

Burlington-Edison Public Schools

Unaffiliated Employees Benefits Summary Booklet 2007 - 2008 School Year

This is a brief summary of benefits prepared by The Unity Group, the employee benefits insurance broker for Burlington-Edison Public Schools. This is not a certificate of coverage. For full coverage provisions, including a description of waiting periods, limitations and exclusions, refer to the benefits plan documents and contracts. If there is a conflict between this summary and the official plan documents, the actual plan document will govern in all cases.

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Welcome!

Benefits Fair

Tuesday, August 28, 2007
10:00 am – 3:00 pm
Burlington-Edison High School

Open Enrollment

Wednesday, August 15, 2007
through Wednesday, October 10, 2007

Open Enrollment Deadline

For your benefits to be effective on October 1, you need to return all paperwork no later than Monday, September 10, 2007. For your benefits to become effective November 1, you need to return all paperwork no later than Wednesday, October 10, 2007.

This Enrollment Guide is also available online at www.theunitygroup.com, click on the **My Benefits** button. Your user login is **beunaff** and your password is also **beunaff**.

Employees making changes must complete and submit a new enrollment form to the Payroll Department before the deadlines set forth. To be effective October 1, the Payroll department must receive enrollment forms no later than Monday, September 10 2007, and to be effective November 1, the Payroll department must receive enrollment forms no later than Wednesday, October 10, 2007.

The information herein is not a contract; it is a summary of benefits. Each plan described excludes certain conditions and types of treatment from coverage or payment. Refer to your benefits plan documents. You can obtain benefits plan documents from your Finance Department.

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Contacts

- Tami Whiton at 360.757.3311 ext. 1016
Human Resources Manager
- Gail Boston at 360.757.3311 ext. 1034
Payroll Specialist
- Barbara Boyd at 360.757.3311 ext. 1009
Fiscal Administrative Assistant

Eligibility

Employee Eligibility

New benefits-eligible employees have 30 days to enroll in all the benefits options. Employees not enrolling within 30 days of their eligibility date will next be available to enroll during Open Enrollment. For some benefits, there may be eligibility requirements and a medical review that must be met to participate outside the 30 days of eligibility. Participation would not be guaranteed.

Benefits changes including adding dependents or changing insurance plans can only be done during Open Enrollment, unless there is a qualifying event. Dropping coverage can be done at any time. Current employees need not re-enroll during Open Enrollment unless a change in enrollment is desired.

Dependent Eligibility

Eligible dependents include:

1. The subscriber's lawful spouse. If your spouse has coverage with an employer and loses that coverage, they may be eligible for COBRA through their employer. In lieu of COBRA coverage through their employer, they may be eligible to be added to the District employee's coverage, without waiting until the next open enrollment. They must show proof of lost coverage, through no fault of their own (Certificate of Creditable Coverage).
2. A natural child, adopted child or child legally placed for adoption (including a child for whom the employee has assumed a total or partial legal obligation for support in anticipation of adoption), stepchild, or legally designated minor ward. This child must be under the age of 25, unmarried, **and be claimed on your current year's income tax return** and be primarily dependent on the employee, spouse or non-covered legal parent for support. The child cannot have other coverage available due to his/her employment. In addition, a child of the employee will be eligible for coverage under this plan when required by a court order. Children who are incapacitated due to a developmental disability or physical handicap and chiefly dependent upon the subscriber for support and maintenance are also eligible for benefits, provided the dependent child was covered on the day before the 25th birthday and the incapacity occurred prior to the 25th birthday. Benefits will be provided for the duration of the incapacity unless coverage terminates. Proof of the incapacity and dependency will be required within 31 days after the child's 25th birthday and not more frequently than one time per year after the child's 27th birthday.

Mandatory Benefits

Per your bargaining agreement, dental, life and LTD shall be the first premiums deducted from the funds provided to you by the District to pay for medical benefits.

Dental Plan – WDS Delta Dental Service- WEA Select - Plan I

	Any Licensed Dentist
Benefit Year Deductible	\$0.00
Benefit Year Maximum (Per Person)	\$1,750
Diagnostic and Preventive Services Exams, x-rays, cleanings	70%/80%/90%/100% Incentive Level
Routine Care Filings, extractions, endodontics, oral surgery	70%/80%/90%/100% Incentive Level
Major Services <ul style="list-style-type: none"> ▪ Onlays, crowns ▪ Dentures, bridges, partials 	70%/80%/90%/100% Incentive Level Constant 50%
Pre-determination Limit: Pre-determination is recommended, but not required for dental services.	
Late enrollment Penalty: If an employee or dependent does not enroll in the dental plan within 31 days of initially becoming eligible, they cannot enroll until the next open enrollment period.	
Benefit Year: Runs from 9/1/2007 through 8/31/2008	
Composite Rate*: \$111.20	

This outline is for illustrative purposes only. Actual claims paid are subject to the terms and conditions of the contract.

