

# COUNTY OF ORANGE

## 2011 PLAN YEAR

01/01/11 – 12/31/11

### Open Enrollment 10/01/2010 - 10/31/2010

**\*\*Requests Must Be Received By or Post-Marked No Later Than October 31, 2010\*\***

***Orange County Division of Risk Management - 18 Seward Avenue - Middletown NY 10940***

During the month of October, the County's open enrollment period, you can make changes to your benefits without any special reasons, or "qualifying events". These benefits include medical, dental, vision, flexible spending accounts, and medical buy out. The changes you request during October will become effective January 1<sup>st</sup> of the 2011 Plan Year.

Many of you may be wondering about the effects of federal health care reform (Patient Protection and Affordable Care Act). This is a monumental piece of legislation, with numerous provisions and implementation dates, with some dates not yet established. There will be additional rules and regulations that will be issued over time, so the full impact of PPACA will not be known for years.

One provision that has been of particular interest to many of you is the extension of coverage to adult children up to age 26. The law specifies that coverage is to be available to an "adult child", and is to take effect on the first day of the *first plan year beginning on or after September 23, 2010*. The County's Plan Year is a calendar year, so this provision will go into effect *no sooner than January 1, 2011*. The New York State Department of Civil Service is preparing information and the required notification of the availability of this coverage. Risk Management will issue more information as it becomes available over the coming weeks.

### ***Section 125 Flexible Benefit Plan***

The County of Orange and Orange County Community College each operate under "Cafeteria Plans". These plans were established under Section 125 of the Internal Revenue Code, to help you pay for certain expenses using pre-tax dollars. Under the Plan, all employee contributions for health, family dental and family vision are taken on a pre-tax basis, unless you elect otherwise.

These pre-tax contributions do not affect New York State Retirement System benefits.

Keep in mind that the changes you request, or the changes you fail to make during this open enrollment opportunity, will become effective for the new Plan Year, January 1, 2011, and cannot be changed at will. This plan is governed by Internal Revenue Service regulations and as a result, there are certain limitations on an enrollee's ability to make changes to coverage during the year.

If, during the Plan Year, you think you have experienced a qualifying event that would allow a change in your benefits election, and therefore your pre-tax contributions, you must contact the Benefits Unit (or OCCC Human Resources) within 30 days of the change in status. You will be required to complete a *Change in Circumstance Form* along with all applicable forms and documentation.

## ***Health Flexible Spending Account***

The Health Flexible Spending Account, also known as Health FSA or Med Flex, is a medical reimbursement plan funded by your tax-free contributions. Enrolling in the Health FSA allows you to set aside money from your paycheck on a pre-tax basis to pay for medical, dental and vision expenses that cannot be reimbursed through insurance or any other arrangement.

Pre-tax contributions are not subject to federal, FICA, state or local taxes, unless you live in Pennsylvania, where state and local taxes are not excluded.

This is a voluntary program. You can still enroll for a **minimum of \$300**, up to a **maximum of \$3,000** for the **2011 Plan Year**. During this open enrollment period, you should think about the out of pocket expenses you will have for yourself and your eligible dependents for the coming year. Examples of Health FSA expenses are deductibles, eyeglasses and orthodontics.

**NOTE: One important change resulting from health care reform is that, effective January 1, 2011, over the counter (OTC) medications will no longer be eligible FSA expenses UNLESS prescribed by a doctor.** Over the counter medications such as aspirin, ibuprofen, antihistamines, etc., will need appropriate documentation from a doctor in order to be reimbursed by a health flexible spending account for the 2011 Plan Year. Prescription drugs, insulin, blood pressure monitors, bandages and first aid kits are still eligible. **The IRS will issue additional clarification.**

After your Health FSA becomes effective January 1, 2011, you cannot make changes in your account unless you have a qualifying change in status that would allow a corresponding and consistent change to occur. There are specific reasons for which a change can be allowed. You will be required to complete a *Change in Circumstance Form*, and provide acceptable documentation of the change in circumstances. This is an IRS rule that must be followed.

To enroll in the health care flexible spending account, complete a ***2011 Flexible Spending Account Enrollment Form*** and return it before the enrollment deadline of October 31, 2010. *Submit original forms; no photocopies or faxes will be accepted.*

**IMPORTANT: If you go out on a Leave of Absence, you must contact the Benefits Unit at Risk Management (or OCCC Human Resources) to discuss your payment options during your LOA.**

Plan wisely and do not over pledge. You must use this money during the Plan Year or you will lose it. You cannot get it back, and you cannot roll it over to the next year. This "Use it or Lose it" rule is part of the Plan design.

