

# Welcome to Open Enrollment for 2023 Benefits

Monday, Nov. 14 to Friday, Dec. 9 (5 p.m.)

Open enrollment is your once-a-year opportunity to enroll in, or change, your benefits for the upcoming year.

After open enrollment, you can only change your benefits if you have a qualified status change, such as birth or marriage.

**If you do nothing:**

- You will have the same healthcare benefits you have now.
- You will NOT have a Health Care FSA or Dependent Care FSA. You must re-enroll in these accounts each open enrollment to participate the next year.
- You will also remain enrolled in any supplemental life, optional long-term care “buy-up”, or long-term disability “buy-up” benefits you have previously elected. You may request to remove or reduce those benefits through open enrollment, if desired. Contact [Benefits@chelanpud.org](mailto:Benefits@chelanpud.org) for information about how to enroll in these optional benefits.

**What’s New for 2023**

Here’s a rundown of what’s changing and what’s not for 2023.

- There are no changes to your benefit plans for 2023. You have the same plans that cover the same comprehensive range of services as last year.
- The PPO Plan premium (including dental) will increase slightly, to \$160.96/month (\$74.29 per paycheck).
- The CDHP premium (including dental) will remain at \$0, plus a \$1,250 HRA VEBA annual contribution.
- Basic long-term disability premiums of \$13.43/month will remain the same.
- Supplemental life coverage rates are the same, however they are age based, and premiums will increase in the year you meet an age milestone. Contact [Benefits@chelanpud.org](mailto:Benefits@chelanpud.org) for rates or for information about how to enroll.

## 2023 Healthcare Premiums and Deductibles

Chelan County PUD provides valuable benefits for you and your family, and employees will continue to enjoy low rates in 2023. The PPO premium contribution is increasing by \$5.00 a month and there continues to be no employee premium contribution for the CDHP.

Here are the employer and employee premiums and deductibles for 2023.

| Premiums                          | PPO Plan          |                    | CDHP          |                    |
|-----------------------------------|-------------------|--------------------|---------------|--------------------|
|                                   | Employee          | Employer           | Employee      | Employer           |
| Per Month                         |                   |                    |               |                    |
| Medical (including Rx and vision) | \$152.03          | \$1,875.09         | \$0.00        | \$1,658.01         |
| Dental                            | \$8.93            | \$110.14           | \$0.00        | \$119.09           |
| Monthly total                     | \$160.96          | \$1,985.23         | \$0.00        | \$1,777.10         |
| <b>Annual Total</b>               | <b>\$1,931.52</b> | <b>\$23,822.76</b> | <b>\$0.00</b> | <b>\$21,325.20</b> |
| <b>Per Paycheck</b>               | <b>\$74.29</b>    | <b>\$916.26</b>    | <b>\$0.00</b> | <b>\$820.20</b>    |

| Out-of-Pocket Costs                 | PPO Plan                         |  | CDHP                             |  |
|-------------------------------------|----------------------------------|--|----------------------------------|--|
|                                     |                                  |  |                                  |  |
| Deductibles                         | \$300/person<br>\$900/family     |  | \$1,250/person<br>\$2,500/family |  |
| Annual Out-of-Pocket Maximums       | \$1,300/person<br>\$3,900/family |  | \$3,300/person<br>\$6,600/family |  |
| Physician                           | \$20 copayment                   |  | 20% coinsurance after deductible |  |
| Hospital (inpatient and outpatient) | 20% coinsurance after deductible |  |                                  |  |
| Emergency                           | \$50 copayment                   |  |                                  |  |
| Chiropractic                        | \$20 copayment                   |  |                                  |  |
| Vision Exam                         | \$20 copayment                   |  |                                  |  |
| Vision Hardware                     | \$300 allowance every 24 months  |  |                                  |  |

