

Open Enrollment 2014-15 (For Benefit Eligible Employees Only)

Attached you will find the New Prague Area Schools Employee Benefits Enrollment Guide. Please review carefully as it contains all pertinent information regarding your open enrollment options effective July 1, 2014.

Health Insurance:

New Prague Area Schools is happy to announce there are no medical plan design changes planned for July 1, 2014.

A copy of each of the plans offered by New Prague Area Schools of the Summary of Benefit Coverage's (SBC) can be found by visiting www.np.k12.mn.us under *Human Resources/Payroll - Benefits*. You may also request a paper copy from Human Resources.

Insurance Rate Changes:

- Health Insurance Premium Increase - 9.8%
 - BCBS/SC Service Cooperative underwriting renewal required a 14.1% increase for July 1, 2014, however renewal relief was given.
- Dental Insurance Premium Increase - 2.5%

Supplemental Life Insurance

- One time only-no pre-existing health questions required if you enroll this year - see page 14 for details.

Updated Human Resources/Payroll Website Directory:

We've updated the "Benefits" website directory under Human Resources/Payroll. We hope this will be more user-friendly. ***Notice that all Insurance Certificates of Coverage/Plan Summaries and related forms are now included on the website under:***

Human Resources
Benefits

- Insurance Certificates of Coverage-includes Dental, Health, Life & Long Term Disability
- Forms

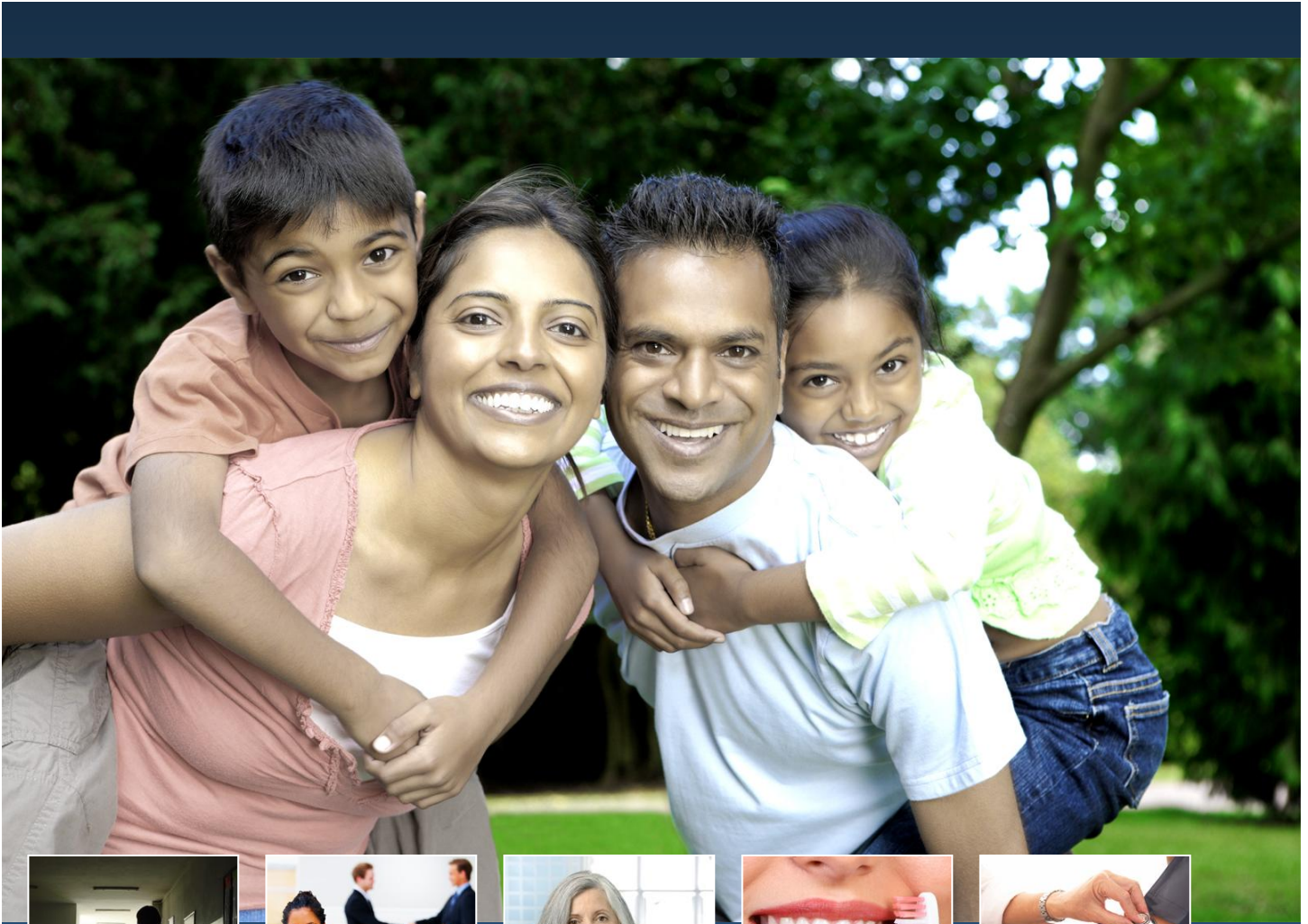
Pay special attention to the following:

- Page 6 "What's New in 2014-1" which highlights new information
- Page 17 "Questions & Answers" which outlines details regarding which forms to complete (& where to access them), timelines, and other important information.

*****OPEN ENROLLMENT DEADLINE IS FRIDAY, MAY 30, 2014*****

**In an effort to save paper, please review online and print only what you need.*

New Prague Area Schools Employee Benefits Enrollment Guide



PLAN YEAR | **July 1, 2014** (All forms due by Friday, May 30,

Welcome to Open Enrollment for your July 1, 2014 Benefits!

Elections you make during open enrollment will become effective July 1, 2014. New Prague Area Schools offers you and your eligible family members a comprehensive and valuable benefits program. We encourage you to take the time to educate yourself about your options and choose the best coverage for you and your family.





Who is Eligible?

If you are a New Prague Area Schools employee and are eligible for benefits (**check your contract for eligibility requirements**) you are eligible to enroll in the benefits described in this guide. The following family members are eligible for medical, dental coverage:

- Married Spouse
- Dependent Children to age 26



How to Enroll

The first step is to review your current benefit elections. Verify your personal information and make any changes if necessary. Make your benefit elections. Once you have made your elections, you will not be able to change them until the next open enrollment period unless you have a qualified change in status.



When to Enroll

The open enrollment period runs from **Friday, May 9, 2014 through Friday, May 30, 2014**. The benefits you elect during open enrollment will be effective from **July 1, 2014 through June 30, 2015**.



Making Changes After Enrollment

Once you have made your 2014-2015 insurance plan elections. You will not be able to change your elections unless you have experience a qualified change in status, until the next year's open enrollment period. A qualified change in status includes:

- Marriage
- Divorce/legal separation
- Birth or adoption of a child
- Death of spouse, or child
- Change in spouse's benefits or employment status

What's New for 2014-15



Medical -Health Plan Enhancements for July 1, 2014

Behavioral Health - Minnesota state statute requires a health plan issued to a large employer must provide coverage for the diagnosis, evaluation, multidisciplinary assessment and medically necessary care of children under age 18 with autism spectrum disorders, including but not limited to the following.

- early intensive behavioral and developmental therapy based in behavioral and developmental science, including, but not limited to, all types of applied behavior analysis, intensive early intervention behavior therapy and intensive behavior intervention
- neurodevelopmental and behavioral health treatments and management
- speech therapy
- occupational therapy
- physical therapy and medications

The diagnosis, evaluation and assessment must include an assessment of the child's developmental skills, functional behavior, needs and capacities.