**Composite means one fee regardless of number of family members insured.*

Life/AD&D - Standard Insurance

Benefit Amount <ul style="list-style-type: none"> ▪ Life Insurance ▪ Accidental Death & Dismemberment 	\$50,000 \$50,000
Benefits Reduce	35% of original amount at age 65; 50% of original amount at age 70; terminate at retirement
Accelerated Benefit Provision	Included
Conversion Privilege	Included
Rate: \$8.50 Monthly	

Long Term Disability - Standard Insurance

Monthly Benefit Amount	60% of monthly earnings
Maximum Monthly Benefit	\$5,000
Minimum Monthly Benefit	\$100
Elimination Period	90 Days
Definition of Disability	Own Occupation for 36 months, then ANY occupation
Mental/Nervous Limitations	24 months
Survivor Benefit	3 x monthly benefit
Conversion Privilege	Included
Rate: \$5.00 Monthly	

This outline is for illustrative purposes only. Actual claims paid are subject to the terms and conditions of the contract.

Optional Benefits

Medical Plans

Enrolling in a medical plan can only be done during your initial eligibility or during Open Enrollment. If you do not wish to make any changes, your current plan selection continues automatically. You may drop coverage for yourself or your dependents at any time. The district offers you ten separate medical plans. These plans offer you a choice between managed care and preferred provider coverage.

It is important to review the programs carefully. This booklet may not include important coverage information including definitions, conditions of coverage, exclusions, pre-existing conditions, and other limitations on the medical plans. **Please refer to the specific plan book for information applicable to coverage.** Plan books are available on the My Benefits website (see Key Contacts section of this booklet for login information), through the carrier, or in the Human Resources department.

Regence BlueShield

Regence BlueShield has been providing health care coverage for more than 86 years. They have a roster of more than 19,000 physicians and other providers and they have a workforce of more than 2,300 employees, serving more than 1 million members. Benefits illustrated on the following pages assume that services are provided by practitioners from Regence's current list of preferred providers.

- **Regence PPO (Preferred Provider Plan)**

Regence PPO provides coverage for providers who maintain a special contractual relationship with Regence and appear on its list of preferred providers. PPO Providers are always covered at the highest level (in network), Participating providers are covered at the lower coinsurance (out of network). If a provider is neither PPO nor Participating there will be no coverage unless it is an emergency. Services for which no special providers have been designated will be paid at the same level as preferred providers (see the following comparison chart for details). The Regence PPO plan includes participation in a national Blue Card program. This allows access to Blue Cross and BlueShield PPO networks nationwide.

Group Health Cooperative (GHC)

Group Health Cooperative was opened in 1947 by a community coalition dedicated to making quality health care available and affordable. GHC is one of the nations original "Health Maintenance Organizations (HMO)".

- **HMO Plan**

This is a staff model cooperative (consumer board governed) with over 1,100 primary care physicians delivering care to approximately 600,000 members in the Pacific Northwest. Preventive care is covered and encouraged. Services must be provided or authorized by a GHC staff to be covered. Members can self-refer to some Group Health staff model specialists. More than 70 percent of members receive care in Group Health owned medical facilities. In Skagit, Whatcom and Island counties this care is received with local physicians that have contracted with GHC to provide managed care services. Local hospitals and physician clinics are a part of the GHC managed health care network.

WEA Select (Premera Blue Cross)

Six plans with varying cost sharing, premiums and networks are offered, allowing participants to choose the plans best suited for their needs. These plans are all Preferred Provider Organization (PPO) plans. Premera, like Regence, maintains special contractual relationships with the providers who appear on the list of preferred providers. If a provider is not on the list, coverage will generally be reimbursed at a lower rate. Premera's PPO plan also includes participation in a national BlueCard program. This allows access to Blue Cross and BlueShield PPO networks nationwide. All WEA Select plans include a \$20,000 decreasing term life and AD&D plan.

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Medical Comparison - Regence BlueShield

HIGH OPTION PPO

PREFERRED FOURFRONT

	HIGH OPTION PPO		PREFERRED FOURFRONT	
	Preferred Physician	Non-Preferred Physician	Preferred Physician	Non-Preferred Physician
Calendar Year Deductible*				
▪ Individual	\$200		\$500	
▪ Family	\$600		\$1,500	
Out-of-Pocket Maximum				
▪ Individual	\$1,000		\$2,500	
▪ Family	\$3,000		\$7,500	
Lifetime Maximum	\$2,000,000		\$2,000,000	
HOSPITAL ROOM AND BOARD	90%	70%	80%	50%
Hospital Physician Charges	90%	70%	80%	50%
Outpatient/Day Surgery	90%	70%	80%	50%
Maternity	Paid as any other condition.		Paid as any other condition.	
Emergency Care <i>copay waived if admitted</i>	\$75 copay then 90%		\$75 copay then 80%	
Physician Office Visits	\$20 copay then 90% deductible waived	\$20 copay then 70% deductible waived	\$15 Copay then 80% for first 4 visits per calendar year deductible is waived, subsequent visits deductible applies	
Alternative Care	\$20 copay then, 90% 90%	\$20 copay then, 70% 70%	See Physician Office Visits 80%	See Physician Office Visits 50%
▪ Naturopathy				
▪ Acupuncture				
	up to 12 visits per calendar year		up to 12 visits per calendar year	
Preventive Care	\$20 copay then 100% deductible waived Up to \$500 Per Calendar Year	\$20 copay then 70% deductible waived	\$15 copay then 100% deductible waived	\$15 copay then 50% deductible waived
Spinal Manipulations	90% Unlimited visits, subject to deductible	70%	80% up to 10 manipulations per calendar year	50%
Outpatient Lab & X-ray	90% deductible waived	70% deductible waived	100% of first \$500 per calendar year; deductible waived; then paid at 80% deductible applies	50% of the first \$500 per calendar year; deductible waived then paid at 50% deductible applies
Outpatient Rehabilitation <i>including massage therapy</i>	90% up to \$2,500 per calendar year	70%	80% up to \$1,500 per calendar year	50%
Prescription Drugs <i>up to a 34 day supply</i>	<i>At Participating Pharmacies</i> deductible waived		<i>At Participating Pharmacies</i> \$2,000 out-of-pocket maximum per calendar year deductible waived	
▪ Generic	\$5 copay		0% copay	
▪ Brand name	\$20 copay		30% copay	
▪ Non-formulary	\$40 copay		50% copay	
▪ Mail Order	copay doubles for up to a 90 day supply		copay doubles for up to a 90 day supply	
Durable Medical Equipment	90%	70%	80%	50%
Vision Care	Not Covered		Not Covered	
Inpatient Mental Health	90% up to 15 days per calendar year	70%	80% up to 8 days per calendar year	50%
Outpatient Mental Health	90% up to 40 visits per calendar year	70%	80% up to 12 visits per calendar year	50%
Chemical Dependency	90% up to \$13,500 every two calendar years	70%	80% up to \$13,500 every two calendar years	50%
Ambulance	80%		80%	

