
|----------------|---------------|--------|

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

Pub No.

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

50-100

50-100

| <b>Employee/Spouse Supplemental</b><br>Monthly Cost for Each \$1,000 of Coverage<br>(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 |

| <b>Supplemental AD&amp;D:</b> |                    |                              | 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.

**Washington State Health Care Authority****2016 PEBB Rate Book**

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

|                               |                       |               |
|-------------------------------|-----------------------|---------------|
| <b>Basic Plan for Actives</b> | <b>Monthly Cost*:</b> | <b>\$2.10</b> |
|-------------------------------|-----------------------|---------------|

| <b>Optional Plan</b> |  |  |
|----------------------|--|--|
| Waiting Period       | TIAA/CREF or Higher Education<br>Academic Retirement Plan<br>Employees | TRS, PERS, & other<br>Retirement Plan<br>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.

**Washington State Health Care Authority****2016 PEBB Rate Book****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

| <b>MEDICAL AND DENTAL PLAN</b>                                | <b>Partner*</b> | <b>Subscriber's or Partner's Child(ren)*</b> | <b>Partner and Child(ren)*</b> |
|---|-----------------|--|--------------------------------|
| 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

| <b>DENTAL PLAN</b> | <b>Partner*</b> | <b>Subscriber's or Partner's Child(ren)*</b> | <b>Partner and Child(ren)*</b> |
|--------------------|-----------------|--|--------------------------------|
| 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

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**2016 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         | \$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 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 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 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               |