

SEBB Program optional benefits: What can districts offer?



What benefits are the School Employees Benefits Board (SEBB) Program authorized to offer?

Under **RCW 41.05.740** and **41.05.300** through **41.05.310**, the SEBB Program includes authority to offer the following health insurance and other benefits to Washington State school district and charter school employees, and union-represented educational service district (ESD) employees:

- Health care coverage, including all forms of:
 - Medical insurance
 - Dental insurance
 - Vision insurance
 - Prescription drug insurance
- Life insurance (all forms, including but not limited to, whole and term life insurance)
- Accidental death and dismemberment insurance
- Liability insurance (all forms, including but not limited to home and auto insurance)
- Disability insurance (all forms, including but not limited to short- and long-term disability)
- Flexible spending arrangement (FSA) (all forms, including but not limited to "general-purpose" and "limited-purpose" FSAs)
- Dependent Care Assistance Program (DCAP)

All forms of the above insurance benefits are within the exclusive offering authority of the SEBB Program.

Under state law, **RCW 28A.400.350(6)**, SEBB Organizations' authority to offer any of the benefits listed above ends December 31, 2019.

SEBB Organizations cannot offer, endorse, or make available any benefits under the SEBB Program's authority, even if the benefit (or a specific form of the benefit) is not offered to school employees by the SEBB Program. For example, a SEBB Organization cannot offer or endorse short-term disability insurance even though the SEBB Program is not offering this benefit.

What optional benefits may school districts offer?

There is no preapproval process between a school district and the SEBB Program to offer optional benefits. Any optional benefits offered outside of the SEBB Program are considered an enhancement to the state's definition of basic education, which means the state will not fund them. Optional benefits can be paid for by the employee, the employer, or both.

Some examples of optional benefits (which at this time may be outside of the SEBB Program's authority) that school districts may offer:

- Voluntary Employees Beneficiary Association (VEBA) plans
- Travel insurance
- Pet insurance

This list may change over time as HCA evaluates the optional benefits that SEBB Organizations are offering outside of the SEBB Program. Refer to the next page for reporting requirements a school district must follow each year if they offer optional benefits.

For more information visit hca.wa.gov/sebb-employee.

Can a SEBB Organization invite a vendor to their benefits fair?

SEBB Organizations can't offer, endorse, or make available any benefits that compete with those authorized as part of the SEBB Program.

This restriction includes, but is not limited to, inviting a vendor to attend a benefits fair to endorse products that directly compete with any form of a benefit under the SEBB Program's authority — even if the vendor's product would be fully paid by the employee. It also includes providing vendors with employee contact information for marketing purposes or facilitating payroll deductions.

Can SEBB Organizations offer additional FSA or HSA benefits?

HCA maintains the authority to offer cafeteria plans (as identified in [IRS Section 125](#)). This means SEBB Organizations cannot offer health savings accounts (HSAs), a flexible spending arrangement or flexible spending account (FSA), or a dependent care assistance program (DCAP).

A SEBB Organization also cannot make additional employer contributions for employees who enroll in an IRS qualified high-deductible health plan. The employer contribution is limited to the annual amount authorized by the SEBB Program and deposited into the HSA account by HCA on behalf of the SEBB Organization.

Why can't SEBB Organizations offer or endorse certain benefits?

These limitations are in place to maintain the purchasing power that comes from consolidating all eligible school employees into one statewide risk pool through the SEBB Program. If some school employees accessed a competing, non-SEBB Program insurance

product with the help of their employer, it would impact the risk profile of the SEBB Program population, which could affect the rates or benefit structure of SEBB Program benefits.

Reasons a SEBB Organization cannot offer a benefit that is authorized (but not offered) as part of the SEBB Program include:

- Policy considerations that maximize the value of all benefits when they are used in combination; and
- Rate development that may have taken into account not offering certain benefit structures.

Does the SEBB Program have any authority over retirement benefits?

No. The SEBB Program does not have authority over contributions made to pensions or any form of retirement accounts. The SEBB Program's benefits portfolio includes health insurance and other non-pension benefits.

How will school districts report their optional benefit offerings to HCA?

Under [RCW 28A.400.280\(2\)](#), beginning December 1, 2019, and each year thereafter, school districts that elect to offer optional benefits must submit a report to HCA describing any optional benefits they are offering to school employees. HCA will provide school districts with more information this fall on how to report these optional benefit offerings.

If HCA determines a school district is offering a benefit that falls under the SEBB Program's authority, or competes with a SEBB Program benefit, HCA will work with the school district to address the issue.