*Deductible applies unless otherwise noted

Medical Comparison - Group Health Co-operative (GHC)

	HMO	WELCOME HMO
	<i>Group Health Network Provider</i>	<i>Group Health Network Provider</i>
Calendar Year Deductible*		
▪ Individual	-0-	\$500
▪ Family	-0-	\$1,500
Out-of-Pocket Maximum		
▪ Individual	\$2,000	\$2,000
▪ Family	\$4,000	\$6,000
Lifetime Maximum	\$2,000,000	\$2,000,000
HOSPITAL ROOM AND BOARD	100%	80%
Hospital Physician Charges	100%	80%
Outpatient/Day Surgery	\$10 copay then 100%	See Physician Office Visits
Maternity	Paid as any other condition.	Paid as any other condition.
Emergency Care	<i>copay waived if admitted</i>	<i>copay waived if admitted</i>
▪ GHC Facility	\$75 copay then 100%	\$75 copay then 80%
▪ Non-GHC Facility	\$125 copay then 100%	\$125 copay then 80%
Physician Office Visits	\$10 copay then 100%	\$20 Copay then 80%
		For first 4 visits per calendar year deductible and coinsurance are waived, subsequent visits deductible and coinsurance apply
Alternative Care		
▪ Naturopathy	\$10 copay then 100% up to 3 visits per calendar year	See Physician Office Visits up to 3 visits per calendar year
▪ Acupuncture	\$10 copay then 100% up to 8 visits per calendar year	See Physician Office Visits up to 8 visits per calendar year
Preventive Care	\$10 copay then 100%	\$20 Copay then 80%
Spinal Manipulations	\$10 copay then 100% up to 10 visits per calendar year	See Physician Office Visits up to 10 visits per calendar year
Outpatient Lab & X-ray	100%	100% of first \$500 per calendar year; deductible waived; then paid at 80% deductible applies
Outpatient Rehabilitation	\$10 copay then 100% up to 60 visits per calendar year	See Physician Office Visits up to 60 visits per calendar year
Prescription Drugs <i>up to a 30 day supply</i>	<i>At Participating Pharmacies</i>	<i>At Participating Pharmacies</i>
▪ Generic	\$10 copay	\$15 copay
▪ Brand name	\$10 copay	\$30 copay
▪ Mail Order	\$5 discount for each 30 day supply	2x copay for 90 day supply
Durable Medical Equipment	80%	80%
Vision Care		
▪ Exam	\$10 copay then 100% (once every 12 months)	\$20 copay then 100% (once every 12 months)
▪ Hardware	up to \$150 every 24 months	up to \$150 every 24 months
Inpatient Mental Health	100% up to 12 days per calendar year	80% up to 12 days per calendar year
Outpatient Mental Health	\$10 copay then 100%, 20 visits per calendar year	See Physician Office Visits, up to 20 visits per calendar year
Chemical Dependency		
▪ Inpatient	100%	80%
▪ Outpatient	\$10 copay then 100%	See Physicians Office Visits
	up to \$13,500 every two calendar years	up to \$13,500 every two calendar years
Ambulance	80%	80%

