NEW LIMITED PURPOSE MEDICAL FLEXIBLE SPENDING ACCOUNT

In 2015 our current Healthcare Reimbursement Account or HCRA (a general purpose medical flexible spending account) will only be available to employees who enroll in the Aetna PPO plan. If you enroll in the Aetna Consumer Choice (HSA) Plan you are prohibited from also having a general purpose flexible spending account. However you may enroll in the new Limited Purpose Medical Flexible Spending Account (LFSA) which is specifically designed to work with the Aetna Consumer Choice (HSA) Plan.

With a LFSA you may be reimbursed for dental and vision expenses for you or any of your tax dependents. After you have incurred the federally mandated amount of deductible expenses, the IRS permits you to use your LFSA to reimburse yourself for general medical expenses. The mandated amounts are $1,300 if you are enrolled in employee only coverage and $2,600 if you are enrolled in dependent level coverage.

If a Health Savings Account covers the same things that can be reimbursed from a LFSA, why would I enroll in a LFSA? Some participants may wish to allow their HSA money to accumulate for future healthcare needs and take advantage of the additional pre-tax dollars from the LFSA to cover vision or dental expenses that are predictable for the current year.

If I have money left in the HCRA on December 31st what will happen to it? You may carry over up to $500 in unused 2014 contributions into an account in 2015 (note, the carry over replaces the previous extension of March 15th to use your 2014 contributions). You still must have a minimum of $100 to open an account in 2015. If you have more than $100 left on December 31, 2104 it will automatically be rolled over into an account in 2015 after the claim submission period which ends February 28, 2015. If you have less than $100 left then you also must make an election to contribute additional funds in 2015 so that the total is at least $100. If you enroll in the Aetna LFSA Plan any carry over will be deposited in the HCRA. If you enroll in the Aetna Consumer Choice (HSA) Plan any carry over will be deposited in the LFSA.

Has the Dependent Care Reimbursement Account Changed? No, you still have until March 15, 2015 to incur dependent care expenses and use your 2014 contributions. All 2014 claims must be submitted by March 31, 2015. The total amount between the college’s dependent care subsidy and your contributions cannot exceed $5,000.

Have the maximum contribution limits changed for 2015? Yes, the maximum contribution for the HCRA and the LFSA are now $2,550. The Dependent Care Reimbursement Account limit remains unchanged at $5,000.

THE NEW HEALTH SAVINGS ACCOUNT (OR HSA)

To be eligible to open a HSA you must be enrolled in the Aetna Consumer Choice (HSA) Plan, you cannot be covered under any other health plan or general purpose flexible spending account (see related information under Reimbursement Accounts in 2015) and cannot be claimed as a dependent under anyone else’s tax return.

With an HSA you will receive Bates “base” contribution and you may also earn an additional match by contributing your own pre-tax dollars to your HSA. Funds in your HSA also accumulate interest tax-free. Once you have a balance of at least $1,000 you may also choose to invest funds in your HSA in a variety of Mutual Funds. Distributions from your HSA for qualified medical expenses can also be taken tax free.

Unlike the reimbursement accounts, your entire HSA balance will roll over from year to year and it is yours when you leave Bates. You can use your HSA for medical expenses that you incur after you have established your HSA. There is no time limit for when you actually reimburse yourself.

You must keep all receipts and records. These will show that you used your HSA funds to pay for eligible medical expenses. You also want these receipts in case you get audited by the IRS. If you use funds to pay for a non-eligible expense, you will have to pay income taxes on that amount and, if under age 65, also pay a 20% penalty.

Please see the PayFlex HSA Rules of the Road and the HSA Frequently Asked Questions found on the Human Resources website for details of how the HSA works. We will also be hosting a session dedicated to Health Savings Accounts on Friday, November 21st from noon-1:00 pm in Commons 221.

Remember to enroll online beginning Monday, November 10th and ending at midnight on Tuesday, November 25th.

2015 BENEFITS ENROLLMENT GUIDE

2015 BENEFITS ENROLLMENT GUIDE
PLANS

The Aetna plan will be similar in coverage, co-pays, deductibles and co-insurance to our plan this year with two exceptions as follows:

- The out-of-pocket maximum that an employee may pay has increased from $1,500 for an individual to $2,000 and from $3,000 for a family (or Employee + Spouse/Employee+ Children) to $4,000.
- Effective January 1, 2015 prescription drug co-pays count towards the out-of-pocket maximum.

Aetna Consumer Choice (HSA) Plan: Similar to the PPO, preventive services such as your annual physical and related screenings are paid at 100%. Preventive prescriptions for certain conditions allowed by the IRS are paid at 100% (see Aetna’s Preventive Medication List). All other prescriptions and medical expenses are subject to the deductible. Once the deductible has been met a 20% cost share (co-insurance) applies to your medical expenses until you reach an out-of-pocket maximum for the year.

Both plans have the same national network of hospitals, doctors and other medical providers. You will want to stay in-network in either plan to take advantage of Aetna’s negotiated rates. The negotiated rates are the same for either plan and both plans cover the same services. Please see the 2015 Medical Plan Options Presentation and Summary of Benefits for more detailed information on what services are covered and how the services are paid by Aetna under each plan.

2015 MEDICAL PLAN PAYROLL AND HSA CONTRIBUTION RATES

The 2015 monthly payroll contribution rates for the Aetna PPO and the Aetna Consumer Choice (HSA) Plan are listed below. Employee Coverage for the PPO plan are $50 a month more than the HSA plan. If you enrolled in the HSA plan and contributed the difference in payroll contributions ($50 x 12 months = $600) to your Health Savings Account Bates will provide an additional matching contribution of $300.

Likewise with the dependent level contributions. If you enrolled in the HSA plan and contributed the difference in payroll contributions ($100 x 12 months = $1,200) to your Health Savings Accounts Bates will provide an additional matching contribution of $600.

- Maximum Individual Coverage Contribution rate is $3,350 in 2015—includes both yours and Bates contributions (additional $1,000 “catch up” if age 55 in 2015)
- Maximum Dependent Level Coverage Contribution rate is $6,650 in 2015—includes both yours and Bates contributions (additional $1,000 “catch up” if age 55 in 2015)

2015 DENTAL PLAN CONTRIBUTION RATES

Listed below are the 2015 monthly rates. There has been no change in employee payroll contribution rates from what they were in 2014. Aetna Dental covers the same set of services in the same manner as the plan we currently have up to the $1,000 annual benefit maximum.

You don't need an ID card to get dental care!

Aetna wants to make doing business with them easier than ever. How will my dentist know I’m an Aetna Dental member? When you visit your dentist, identify that you now have Aetna Dental and simply tell the office your name, date of birth and member ID number (or your Social Security number).

But what if I want a card?

Easy — use Aetna’s mobile app or go online. Log in to their secure member website at www.aetna.com. Your ID card will appear on your personal benefits page. You can print out an ID card for you and your dependents by clicking on “Get an ID card.”

Change in Medical Plan Contribution Rate Structure in 2015

Effective January 1, 2015, employees who work 30 or more hours a week pay the full-time rate towards their medical and dental benefits. Employees who work less than 30 hours will be charged a part-time contribution rate. A complete listing of the contribution rates can be found on the HR website.

Health Saving Account Contributions

If you enroll in the Aetna Consumer Choice (HSA) Plan you will receive a Base Contribution as listed to the left. If you contribute your own money to your Health Savings Account (HSA) the college will contribute a 50% Matching Contribution up to a maximum of $300 for employee only coverage and $600 for dependent level coverage.