Chiropractic Network Change - Effective July 1, 2014 BlueCross will begin to transition and move Chiropractic providers to the larger Aware network. This singular Chiropractic network will have consistent performance targets with ample opportunity to reward high performers with the best reimbursements.

Identification Cards Available On-line - Members can access their member ID card anytime, anywhere from a computer. Members just sign in to myBlueCrossmn.com and see “Need your member ID card?” on the home page. They can view and print their card. It’s a fast, convenient way to show proof of health care coverage if they don’t have the card available.

Special Enrollment - The only time employees or eligible family members are able to join New Prague Area Schools employee benefit plans is at the open enrollment period or with a qualifying event. Some of the qualifying events included: loss of coverage due to termination of employment or reduction in hours, legal separation, loss of dependent child status, death or birth, marriage or divorce. All qualifying events must be communicated to Human Resources within 30 days of the date of the qualifying event.

Preventive Health Benefits - The Department of Labor, Health and Human Services, and the Treasury have provided additional clarification and federal expectations on required ACA/HCR preventive benefits. Clarifications include:

- Polyp and tumor removal during routine colonoscopy must be covered at the preventive level of benefits.
- Over-the-counter (OTC) contraceptive methods for women must be covered at the preventive level of benefits, when prescribed by a physician. Members **MUST** have a prescription and purchase at the pharmacy.
- OTC supplements (aspirin, folic acid, iron, vitamin D, fluoride, tobacco cessation) must be covered as preventive when prescribed and recommended for certain populations. For this reason, not all members with health care reform preventive benefits in their plan will be eligible. Member **MUST** have a prescription and purchase at the pharmacy.
- HIV testing must be covered as a preventive standard screening.
- BRCA mutation testing for breast cancer susceptibility **MUST** be covered at the preventive level of benefits.
- Contraceptive device removal
- HCR women’s preventive contraceptive drug exception upon doctor’s recommendation, when prescribed.
- All contraceptive types added to HCR contraceptive methods and counseling.

Other non-compliance benefit changes (applied to both HCR and non-HCR preventive benefits):

- Hepatitis C virus screening
- Polyp and tumor removal during routine colonoscopy and proctosigmoidoscopy covered at the preventive level of benefits.
- HIV testing for both men and women covered at the preventive level of benefits.

Flex/VEBA Debit Card

If you choose to “Decline Crossover” for your Flex and/or VEBA account, you may request a Debit Card which can be used to pay for eligible expenses as determined by the IRS. The expense must be medically necessary and meet the eligible expense requirements for reimbursement. The Debit Card Request Form is available on the New Prague Area Schools website under Human Resources/Payroll - Benefits - Flex.

Dental Insurance

The employee's premium on the dental insurance will see a slight increase of 2.5% effective July 1, 2014. See page 10 for additional rate information and plan summary details.

For more information, contact Sheila Heinen, Payroll/Benefits Coordinator at (952) 758-1710 or Sheinen@np.k12.mn.us .