*Deductible applies unless otherwise noted

Medical Comparison - Premera Blue Cross - WEA Select

	PLAN 1		PLAN 2		PLAN 3	
	Heritage Provider	Any Licensed Provider	Heritage Provider	Any Licensed Provider	Heritage Provider	Any Licensed Provider
Specific Benefits	Not subject to deductible unless noted otherwise. Copayments and Coinsurance/GBRF represent WHAT YOU PAY (PCY—Per Calendar Year)					
Calendar Year Deductible						
Individual	\$50		\$100		\$200	
Family	\$150		\$300		\$600	
Out-of-Pocket Max. (plus deductible)	See General Benefits Reimbursement Formula		See General Benefits Reimbursement Formula		See General Benefits Reimbursement Formula	
General Benefits Reimbursement Formula (GBRF)	In-Network paid at 90% of allowable charges; Out-of-Network paid at 70% of allowable charges In-Network and Out-of-Network charges combined to \$4,000 in Plan payments; 100% of allowable charges thereafter		In-Network paid at 80% of allowable charges; Out-of-Network paid at 60% of allowable charges In-Network and Out-of-Network charges combined to \$5,500 in Plan payments; 100% of allowable charges thereafter		In-Network paid at 80% of allowable charges; Out-of-Network paid at 60% of allowable charges In-Network and Out-of-Network charges combined to \$10,000 in Plan payments; 100% of allowable charges thereafter	
Physician Office Visits	\$20 copay then 100%	\$25 copay then 100%	\$25 copay then 100%	\$30 copay then 100%	\$30 copay then 100%	\$40 copay then 100%
Preventive Care Includes physical exam, immunizations	100%	80%	100%	80%	100%	80%
	Limited to \$300 per person PCY, Well Baby to \$600 per person from birth through the calendar year of age 3		Limited to \$300 per person PCY, Well Baby to \$600 per person from birth through the calendar year of age 3		Limited to \$300 per person PCY, Well Baby to \$600 per person from birth through the calendar year of age 3	
Alternative Care Acupuncture (12 visits PCY)	\$20 copay then 100%	\$25 copay then 100%	\$25 copay then 100%	\$30 copay then 100%	\$30 copay then 100%	\$40 copay then 100%
Spinal Manipulations	\$20 copay then 100%	\$25 copay then 100%	\$25 copay then 100%	\$30 copay then 100%	\$30 copay then 100%	\$40 copay then 100%
Prescription Drugs	<i>up to 34 day supply</i>		<i>up to 34 day supply</i>		<i>up to 34 day supply</i>	
Generic	\$10 copay		\$10 copay		\$15 copay	
Brand name	\$15 copay		\$20 copay		\$25 copay	
Non-preferred	\$30 copay		\$35 copay		\$40 copay	
Mail Order	<i>up to 100 day supply</i>		<i>up to 100 day supply</i>		<i>up to 100 day supply</i>	
Generic	\$10 copay		\$10 copay		\$15 copay	
Brand name	\$15 copay		\$20 copay		\$25 copay	
Non-preferred	\$30 copay		\$35 copay		\$40 copay	
Inpatient Copayment	\$100 copay per day to \$300 maximum		\$150 copay per day to \$450 maximum		\$300 copay per day to \$900 maximum	
Hospital Services	90% after inpatient copay	70% after inpatient copay	80% after inpatient copay	60% after inpatient copay	80% after inpatient copay	60% after inpatient copay
Outpatient Surgery	\$50 copay then 90%	\$50 copay then 70%	\$100 copay then 80%	\$100 copay then 60%	\$150 copay then 80%	\$150 copay then 60%
Emergency Room	\$75 copay then 90%	\$75 copay then 70%	\$75 copay then 80%	\$75 copay then 60%	\$100 copay then 80%	\$100 copay then 60%
	Copay waived if admitted		Copay waived if admitted		Copay waived if admitted	
Inpatient Mental Health <i>Benefits do not accrue to GBRF maximum</i>	Subject to inpatient copay and deductible then 90%	Subject to inpatient copay and deductible then 70%	Subject to inpatient copay and deductible then 80%	Subject to inpatient copay and deductible then 60%	Subject to inpatient copay and deductible then 80%; 30 days PCY	Subject to inpatient copay and deductible then 60%; 30 days PCY
Outpatient Mental Health	\$20 copay Limited to 50 one hour visits PCY	\$25 copay	\$25 copay Limited to 50 one hour visits PCY	\$30 copay	\$30 copay Limited to 30 one hour visits PCY	\$40 copay