## Redesigned Benefits Website

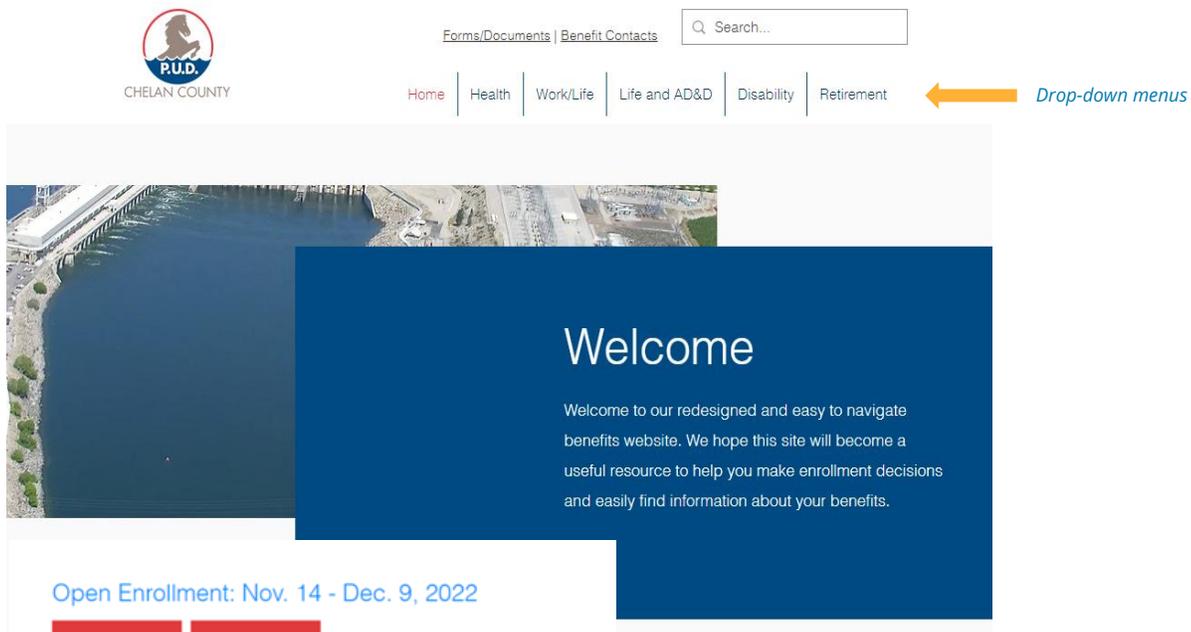
We want you to be able to find understandable information about your benefits. That's why we have redesigned the Chelan County PUD benefit website at:

[mychelanpudbenefits.org](http://mychelanpudbenefits.org)



### Features of the new site include:

- **Easy navigation** – We designed this site with you in mind. Use the drop-down menus and easy-to-locate icons to find information about all your benefits.
- **More information** – Can't remember how your FSA benefits work? Need information on using your HRA VEBA? We included the information you need to make the most of your benefits.
- **Less jargon** – Sometime benefits feel like a whole different language. The redesigned site breaks down your benefit information so it's easier to understand!



Tried the new website and still can't find an answer to your question?

Contact Chelan PUD Benefits

- Email: [benefits@chelanpud.org](mailto:benefits@chelanpud.org)
- Call: (509) 661-4448

## Benefit Feature: Understanding Your Savings Account Options

Most Chelan PUD employees have out-of-pocket healthcare costs; many also have dependent care expenses. To help reduce these expenses, the District offers three types of savings accounts: expenses:



Health Care FSA



Dependent Care FSA



HRA VEBA

### Flexible Spending Accounts (FSAs)

Depending on your needs, you may participate in one, both or neither FSA:

- **Health Care FSA** – for eligible out-of-pocket healthcare expenses for you, your spouse, and your children under 26 who are eligible for Chelan PUD healthcare benefits.
- **Dependent Care FSA** – for day care expenses for your dependent children under age 13 and adults who need care while you work.

#### How the FSAs work

1. You must enroll in FSA accounts each year during open enrollment to participate the following year. When you enroll, you elect how much you want to contribute to each account.
2. Your contributions are deducted in equal amounts from 24 of your 26 paychecks throughout the year. These contributions are deducted before federal income and Social Security and Medicare taxes are withheld.
3. After you incur an eligible expense, you have the option to use your Benefit Card to pay for the service, or submit a reimbursement request online at [myonebridge.com](https://myonebridge.com) or the HRAgo mobile app. To be eligible for reimbursement, the expense must be incurred:
  - Health Care FSA: between Jan. 1 and March 15 of the following year.
  - Dependent Care FSA: between Jan. 1 and Dec. 31

For example, if you contribute to both accounts in 2023, you must receive the health care expense between Jan. 1, 2023 and Mar. 15, 2024 and you must receive the dependent care service between Jan. 1, 2023 and Dec. 31, 2023.