New Prague Benefit Comparison

Effective 7/1/2014

| | TRIPLE GOLD | | | \$500 CMM | | VEBA | |
|--|-----------------------|--|-----------------------|-----------------------------------|-----------------------|-------------------------------|-----------------------|
| | Single - \$723.14 | | | Single - \$637.42 | | Single - \$589.06 | |
| | Family - \$1,753.45 | | | Family - \$1,546.84 | | Family - \$1,429.25 | |
| BENEFIT | TRIPLE GOLD | | | \$500 CMM | | VEBA | |
| | IN-NETWORK (PCC) | EXTENDED NETWORK | OUT-OF-NETWORK* | IN-NETWORK | OUT-OF-NETWORK* | IN-NETWORK | OUT-OF-NETWORK* |
| Lifetime Maximum | Unlimited | | | Unlimited | | Unlimited | |
| Deductible | | (Combine Extended and Out of Network*) | | (Deductible Waived for Accidents) | | (Combine Across Networks*) | |
| .. Single | N/A | \$200 | | \$500 | | \$1,200 | |
| .. Family | N/A | \$600 | | \$1,000 | | \$2,400 | |
| Medical Out of Pocket Maximum | | (Combine Extended and Out of Network*) | | (Combine Across Network*) | | Same as Deductible in Network | |
| .. Single | \$500 | \$2,500 | | \$1,200 | | Out of Network* \$3,500 | |
| .. Family | \$1,000 | \$5,000 | | \$2,400 | | Out of Network* \$6,500 | |
| Drug Out of Pocket Maximum | | | | | | | |
| .. Single | N/A | N/A | N/A | \$300 | | Combined with Medical | |
| .. Family | N/A | N/A | N/A | \$500 | | Combined with Medical | |
| Physician Office Visits | 100% after \$15 copay | 80% after deductible | 75% after deductible* | 80% after deductible | 80% after deductible* | 100% after deductible | 80% after deductible* |
| Physician Services other than Office Call | 100% | 80% after deductible | 75% after deductible* | 80% after deductible | 80% after deductible* | 100% after deductible | 80% after deductible* |
| Diagnostic Lab & X-ray in office | 100% | 80% after deductible | 75% after deductible* | 80% after deductible | 80% after deductible* | 100% after deductible | 80% after deductible* |
| Preventive Care | | | | | | | |
| .. Routine physicals | 100% | 80% after deductible | 75% after deductible* | 100% | 80% after deductible* | 100% | 80% after deductible* |
| .. Lab tests | | | | | | | |
| .. Vision care | | | | | | | |
| .. X-rays | | | | | | | |
| .. Cancer Screenings | 100% | 80% after deductible | 75% after deductible* | 100% | 100%* | 100% | 80% after deductible* |
| .. Prenatal | | | | | | | |
| .. Well Child | 100% | 100% | 100% | 100% | 100%* | 100% | 100% |
| Inpatient Physician Services | 100% | 80% after deductible | 75% after deductible* | 80% after deductible | 80% after deductible* | 100% after deductible | 80% after deductible* |

| BENEFIT | TRIPLE GOLD | | | \$500 CMM | | VEBA | |
|---|---|----------------------------|---------------------------------------|----------------------|---------------------------------------|---|---|
| | IN-NETWORK (PCC) | EXTENDED NETWORK | OUT-OF-NETWORK* | IN-NETWORK | OUT-OF-NETWORK* | IN-NETWORK | OUT-OF-NETWORK* |
| Inpatient Hospital Services Includes Mental/Chemical Health | 100% | 80% after deductible | 75% after deductible* | 80% after deductible | 80% after deductible* | 100% after deductible | 80% after deductible* |
| Outpatient Behavioral Health Care Includes Provider and Facility Services | 100% after \$15 copay | 80% after deductible | 75% after deductible* | 80% after deductible | 80% after deductible* | 100% after deductible | 80% after deductible* |
| Outpatient Services Includes Provider and Facility Services | 100% | 80% after deductible | 75% after deductible* | 80% after deductible | 80% after deductible* | 100% after deductible | 80% after deductible* |
| Emergency Room | | | | | | | |
| ** Accidental Injuries | 100% after \$40 copay | 100% after \$40 copay | 100% after \$40 copay* | 80% | 80%* | 100% after deductible | 80% after deductible* for Professional. 100% coverage after deductible for Facility |
| ** Medical Emergencies | (Copay waived if admitted) | (Copay waived if admitted) | (Copay waived if admitted) | 80% after deductible | 80% after deductible* | 100% after deductible | |
| Chiropractic Care | | | | | | | |
| (Manipulations and therapies) | 100% after \$15 copay | 80% | 75%* | 80% after deductible | 80% after deductible* | 100% after deductible | 80% after deductible in Extended Network; No coverage Out of Network* |
| | 80% Other services | | (\$500 Max Benefit per calendar year) | | (\$500 Max Benefit per calendar year) | | |
| Dental | | | | | | | |
| ** Accidental-treatment | 100% after \$15 Copay for Office Visit; | 80% | 75% after deductible* | 80% after deductible | 80% after deductible* | 100% after deductible | 80% after deductible* |
| ** Cleft Lip & Palate under age 18 | | | | | | | |
| ** TMJ | | | | | | | |
| ** Oral Surgery | 80% Non-Office Visit | | | | | No coverage for Oral Surgery & Root Canal Therapy | No coverage for Oral Surgery & Root Canal Therapy |
| ** Root Canal Therapy | | | | | | | |