Medical Comparison - Premera Blue Cross - WEA Select

PLAN 4 -500

PLAN 4-750

PLAN 5

	PLAN 4 -500		PLAN 4-750		PLAN 5	
	Heritage Provider	Any Licensed Provider	Heritage Provider	Any Licensed Provider	Heritage Provider	Any Licensed Provider
Specific Benefits	Not subject to deductible unless noted otherwise. Copayments and Coinsurance/GBRF represent WHAT YOU PAY (PCY—Per Calendar Year)					
Calendar Year Deductible						
Individual	\$500	\$500	\$750	\$750	\$100	\$250 per person
Family	\$1,500	\$1,500	\$2,250	\$2,250	\$300	PCY
Out-of-Pocket Max. (plus deductible)	\$5,000 per person	No Maximum	\$5,000 per person	No Maximum	See General Benefits Reimbursement Formula	
General Benefits Reimbursement Formula (GBRF)	In-Network paid at 80% of allowable charges; Out-of-Network paid at 50% of allowable charges		In-Network paid at 80% of allowable charges; Out-of-Network paid at 50% of allowable charges		In-Network paid at 100% of allowable charges; Out-of-Network paid at 70% of allowable charges; No out-of-pocket maximum for Out-of-Network charges	
Physician Office Visits	\$25 copay then 100%	\$35 copay then 100%	\$25 copay then 100%	\$35 copay then 100%	\$15 copay then 100%	70% after deductible
Preventive Care Includes physical exam, immunizations	\$25 copay then 100% Limited to \$300 per person PCY	Not Covered	\$25 copay then 100% Limited to \$300 per person PCY	Not Covered	\$15 copay then 100% Unlimited exams	Not Covered
Alternative Care Acupuncture (12 visits PCY)	\$25 copay then 100%	50% subject to deductible	\$25 copay then 100%	50% subject to deductible	\$15 copay then 100% Unlimited visits	70% after deductible
Spinal Manipulations	\$25 copay then 100%	50% subject to deductible	\$25 copay then 100%	50% subject to deductible	\$15 copay then 100%	70% after deductible
	Limited to 12 visits PCY		Limited to 12 visits PCY		Unlimited visits	
Prescription Drugs	<i>up to 30 day supply subject to \$250 ded</i>		<i>up to 30 day supply subject to \$250 ded</i>		<i>up to 30 day supply</i>	
Generic	\$15 copay		\$15 copay		\$10 copay	
Brand name	\$30 copay		\$30 copay		\$15 copay	
Non-preferred	\$45 copay		\$45 copay		\$30 copay	
Mail Order	<i>up to 90 day supply subject to \$250 ded</i>		<i>up to 90 day supply subject to \$250 ded</i>		<i>up to 90 day supply</i>	
Generic	\$25 copay		\$25 copay		\$10 copay	
Brand name	\$50 copay		\$50 copay		\$30 copay	
Non-preferred	\$90 copay		\$90 copay		\$60 copay	
Inpatient Copayment	None		None		\$200 copay per day max \$600	Covered under GBRF
Hospital Services	80% after deductible	50% after deductible	80% after deductible	50% after deductible	100% after inpatient copay	70% after deductible
Outpatient Surgery	80% after deductible	50% after deductible	80% after deductible	50% after deductible	100% after deductible	70% after deductible
Emergency Room	\$150 copay then 80%	\$150 copay then 50%	\$150 copay then 80%	\$150 copay then 50%	\$50 copay then 100%	\$50 copay then 70%
	Copay waived if admitted		Copay waived if admitted		Copay waived if admitted	
Inpatient Mental Health <i>Benefits do not accrue to GBRF maximum</i>	80% after deductible, 14 days PCY	50% after deductible, 14 days PCY	80% after deductible, 14 days PCY	50% after deductible, 14 days PCY	Subject to inpatient copay then 100%, 30 days PCY	30% after deductible, 30 days PCY
Outpatient Mental Health	\$25 copay Limited to 20 one hour visits PCY	\$35 copay	\$25 copay Limited to 20 one hour visits PCY	\$35 copay	\$15 copay Limited to 20 one hour visits PCY	30% after ded

Benefit Allocation

The benefit allocation for employee benefits per FTE in 2007-2008 is \$707.00. The amount available to apply towards medical insurance is determined after mandatory benefits funding has been allocated, as noted in the table below.

State Funds per FTE	\$707.00
Less: Retiree Subsidy	(\$57.71)
Add: District-paid Portion of Retiree Subsidy	\$0.00
Net Funds Available	\$649.29
Less: Mandatory Benefits	
Washington Dental Service/WEA Select	(\$111.20)
Standard Life	(\$8.50)
Standard LTD	(\$5.00)
Net Funds Available for Medical	\$524.59

Monthly Medical Premiums

2007/2008 Monthly Medical Premiums

	Regence High Option PPO	Regence PPO Four Front	GHC HMO	GHC Welcome HMO
Employee	\$490.89	\$437.87	\$440.49	\$353.80
Employee + Spouse	\$970.26	\$865.47	\$846.20	\$679.67
Employee + Child	\$695.10	\$620.03	\$625.17	\$502.14
Employee + Family	\$1174.47	\$1047.63	\$1030.79	\$827.94

WEA select Premera Blue Cross	Plan 1	Plan 2	Plan 3	Plan 4-500	Plan 4-750	Plan 5
Employee	\$609.95	\$533.45	\$477.60	\$441.10	\$427.55	\$549.70
Employee + Spouse	\$1160.40	\$1035.65	\$926.70	\$856.05	\$829.65	\$1114.05
Employee + Child	\$854.70	\$746.05	\$667.85	\$616.80	\$597.75	\$783.35
Employee + Family	\$1432.00	\$1248.25	\$1116.95	\$1031.75	\$999.90	\$1347.70

Monthly Payroll Deductions

2007/2008 Monthly Payroll Deductions

The amounts shown below are approximate monthly payroll deductions prior to pooling.

Listed in the chart below are the 2007-2008 monthly deductions for each plan. This is calculated by taking the total Benefit Allocation (as shown in the Benefit Allocation table), less mandatory benefits, less monthly medical premiums. The premium amount deducted from your paycheck may change after the September payroll and again after the October payroll. Deductions are determined from final pooling numbers that are calculated after the September enrollment and once more after October enrollment is known. The pooling may cause a change in the amount of money applied toward your premium reductions and, as a result, may change your out-of-pocket amount.