FSAs save you money because you never pay income taxes or Social Security/Medicare taxes on this part of your income.

#### How much can you contribute?

You can contribute as little as \$1 per paycheck (\$24 a year) up to the annual IRS contribution limit.

#### 2023 IRS Contribution Limits

- Health Care FSA: \$3,050
- Dependent Care FSA: \$5,000/household for single taxpayers or married couples filing jointly; \$2,500 for married people filing separately

Be sure to plan the amount you will contribute to your FSAs very carefully: FSA funds don't roll over.

#### Changing your FSA contribution amount

Once you enroll, you cannot change your contribution amount until the next open enrollment unless you have a qualifying life change, such as marriage or birth, or a change in benefits eligibility. Any increase or decrease must correspond to the qualifying change in status. For example, if you have a baby, you can increase your contributions but cannot decrease them.

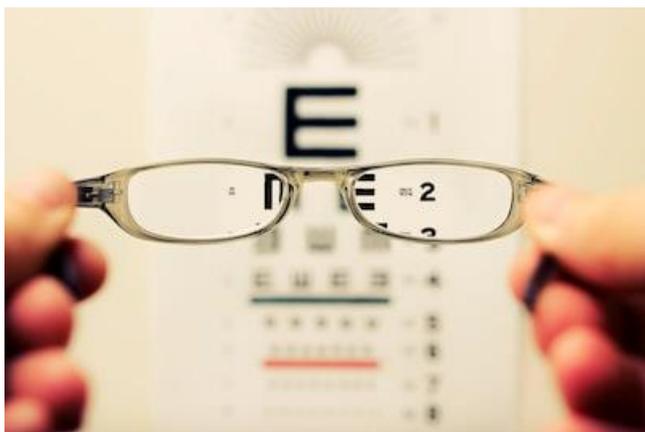
**You have 30 days after a qualifying event to change your benefit elections.** If you miss the deadline, you must wait until the next open enrollment to make changes.

## Spending your funds

**Health Care FSA and HRA VEBA** funds can be used for out-of-pocket healthcare expenses, including:

- Deductibles
- Office visit co-pays and co-insurance
- Prescription drug co-pays and co-insurance
- Vision expenses
- Dental expenses
- Orthodontic expenses

If you are nearing the end of the year and still have money in your Health Care FSA, check out this list of [eligible expenses](#) so you can use up those funds.



**Dependent Care FSA** funds can be used for day care expenses for your dependent children under age 13 and adults who need care while you work, such as:

- Day care
- After school care
- Childcare camps for times when school is not in session
- Non-medical nursing care and/or home care

Dependent Care FSA funds **cannot** be used for overnight camps, babysitters for times you are not working, care provided by a relative you claim as a dependent on your taxes, or dependent healthcare expenses.



## HRA VEBA

As a benefit-eligible employee, the District contributes to a tax advantaged account in your name called an HRA VEBA. You can use the account to pay for eligible healthcare expenses for you, your spouse, your children under 26, and anyone you can claim as a dependent on your taxes. (See the list in the left column).

### District contributions:

- Non-bargaining unit employees: \$100/month
- Bargaining unit employees: \$200/month
- CDHP enrollees: Additional \$1,250 in January

## Seven things to know about HRA VEBA

1. You can have both a Health Care FSA and an HRA VEBA account.
2. Only the District can contribute to the HRA VEBA (and only you can contribute to an FSA).
3. The money in the HRA VEBA rolls over from year to year, allowing you to use the funds now or save it for later or when you retire.
4. At resignation or retirement, 90% of the value of your paid leave is transferred to your HRA VEBA.
5. Any balance in the HRA VEBA passes to your beneficiaries when you die, tax free.
6. Your HRA VEBA funds are invested, and you can choose the investments. Until you make a change, your account is invested in the HRA VEBA Stable Value Fund. Login to [hraveba.org](http://hraveba.org) to check your account activity and manage your investments.
7. You get triple tax savings from your HRA VEBA:
  - You don't pay Social Security or Medicare taxes on the District's contributions
  - You don't pay taxes on investment earnings (if any)
  - You don't pay taxes on funds used to pay for eligible health care expenses.