Fitzharris and Company is the County's Section 125 third party claims administrator. For questions regarding FSA accounts, call 1-800-635-5651, ext. 140.

**Your current FSA enrollment, if any, terminates December 31, 2010. This benefit is not automatically renewed.** You must apply for the new Plan Year.

**The Claims filing deadline for the 2010 Plan Year is March 31, 2011.**

## ***Dependent Care Assistance Program – DCAP***

The Dependent Care Assistance Program, or DCAP, is another voluntary flexible spending account funded by your pre-tax salary contributions. This account helps you reduce taxes and increase your disposable income by paying dependent care expenses with pre-tax dollars.

This program is available to employees who have dependents under age 13, handicapped children, or adult parents who need care to allow you and your spouse to continue working.

Like the Health FSA, the DCAP Plan Year is a calendar year, January 1 - December 31. The DCAP only reimburses expenses that have been incurred during the coverage period.

Unlike the Health FSA, for a Dependent Care Account you must have sufficient contributions in your account to cover the amount you are requesting for reimbursement. There must be adequate claims substantiation (the employee must provide the name, address of the caregiver, caregiver's tax ID, or the Social Security number for an individual.)

You cannot carry over any unused contribution. The same "Use it or Lose it" rule applies to the DCAP, in accordance with federal regulations.

The annual minimum contribution is \$300. There is a statutory limit on the amount of expenses that can be paid pre-tax under a DCAP. The maximum contribution, set by the IRS, is \$5,000 (or \$2,500 if married and filing separate returns).

You will need to decide whether you will claim the Dependent Care Tax Credit for eligible dependent care expenses. You may want to talk to your tax preparer to assist you with this decision.

**This benefit is not automatically renewed.** If you are currently enrolled in the Dependent Care Assistance Program (DCAP) it will terminate December 31<sup>st</sup>. **You must apply for the coming Plan Year.**

**To enroll in one, or both of the flexible spending accounts,** (Health FSA or DCAP), you must complete the **Flexible Spending Account Enrollment Form**, and return to Risk Management by the deadline.

All of the components of the Section 125 Flexible Benefit Plan operate under Internal Revenue Service rules. Therefore, once you have elected participation, you may not change your deduction(s) during the Plan Year unless you experience a qualifying event, as allowed by IRS regulations. You must contact Risk Management to discuss mid-year changes.

You will be required to complete a ***Change in Circumstance Form*** and provide acceptable proof of the qualifying event. If you experience a change of status, contact the Benefits Unit with your questions and for further instructions.

**The Claims filing deadline for the 2010 Plan Year is March 31, 2011.**

## ***Medical Coverage***

The Empire Plan is a specially designed health insurance program for public employees in New York State.

If you have an employee contribution, it has been negotiated by your union and your employer. While 2011 Empire Plan rates have not yet been announced by the State, it is possible to calculate the maximum contribution rates using the negotiated caps.

Depending on the actual 2011 Empire Plan premiums, employee contributions for CSEA and COBA employees could be less, but will be no more than the rates calculated below:

**CSEA** and **COBA** covered employees will pay the first half of their yearly contributions at 10% of the 2011 annual premium, and the second half at 11% of the annual premium.

**Based on a 10% contribution**, you will pay, per pay period, no more than:

**\$33.65** for **Individual** coverage

**\$63.46** for **Family** coverage

**Based on an 11% contribution**, you will pay, per pay period, no more than:

**\$38.46** for **Individual** coverage

**\$70.19** for Family coverage

**DSPBA** and **Superior Officers'** contributions will continue at current rates, until notified otherwise.

**OCCC Faculty** and **OCCC Staff and Chair** employees should check with OCCC Human Resources for 2011 contribution rates.

**If you are already enrolled** in the Empire Plan, and do not need to make any changes, do nothing. Your coverage will continue as it is now.

**If you need to enroll**, or make changes to your Empire Plan coverage, you must submit a ***PA Health Insurance Transaction Form*** (PS-503.1). (For general information, copies of the current *Empire Plan at a Glance* are available through Risk Management or OCCC Human Resources.)

**As previously stated, Risk Management is waiting for instructions from the State regarding enrollment of adult children. This office will update you as soon as it receives more information.**

Any changes to the Empire Plan for 2011 will be described in the December 2010 *Empire Plan Reports* and the 2011 *Empire Plan At A Glance*. The Empire Plan can be accessed on the NYSHIP website [www.cs.state.ny.us](http://www.cs.state.ny.us) (Employee Benefits, Employees and Retirees of Participating Agencies (PA), Core Plus).

## ***Medical Health Insurance Buy-Out***

Employees who are eligible for medical coverage and are actively employed at work are eligible for the Medical Health Buy-Out Option. The Medical Health Insurance Buy Out is effective from January 1 through December 31 of each year.