	Regence High Option PPO	Regence PPO Four Front	GHC HMO	GHC Welcome HMO
Employee	\$0.00	\$0.00	\$0.00	\$0.00
Employee + Spouse	\$445.67	\$340.88	\$321.61	\$155.08
Employee + Child	\$170.51	\$95.44	\$100.58	\$0.00
Employee + Family	\$649.88	\$523.04	\$506.20	\$303.35

WEA Select Premera Blue Cross	Plan 1	Plan 2	Plan 3	Plan 4-500	Plan 4-750	Plan 5
Employee	\$85.36	\$8.86	\$0.00	\$0.00	\$0.00	\$25.11
Employee + Spouse	\$635.81	\$511.06	\$402.11	\$331.46	\$305.06	\$589.46
Employee + Child	\$330.11	\$221.46	\$143.26	\$92.21	\$73.16	\$258.76
Employee + Family	\$907.41	\$723.66	\$592.36	\$507.16	\$475.31	\$823.11

Other Voluntary Benefits

Voluntary Short Term Disability (STD) – American Fidelity Assurance Company - WEA Select

Short Term disability is available to you. The premium will be an additional payroll deduction from your pay. You should contact your benefits specialist for a brochure and application if you are interested. The premium is based on your Annual Gross Salary, so premiums will vary. The brochure will provide you with the applicable premium.

Section 125 Flexible Spending Account- American Fidelity Assurance Company

Premium Only Plan (POP)

A Section 125 POP converts your payroll deduction for medical insurance premiums to a pre-tax savings payroll reduction. Employees do not have to re-enroll in the POP during Open Enrollment or if there is a change in their benefit selection. Pre-tax premiums continue to be automatic. If you would like your premiums deducted on an after tax basis, please contact the Benefits Department.

Section 125 Flexible Spending Account (FSA)

Section 125 of the Internal Revenue Code allows an employee to set aside a certain amount of their paycheck on a pre-tax basis to pay for medical, dental, vision, and dependent care expenses not covered by your insurance. During the Plan Year you would be reimbursed from the account to pay these expenses. Participation from year to year **is not** automatic. Employees must elect to enroll within 30 days of employment and must re-enroll each Plan Year. You may also use the account to pay expenses that are for your spouse and eligible dependents that you can claim on your tax return.

Example of Tax Savings from Section 125 Reduction

The following is an example of the tax savings that a Section 125 plan can provide. This example assumes your family’s medical/dental/vision and dependent care expenses are \$100.00 per month (\$1,200.00 per year) and assumes you are in an 18% federal income tax bracket which results in a \$308.00 savings for one year. If you are in a higher tax bracket, or if your qualifying expenses were higher than \$100 per month, your tax savings would be greater.

	<u>Without Section 125</u>	<u>With Section 125</u>
Annual Gross Salary	\$30,000	\$30,000
Less Pre-Tax Medical, Dental, Dependent /care	<u>\$ 0</u>	<u>-\$ 1,200</u>
TAXABLE SALARY	\$30,000	\$28,800
Less 18% Federal Income Tax	-\$ 5,400	-\$ 5,184
Less 7.65% FICA Tax	-\$ 2,295	-\$ 2,203
Less after Tax Medical Dental, Dependent Care	<u>-\$ 1,200</u>	<u>-\$ 0</u>
Salary after medical expenses	\$21,105	\$21,413
SAVINGS		\$ 308

Section 125 Advantages

If you set aside part of your paycheck, you will not make less money. Your net take-home pay will increase by the amount of the taxes you did not pay. The savings that will occur is the decrease in the taxes you pay. The reductions are exempt from income tax and social security tax now and in the future. If your earnings are below the social security maximum, social security taxes will be reduced. Because benefits from social security are based on taxable earnings, your social security benefits could be slightly smaller as a result of enrolling in a Section 125 plan. Washington State retirement benefits are still applied to your gross earnings and are, thus, unaffected by participation in Section 125. ***The Plan runs from October 1 through September 30 each year. Elections can only be changed during Open Enrollment. Once you have completed the enrollment election, it will remain in effect until the end of the Plan Year. You must re-enroll during Open Enrollment each year to remain in the Plan.*** If you terminate employment prior to the end of the Plan Year, you will be able to request reimbursement only for expenses that incurred prior to your termination.

You may enroll for a minimum reduction of \$10.00 per month. The IRS has a “Use It or Lose It Rule”. Funds not incurred and used during the Plan Year are forfeited. Any contributions that are not used during the plan year cannot be paid to you in cash or used in a later plan year. You have 90 days from the end of the Plan year to submit claims that were incurred during the Plan Year. It is important to conservatively estimate your expenses to ensure your use of the funds. Enrollment materials that provide you with all the necessary information and specific IRS tax rules are available in the Benefits Department. The plan is administered by: American Fidelity Assurance Company.

Examples of Section 125 Dependent Care Expenses

A qualified dependent for Dependent Care expenses is any individual in your family who is under the age of 13 and whom you could claim as a dependent on your federal income tax return and regularly spends at least 8 hours per day in your home. It also includes any other dependent who is physically or mentally incapable of self-care OR your spouse, if your spouse is likewise physically or mentally incapacitated. Eligible expenses under the Dependent Care Plan include:

- Care provided while both you and your spouse work.
- Care provided inside or outside your home.
- Expenses not reimbursed from other sources.
- Care provided by someone other than one of your dependents.

Note: Not all expenses are eligible. For example, the cost of sending your qualified dependent to an overnight camp is NOT considered a work related expense. To find out more, refer to IRS PUB #503.