## FSA and HRA VEBA Account Resources

You can manage all of your FSA and HRA VEBA accounts online at [myonebridge.com](http://myonebridge.com) or the mobile app, HRAgo®.

Learn more about the FSAs and the HRA VEBA on [mychelanpubbenefits.org](http://mychelanpubbenefits.org).

## Use Your HRA VEBA as a Retirement Savings Vehicle



When planning for retirement, consider using your Health Care FSA to pay for out-of-pocket healthcare expenses (on a pre-tax basis) while building your HRA VEBA balance. Your HRA VEBA balance can roll over from year-to-year and you can use it after leaving District employment to pay for out-of-pocket medical expenses and Medicare premiums. This is illustrated in the following example.

### Meet Dan

Dan and his spouse are active empty nesters who are relatively healthy and have about \$2,000 in out-of-pocket expenses for medications and monthly chiropractic visits. Because they are 10 years away from retirement, they want to save their HRA VEBA funds to help pay for their healthcare premiums during retirement. Dan receives \$100 per month in the HRA VEBA, and also **elected the CDHP medical plan**. By saving the HRA VEBA contributions, when Dan retires at 65, he has \$27,391 to pay for his Medicare premiums and out-of-pocket medical expenses.

| Dan's HRA VEBA Balance After 10 Years |                 |
|---------------------------------------|-----------------|
| Annual HRA VEBA contribution          | \$2,450         |
| x 10 years                            | 24,500          |
| + 2% annual compound interest         | \$2,891         |
| <b>Total After 10 Years</b>           | <b>\$27,391</b> |

Dan prefers to invest his funds in something other than the default HRA VEBA Stable Value Fund, so he also checks his online account at [hraveba.org](http://hraveba.org) once a quarter and manages his investments.

## Use Your FSA to Lower Taxes and to Manage Cash Flow

The District offers a tax-free Health Care FSA and Dependent Care FSA to help employees reduce taxes for eligible expenses, and to help manage cash flow associated with out-of-pocket healthcare expenses.

### Meet Julie

Julie has a child in daycare with a cost exceeding \$5,000 per year and a spouse with a medical condition requiring surgery. Julie is on the CDHP and expects to pay a total of \$2,600 out of pocket for her spouse's medical care next year. Julie is using the District's FSA accounts to help her reduce her taxes and to manage her cash flow.

When the medical and dependent care bills arrive, she can quickly submit them for reimbursement through the HRAgo® app on her phone. The HRAgo® app is available on the App Store and on Google Play.

| Julie's Annual Tax Savings                      | With FSA         | No FSA   |
|---|------------------|----------|
| Annual pay                                      | \$80,000         | \$80,000 |
| Annual Dependent Care FSA election              | -5,000           | 0        |
| Annual Health Care FSA election                 | -2,600           | 0        |
| W-2 income                                      | 72,400           | 80,000   |
| Standard deduction                              | -12,950          | -12,950  |
| Taxable income                                  | 59,450           | 67,050   |
| Federal income tax (marginal rate 22%)          | 13,079           | 14,751   |
| FICA tax (7.65% of W-2 income)                  | + 4,548          | + 5,129  |
| Total taxes                                     | 17,627           | 19,880   |
| <b>FSA Tax Savings</b><br>(\$19,880 - \$17,627) | <b>+ \$2,253</b> |          |

Julie has a total of \$7,600 (\$2,600 healthcare and \$5,000 dependent care) in FSA funds available, while reducing her take-home pay by only \$5,347 (\$7,600 - \$2,253).





As a Chelan PUD employee, you make a difference in your community every day. In return, the District provides benefits to make a difference in your life by providing financial security for you and your family — now and in the future.

## Ready, Set, Enroll

Before you enroll, be sure you:

1. Learn about your options at [mychelanpudbenefits.org](https://mychelanpudbenefits.org)  
Use the online tools and watch the videos to help you choose the right medical plan for your situation.
2. When you're ready to enroll, go to the [PeopleSoft Employee Self Service](#) pages.  
(Works while logged in to a District computer only.)



[Mychelanpudbenefits.org](https://mychelanpudbenefits.org)

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