| BENEFIT | TRIPLE GOLD | | | \$500 CMM | | VEBA | |
|--|---|------------------|-----------------------------|--------------------------|-----------------------------|-----------------------|---|
| | IN-NETWORK (PCC) | EXTENDED NETWORK | OUT-OF-NETWORK* | IN-NETWORK | OUT-OF-NETWORK* | IN-NETWORK | OUT-OF-NETWORK* |
| Rehabilitation Services | 100% after \$15 Copay for Office Visit; | 80% | 75% after deductible* | 80% after deductible | 80% after deductible* | 100% after deductible | 80% after deductible in Extended Network; No coverage Out of Network* |
| Includes Physical, Occupational, and Speech Therapy | 80% Non-Office Visit | | PT/OT/ST | | PT/OT/ST | | |
| | | | \$500 combined max per year | | \$500 combined max per year | | |
| Ambulance | 80% | 80% | 80%* | 80% after deductible | 80% after deductible* | 100% after deductible | 100% after deductible* |
| Medical Supplies | 80% | 80% | 75%* | 80% after deductible | 80% after deductible* | 100% after deductible | 80% after deductible* |
| Prescription Drugs | | | | | | | |
| <i>34 day supply or 100 units whichever is greater</i> | \$8 Preferred brand | | | \$8 Generic | | 100% after deductible | 100% after deductible |
| | \$12 Non-preferred brand | | | \$16 Preferred brand | | 31 day supply Retail | 31 day supply Retail |
| | | | | \$32 Non-preferred brand | | 90 day Rx | 90 day Rx |

* Always use a Blue Cross Blue Shield provider. For some services, there is no coverage at nonparticipating providers. Nonparticipating providers may not accept our allowed amount as payment in full and you may be responsible for the balance. You may also be required to file your own claims at nonparticipating providers. To locate a provider anywhere in the USA, use our web site www.bluecrossmn.com or call 1-800-810-BLUE.

Twin Cities
P O Box 64560
St Paul MN 55164-0560
651-662-5517
888-878-0136

This summary is intended as a guide to the coverage provided. For a complete description of the benefits, please refer to your certificate.

2014-15 Employee Medical Insurance Costs

MEDICAL PREMIUM INFORMATION:

| | Annual <u>Premium</u> | VEBA <u>Cont</u> | Total <u>Plan Cost</u> |
|----------------------|--------------------------|---------------------|---------------------------|
| Triple Gold - Single | \$8677.68 | | \$8677.68 |
| \$500 CMM Single | \$7649.04 | | \$7649.04 |
| VEBA Single | \$7068.72 | \$ 1,200.00 | \$8,268.72 |
| Triple Gold Family | \$21,041.40 | | \$ 21,041.40 |
| \$500 CMM Family | \$18,562.08 | | \$ 18,562.08 |
| VEBA Family | \$17,151.00 | \$ 2,400.00 | \$ 19,551.00 |