Examples of Section 125 Health Care Expenses

Expenses must be for Medical Care for you, your spouse, or your dependents. Medical Care is defined as the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body; i.e., medically necessary. Expenses must have been incurred during period of coverage.

Acupuncture	Laboratory fees
Alcoholism and drug treatment	Language training – children (dyslexia or disabled)
Allergy medicine	Laxatives
Antacids	Medical ointments (Neosporin)
Athletes foot medicine	Naturopathic physicians
Birth control pills and sterilization	Nicotine patches and gum
Chiropractors, psychiatrists, and psychologists	Nursing Services
Coinsurance, co-payments, deductibles	Orthodontia expenses and occlusal guards to prevent teeth grinding
Cold, sinus medicines, and cough syrup	Pain relievers (aspirin, Tylenol)
Contact lens solutions and cleaners	Physical therapy
Dental Treatments (x-rays, fillings, etc.)	Refractive eye surgery
Drugs and medicines (prescribed by a doctor)	Smoking Cessation Program
Durable Medical equipment, wheelchairs, crutches	Sore muscle medicines (Ben Gay)
Eyeglasses, vision expenses, and exams	Transportation and mileage expenses to obtain medical services
Fluoride Treatment	X-Ray
Hearing aids and batteries	
Hemorrhoid medicine	
Hospitalization expense and services	

Tax Sheltered Annuities

TSA's provide a way to defer income for use when you retire. Federal Tax Law provides that an employee of a public school may agree with their employer to set aside a portion of salary in a 403(b) annuity contract/custodial account. The portion set aside into a TSA reduces the employee's current year taxable income and provides a deferred-tax benefit. The IRS regulates the amount you may set aside each year. Enrollment and changes can be made at any time during the year. The Benefits Department has a list of investment companies, which have been authorized to provide services to employees. There must be a least five participants for any investment company to remain on the authorized list. The District does not represent, imply, or offer recommendations on any particular tax-deferred account type nor the investment companies offering the contracts. Advice should be sought from your tax advisor or through other investment or TSA professionals. The list of investment companies and a handbook describing the TSA program are available from the Finance Department.

Deferred Compensation Plan

In addition to investing in a TSA, employees can also participate in the Deferred Compensation Plan (DCP) under the Internal Revenue Code 457. It is a supplemental retirement plan that provides District employees control and flexibility over their individual investments while reducing federal taxes owed for the current year. The plan provides an option to employees to invest income from their monthly paycheck on a tax-deferred basis. DCP has low management and administrative fees, no penalties on withdrawals, and portability. The Department of Retirement Systems (DRS) administers the plan. A brochure is available in the Finance Department or by contacting DRS at (800) 547-6657 or through their website at www.drs.wa.gov. You would enroll by contacting DRS directly.

Credit Unions

All employees of the District, including substitutes, are eligible to join the credit union. Employees may have their paycheck automatically deposited into the credit union. If you wish to enroll in the credit union, you can do so by contacting the Finance Department or you may contact the credit union directly. Contact information is listed in the Key Contacts section of this booklet.

American Fidelity Assurance Company

Employees have the opportunity to select supplemental insurance coverage through American Fidelity. Most policies can be paid on a pre-tax basis through payroll deduction. American Fidelity provides supplemental insurance policies to help with medical and living expenses associated with serious injuries or illnesses. Policy benefits are paid directly to you, unless assigned, regardless of any other coverage you may have and benefits cannot be reduced because of other insurance.

Other Important Information

Breast Cancer RightsWhat you should know

Women's health issues have long been a top priority. We stress the importance of preventive care, like mammograms and pap smears, and when these screenings detect cancer, we cover treatment.*

The Women's Health & Cancer Rights Act of 1988

This law requires health plans to provide coverage for the breast reconstruction after a mastectomy has been performed; coverage for surgery and reconstruction on the other breast to produce symmetrical appearance; and coverage for prostheses and any physical complications during all stages of the mastectomy, including lymph edemas.

These benefits may be subject to deductible and co-payment provisions, if your plan includes such provisions. Additional details about this coverage are provided in your Evidence or Certificate of Coverage. You should keep this notice for your records.

If you have questions

For more information, you may contact the appropriate Customer Service Department for the health plan that you have chosen. Carrier phone numbers are provided in this guide.

**Except for investigational or experimental treatments.*

Out-of-Area Benefits for Blue Cross/BlueShield

If you are living or traveling outside of Washington and need medical care, you may use a Blue Cross or BlueShield PPO provider to receive the same benefits as the preferred level of your plan. When you are outside of the service area and need medical care, call the BlueCard Access Line at (800) 810-BLUE (2583) for information on the nearest PPO doctors and hospitals. The doctor or hospital will verify your membership and coverage information after you present your identification/membership card. The doctor or hospital will electronically route your claim to your BlueShield plan for processing. Because all PPO providers are paid by the plan directly, you are not required to pay for the care at time of service and then wait for reimbursement. You will only need to pay for out-of-pocket expenses, such as non-covered services, deductible, co-pays and co-insurance. This applies only to employees who enroll in a Regence or Premera Plan.