For New Buy-Out Enrollees:

If you want to terminate your current Empire Plan coverage to enroll in the Medical Buy-Out for the 2011 Plan Year, you must complete the ***Request to Decline and Waive Medical Health Insurance Coverage***. You must provide detailed information regarding the alternate coverage (which must be employment based) under which you will be covered during the buyout period. Your Empire Plan coverage will be terminated at the end of the calendar year, December 31, 2010.

**For Current Buy-Out Enrollees**, please take note:

For **CSEA, Managerial/Confidential, Management Plan, COBA, OCCC Faculty or OCCC Staff and Chair** employees, your current Buy-Out will automatically be continued for 2011 unless you submit a health plan enrollment application (form PS503.1). If you submit a health enrollment form, your Buy-Out will terminate December 31, 2010; your health will become effective January 1, 2011.

For **DSPBA or Superior Officers** who are enrolled in the 2010 Buy-Out, this option is not automatically renewed for you. **If you want to continue the Buy-Out option** for the coming year, complete a *Request to Decline and Waive Medical Health Insurance Coverage* and return it to Risk Management before the October 31, 2010 deadline. **If you want to enroll in medical coverage**, complete an Empire Plan enrollment form and return it to Risk Management before the deadline. (Please remember to include any supporting documents that are required to verify eligibility of dependents you want to enroll.)

Once you are enrolled in the 2011 Medical Buy-Out, you will not be able to re-enter the medical health plan during the year unless you experience a qualifying event. (It would not be a qualifying event if you find that your alternate coverage is not as good as the coverage you instructed this office to terminate. However, if your spouse loses his/her job and health coverage, that loss would be a qualifying event which would allow you to enroll in coverage for yourself and your dependents.) If you experience an involuntary loss of coverage during the period of the Buy-Out, you must contact the Risk Management Benefits Unit (or OCCC Human Resources) immediately to discuss health plan options, and to complete the required ***Request to Resume Medical Health Insurance Coverage***. (You must also be able to supply acceptable documentation of the loss of coverage.)

**If you are enrolled in the Buy-Out option but are also planning to retire during the coming year, contact the Benefits Coordinator to discuss your particular situation.**

**Buy-Out payments are issued by the Orange County Payroll Department in the month following the end of each quarter.**

## ***Orange County Self-Insured Dental Plan***

The Orange County Self-Insured Dental Plan is funded by the premiums that you and your department pay. It is not subject to the Patient Protection and Affordable Care Act.

Your department pays the total premium for your Individual dental coverage; you pay the premium cost for Family coverage.

**Family** coverage for the following **Groups** will cost **\$19.23** per pay period.

**Group 723 CSEA/Management Plan**

**Group 718 COBA**

**Group 768 Superior Officers**

**Group 719 OCCC Faculty**

**Group 722 OCCC Staff and Chair**

**Family** coverage for **Group 755, DSPBA**, will cost **\$17.49** per pay period.

To make changes to your dental coverage, submit an *Orange County Self-Insured Dental Plan* transaction form. If you are adding dependents, make sure you complete the form accurately; list all eligible dependents you want covered, with proper names, dates of birth and Social Security numbers. Remember, if you are adding dependents for the first time, (or if documents for dependents are not currently on file at Risk Management) you must supply required proofs of eligibility.

Plan brochures, provider lists, and claim forms are available by accessing the County's Intranet or contacting Risk Management. (OCCC employees contact the College.)

If you do not submit a dental change form by the 10/31/10 deadline, your dental coverage will remain the same as it is now.

## ***Orange County Self-Insured Vision Plan***

The Orange County Self-Insured Vision Plan, not subject to the Patient Protection and Affordable Care Act, is funded by the premiums that you and your Department pay. Your Department pays the total cost of your Individual coverage. Family coverage will cost you **\$2.08** per payroll.

If you do not submit an *Orange County Self-Insured Vision Plan* transaction form, to enroll or makes changes, by 10/31/10, your vision coverage will remain the same as it is now.

Fitzharris and Company Incorporated, administers claims for the County's dental and vision programs. Fitzharris pays claims based on the scheduled of benefits allowances. If you have questions regarding a claim, you should call the toll free number at 1-800-321-1336.

**As an important reminder:** the deadline for submitting dental and vision claims for a Plan Year is March 31<sup>st</sup> of the following calendar year. **(2010 Claims deadline is March 31, 2011.)** It is ***YOUR*** responsibility to ensure that claims are sent to Fitzharris before the claims filing deadline. **Claims received after the deadline will not be considered for payment.**