



Washington State Health Care Authority  
*Public Employees Benefits Board*

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September 13, 2016

TO: Personnel, Payroll, and Benefits Offices of Other PEBB Employer Groups  
FROM: Amy Corrigan, Manager  
PEBB Outreach & Training Team  
SUBJECT: Fiscal Year 2017 Program Rates – Composite

**Overview**

The monthly base rate of \$888 per eligible employee for health care contributions for fiscal year 2017 will remain unchanged until July 1, 2017.

**Medical/Dental Insurance**

Based on new contracts with the health plans, the revised rates for medical and dental coverage effective January 1, 2017 are attached. As the employer, you determine the portion of the total premium your employees are required to pay.

**PEBB Program Annual Open Enrollment**

The Public Employees Benefits Board (PEBB) Program open enrollment is November 1 – 30. In October, the PEBB Program will mail the *For Your Benefit* newsletter to employees at the address on record or send it electronically to those who subscribe to the email subscription. This is the only notice the PEBB Program will send to employees about open enrollment. Information will be available on the PEBB Program website at [www.hca.wa.gov/pebb](http://www.hca.wa.gov/pebb) before the start of the PEBB Program open enrollment.

Employees who make an online plan change using *My Account* will not see a premium rate. Instead, a pop-up box will prompt them to contact their personnel, payroll or benefits office. To support their decisions and address the questions they may have, you may want to distribute information to your employees before the PEBB Program open enrollment starts regarding premiums they are expected to pay for 2017.

**Premium Surcharges**

The biennial budget approved by the Legislature requires some members pay a tobacco use and spousal coverage premium surcharge.

The tobacco use 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 state-registered domestic partner coverage 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 state-registered

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domestic partner has chosen not to enroll in their own employer-based group health insurance that is comparable to the Uniform Medical Plan (UMP) Classic.

Employees who cover a spouse or state-registered domestic partner on their 2017 medical coverage and who previously attested "Yes", "No" to question number 6, "No" or did not attest in 2016 will be required to attest to the spouse or state-registered domestic partner coverage premium surcharge during the PEBB Program annual open enrollment for 2017 plan year coverage.

#### **Life and Long-Term Disability (LTD) Insurance**

As part of the PEBB Program's commitment to provide competitive benefits to our members, we are contracting with MetLife as our new life insurance carrier starting with the 2017 plan year. The employer paid basic life insurance benefit will increase from \$25,000 to \$35,000. The employer paid accidental death and dismemberment benefits will remain at \$5,000. ***All employees – even those not currently enrolled in supplemental life insurance – will have an opportunity to enroll in or increase their life insurance up to the new guaranteed issue amount of \$500,000 without medical underwriting.*** Their new elected coverage will begin on January 1, 2017. More information will be available prior to open enrollment.

Employees' optional LTD rates will increase effective January 1, 2017. The increase in optional LTD is because the Claims Fluctuation Reserves (CFR's) have been subsidizing premiums, but we no longer have excess funds in the CFRs for subsidies.

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](mailto:amy.corrigan@hca.wa.gov).

Enclosures

c: Stephen Lee

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Composite Active Rates for Other PEBB Employer Groups (for January 2017 through June 2017 only)

<b>Plan Name</b>	<b>Subscriber</b>	<b>Subscriber and Spouse</b>	<b>Subscriber and Child(ren)</b>	<b>Full Family</b>
Group Health Classic	\$1,035	\$1,192	\$1,145	\$1,302
Group Health Value	\$957	\$1,036	\$1,009	\$1,088
Group Health CDHP	\$913	\$948	\$932	\$967
Group Health SoundChoice	\$934	\$990	\$969	\$1,025
Kaiser Permanente Classic	\$1,019	\$1,160	\$1,117	\$1,258
Kaiser CDHP	\$914	\$950	\$934	\$970
Uniform Medical Plan Classic	\$982	\$1,086	\$1,053	\$1,157
Uniform Medical Plan CDHP	\$913	\$948	\$932	\$967
UMP Plus	\$954	\$1,030	\$1,004	\$1,080

Medical Waived	\$888	\$888	\$888	\$888
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<b>Premium Surcharges</b>				
Tobacco Use Surcharge	\$25	\$25	\$25	\$25
Spouse Waiver (AV) Surcharge	\$0	\$50	\$0	\$50

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

<b>Employee Basic*</b>	Monthly Cost:	\$3.96
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<b>Employee Optional</b> Monthly Cost for Each \$1,000 of Coverage (Available in \$10,000 increments)		
Age	Non-Smoker	Smoker
<25	\$0.028	\$0.037
25-29	\$0.031	\$0.043
30-34	\$0.034	\$0.057
35-39	\$0.043	\$0.066
40-44	\$0.064	\$0.073
45-49	\$0.092	\$0.111
50-54	\$0.143	\$0.170
55-59	\$0.268	\$0.317
60-64	\$0.411	\$0.482
65-69	\$0.758	\$0.929
70+	\$1.131	\$1.510

<b>Spouse/Registered Domestic Partner Life</b> Monthly Cost for Each \$1,000 of Coverage (Up to 50% of Employee Optional in \$5,000 increments)		
Age	Non-Smoker	Smoker
<25	\$0.028	\$0.037
25-29	\$0.031	\$0.043
30-34	\$0.034	\$0.057
35-39	\$0.043	\$0.066
40-44	\$0.064	\$0.073
45-49	\$0.092	\$0.111
50-54	\$0.143	\$0.170
55-59	\$0.268	\$0.317
60-64	\$0.411	\$0.482
65-69	\$0.758	\$0.929
70+	\$1.131	\$1.510

<b>Child Life</b> Monthly Cost for Each \$1,000 of Coverage (Available in \$5,000 increments)	
Age 2 weeks - 26 years	\$0.124

<b>Employee Optional AD&amp;D</b> Monthly Cost for Each \$1,000 of Coverage (Available in \$10,000 increments)	
Cost per \$1,000	\$0.019

<b>Spouse/Registered Domestic Partner AD&amp;D</b> Monthly Cost for Each \$1,000 of Coverage (Available in \$10,000 increments)	
Cost per \$1,000	\$0.019

<b>Child AD&amp;D</b> Monthly Cost for Each \$1,000 of Coverage (Available in \$5,000 increments)	
Cost per \$1,000	\$0.016

\* Represents premium paid to Plan

For State Actives, Basic coverage is paid by the employer.