Consolidated Omnibus Reconciliation Act of 1985 (COBRA)

You and/or each of your dependents may qualify to continue your group health care coverage that would otherwise end due to any of the following qualifying events:

- Voluntary termination of employment or through retirement (Except for Gross Misconduct)
- A loss of benefits due to a reduction in your work hours; or
- For your surviving spouse (and any children) if coverage would otherwise end due to your death; or

- For your former spouse (and any children) if coverage would otherwise end due to divorce or legal separation; or
- For you spouse and/or children if coverage would otherwise end due to your Medicare entitlement; or
- For your child if coverage would otherwise end because the child ceased to be a dependent (no longer can be claimed on your tax return) or they are over 19 and have other insurance through their employer.

Please note that Domestic Partners do not qualify for COBRA coverage.

You Must Give Notice of Some Qualifying Events

For the other qualifying events such as divorce or legal separation of the employee and spouse or a dependent child losing eligibility for coverage, you must give written notice to the Plan Administrator, Greg Thramer, in the Finance Department within 60 days after the qualifying event occurs.

How is COBRA coverage provided?

Once the Finance Department receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage and has 60 days to elect coverage. COBRA continuation coverage is a temporary continuation of coverage.

Health Insurance Portability and Accountability Act (HIPAA)

The U.S. Department of Health and Human Services released updated regulations in August 2002 that placed restrictions on how personally identifiable health information may be used and disclosed by certain organizations. These regulations implement the privacy requirements contained within the Administrative Simplification subtitle of the Health Insurance Portability Act of 1996 (HIPAA). While some states have laws that protect health information, this Federal regulation establishes a uniform, minimum level of privacy protection for all health information. For more information go to www.hhs.gov.

Special Enrollment Rights

If you are declining enrollment for yourself or your dependents (including our spouse) because of other health insurance coverage, you may, in the future, be able to enroll yourself or your dependents in this plan, provided that you request enrollment within 30 days after your other coverage ends and provide proof that coverage ended.

In addition, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within 30 days of the marriage, birth, adoption, or placement for adoption.

Medicare Part D

Important Notice from Burlington-Edison Public Schools About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Burlington-Edison Public Schools and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

- 1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.**
- 2. Burlington-Edison Public Schools has determined that the prescription drug coverage offered by the Burlington-Edison Public Schools is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage.**

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15th through December 31st. Beneficiaries leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

If you do decide to enroll in a Medicare prescription drug plan and drop your Burlington-Edison Public Schools prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

You should also know that if you drop or lose your coverage with Burlington-Edison Public Schools and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least

19% higher than what many other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

For more information about this notice or your current prescription drug coverage...

Contact the Finance Department for further information. NOTE: You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through Burlington-Edison Public Schools changes. You also may request a copy.

For more information about your options under Medicare prescription drug coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you may call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Date:	08/31/2007
Name of Entity/Sender:	Burlington-Edison Public Schools
Contact:	Greg Thramer, Finance Director
Address:	927 East Fairhaven Avenue, Burlington, WA 98233
Phone Number:	(360) 757-3311

Key Contacts

<p>Group Health Cooperative www.ghc.org PO Box 34585 Seattle, WA 98124 1-888-901-4636</p>	<p>Regence BlueShield www.wa.regence.com PO Box 21267 Seattle, WA 98111-3267 1-800-544-4246</p>	<p>Premera Blue Cross www.premera.com/wea PO Box 91059 Seattle, WA 98111 1-800-932-9221</p>
<p>Washington Dental Service / WEA www.deltadental.com PO Box 75688 Seattle, WA 98175-0688 1-800-554-1907</p>	<p>Vision Services Plan / WEA www.vsp.com 1-800-877-7195</p>	<p>American Fidelity Assurance Co. www.afadvantage.com linda.dodman@af-group.com 3055 112th Ave. NE, Suite 225 Bellevue, WA 98004 1-866-576-0201</p>
<p>Deferred Comp Program dcpinfo@drs.wa.gov PO Box 40931 Olympia, WA 98504-0931 1-888-327-5596</p>	<p>Department of Retirement Systems www.drs.wa.gov PO Box 48380 Olympia, WA 98504 1-800-547-6657</p>	<p>Washington State Health Care Authority Public Employees Benefit Board (Retiree Enrollment Guide) www.pebb.hca.wa.gov PO Box 42684 Olympia, WA 98504-2684</p>
<p>Working Solutions Program (Employee Assistance) www.liveandworkwell.com (Access Code) Aon Consulting 1200 Sixth Avenue, Suite 2000 Seattle, WA 98101-1128 1-800-358-8515</p>	<p>School Employees Credit Union of Washington www.secuwa.org 325 Eastlake Avenue E Seattle, WA 98109-5407 1-888-628-4010</p>	<p>My Benefits This Enrollment Guide is also available online at www.theunitygroup.com, click on the My Benefits button. Your user login in is beunaff and your password is also beunaff.</p>

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Prepared by:

The Unity Group, Inc.
110 Unity Street
Bellingham, WA 98225

This is a brief summary of benefits prepared by The Unity Group, the employee benefits insurance broker for Burlington-Edison Public Schools. This is not a certificate of coverage. For full coverage provisions, including a description of waiting periods, limitations and exclusions, refer to the benefits plan documents and contracts. If there is a conflict between this summary and the official plan documents, the actual plan document will govern in all cases.