For Actives from Employer Groups, ESDs, and K-12 School Districts Accepting the Full Benefits Package, the premium for asic coverage is included in the rates for the selected medical plan.

Coverage is not provided to Actives from Employer Groups, ESDs and K-12 School Districts Accepting Medical Only Package.

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

<b>Basic Plan for Actives</b>	Monthly Cost*:	\$2.10
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<b>Optional Plan</b>		
<b>Waiting Period</b>	<b>TIAA/CREF or Higher Education Academic Retirement Plan Employees</b>	<b>TRS, PERS, &amp; other Retirement Plan Employees</b>
30 days	2.60%	2.06%
60 days	1.32%	1.09%
90 days	0.72%	0.60%
120 days	0.42%	0.36%
180 days	0.32%	0.28%
240 days	0.30%	0.27%
300 days	0.28%	0.25%
360 days	0.27%	0.24%

\* Represents premium paid to plan only.

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

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**2017 PEBB Rate Book**

Additional Taxable Income for Non-Tax Qualified Dependents

**Table 1: Employer Share Medical and Dental**

2017 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	\$560.00	\$439.00	\$999.00

**Table 2: Employer Share Dental Only**

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	\$45.00	\$45.00	\$90.00

**2017 Monthly State Contribution for Medicare Retirees (monthly state subsidy)\*\***

**Additional taxable income for non-tax qualified domestic partners**

Group Health Medicare Only	\$150.00
Kaiser Permanente Classic	\$150.00
Uniform Medical Plan Classic	\$150.00
Plan F Retired	\$105.00
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

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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	\$147.00	\$304.00	\$257.00	\$414.00
Group Health Value	\$69.00	\$148.00	\$121.00	\$200.00
Group Health CDHP	\$25.00	\$60.00	\$44.00	\$79.00
Group Health SoundChoice	\$46.00	\$102.00	\$81.00	\$137.00
Kaiser Permanente Classic	\$131.00	\$272.00	\$229.00	\$370.00
Kaiser CDHP	\$26.00	\$62.00	\$46.00	\$82.00
Uniform Medical Plan Classic	\$94.00	\$198.00	\$165.00	\$269.00
Uniform Medical Plan CDHP	\$25.00	\$60.00	\$44.00	\$79.00
Uniform Medical Plan ACP	\$66.00	\$142.00	\$116.00	\$192.00

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

Plan Name	Subscriber and Spouse	Subscriber	Partner
Group Health Classic	\$304.00	\$147.00	\$157.00
Group Health Value	\$148.00	\$69.00	\$79.00
Group Health CDHP	\$60.00	\$25.00	\$35.00
Group Health SoundChoice	\$102.00	\$46.00	\$56.00
Kaiser Permanente Classic	\$272.00	\$131.00	\$141.00
Kaiser CDHP	\$62.00	\$26.00	\$36.00
Uniform Medical Plan Classic	\$198.00	\$94.00	\$104.00
Uniform Medical Plan CDHP	\$60.00	\$25.00	\$35.00
Uniform Medical Plan ACP	\$142.00	\$66.00	\$76.00

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

Plan Name	Full Family	Subscriber and Child(ren)	Partner
Group Health Classic	\$414.00	\$257.00	\$157.00
Group Health Value	\$200.00	\$121.00	\$79.00
Group Health CDHP	\$79.00	\$44.00	\$35.00
Group Health SoundChoice	\$137.00	\$81.00	\$56.00
Kaiser Permanente Classic	\$370.00	\$229.00	\$141.00
Kaiser CDHP	\$82.00	\$46.00	\$36.00
Uniform Medical Plan Classic	\$269.00	\$165.00	\$104.00
Uniform Medical Plan CDHP	\$79.00	\$44.00	\$35.00
Uniform Medical Plan ACP	\$192.00	\$116.00	\$76.00

**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	\$414.00	\$147.00	\$267.00
Group Health Value	\$200.00	\$69.00	\$131.00
Group Health CDHP	\$79.00	\$25.00	\$54.00
Group Health SoundChoice	\$137.00	\$46.00	\$91.00
Kaiser Permanente Classic	\$370.00	\$131.00	\$239.00
Kaiser CDHP	\$82.00	\$26.00	\$56.00
Uniform Medical Plan Classic	\$269.00	\$94.00	\$175.00
Uniform Medical Plan CDHP	\$79.00	\$25.00	\$54.00
Uniform Medical Plan ACP	\$192.00	\$66.00	\$126.00

**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	\$257.00	\$147.00	\$110.00
Group Health Value	\$121.00	\$69.00	\$52.00
Group Health CDHP	\$44.00	\$25.00	\$19.00
Group Health SoundChoice	\$81.00	\$46.00	\$35.00
Kaiser Permanente Classic	\$229.00	\$131.00	\$98.00
Kaiser CDHP	\$46.00	\$26.00	\$20.00
Uniform Medical Plan Classic	\$165.00	\$94.00	\$71.00
Uniform Medical Plan CDHP	\$44.00	\$25.00	\$19.00
Uniform Medical Plan ACP	\$116.00	\$66.00	\$50.00