DISTRICT CONTRIBUTION/EMPLOYEE OUT OF POCKET PER PAY PERIOD:

| MEDICAL: | ADMIN | TRANSPORTATION | | CLERICAL | FOOD SERVICE | |
|-----------------------|-------------|----------------|-----------|-------------|--------------|-----------|
| Single Yearly Benefit | \$12,848.00 | \$8,000.00 | | \$10,685.00 | \$10,374.00 | |
| Family Yearly Benefit | \$12,848.00 | \$8,000.00 | | \$10,685.00 | \$10,374.00 | |
| | 24 Pay | 19 Pay | 24 Pay | 24 Pay | 19 Pay | 24 Pay |
| Triple Gold - Single | \$ - | \$ 35.67 | \$ 28.24 | \$ - | \$ - | \$ - |
| \$500 CMM Single | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| VEBA Single | \$ - | \$ 14.14 | \$ 11.20 | \$ - | \$ - | \$ - |
| Triple Gold Family | \$ 341.39 | \$ 686.39 | \$ 543.39 | \$ 431.52 | \$ 561.44 | \$ 444.48 |
| \$500 CMM Family | \$ 238.09 | \$ 555.90 | \$ 440.09 | \$ 328.21 | \$ 430.95 | \$ 341.17 |
| VEBA Family | \$ 279.29 | \$ 607.95 | \$ 481.29 | \$ 369.42 | \$ 483.00 | \$ 382.38 |
| MEDICAL: | CUSTODIAL | SUPPORT STAFF | | TEACHERS | TECHNICIANS | |
| Single Yearly Benefit | \$10,374.00 | \$10,374.00 | | \$5,796.00 | \$7,792.00 | |
| Family Yearly Benefit | \$10,374.00 | \$10,374.00 | | \$12,848.00 | \$7,792.00 | |
| | 24 Pay | 19 Pay | 24 Pay | 18 Pay | 24 Pay | 24 Pay |
| Triple Gold - Single | \$ - | \$ - | \$ - | \$ 160.09 | \$ 120.07 | \$ 36.90 |
| \$500 CMM Single | \$ - | \$ - | \$ - | \$ 102.95 | \$ 77.21 | \$ - |
| VEBA Single | \$ - | \$ - | \$ - | \$ 137.37 | \$ 103.03 | \$ 19.86 |
| Triple Gold Family | \$ 444.48 | \$ 561.44 | \$ 444.48 | \$ 455.19 | \$ 341.39 | \$ 552.06 |
| \$500 CMM Family | \$ 341.17 | \$ 430.95 | \$ 341.17 | \$ 317.45 | \$ 238.09 | \$ 448.75 |
| VEBA Family | \$ 382.38 | \$ 483.00 | \$ 382.38 | \$ 372.39 | \$ 279.29 | \$ 489.96 |

Dental Insurance

Single Coverage: \$38.11/Month
 Family Coverage: \$104.79/Month



Open Access Choice Dental Plan

New Prague Schools ISD #721

| The following is an overview of your HealthPartners coverage. For exact coverage terms and conditions, consult your plan materials, or call Member Services at (952) 883-5000 or 1-800-883-2177. | | |
|--|---|--|
| Plan highlights Partial listing of covered services | In-network Care from a network provider | Out-of-network Care from an out-of-network provider |
| Annual Maximum | Annual maximums are combined in and out-of-network | |
| Annual Maximum | \$1,000 per calendar year | \$1,000 per calendar year |
| Implant maximum <i>included in annual maximum</i> | \$500 per calendar year | \$500 per calendar year |
| Deductible | Deductibles are combined in and out-of-network | |
| <ul style="list-style-type: none"> Applies to Basic Care, Special Care & Prosthetics | \$25 per person; \$75 per family per calendar year | \$25 per person; \$75 per family per calendar year |
| Preventive and Diagnostic Care | | |
| <ul style="list-style-type: none"> Teeth cleaning, exams, dental x-rays and fluoride treatments | 100% coverage | 100% coverage |
| <ul style="list-style-type: none"> Sealants | 80% coverage | 80% coverage |
| Basic Care | | |
| Basic Care I | | |
| <ul style="list-style-type: none"> Fillings (amalgam and anterior composite) | 80% coverage | 80% coverage |
| <ul style="list-style-type: none"> Posterior composite (white fillings) | 50% coverage | 50% coverage |
| <ul style="list-style-type: none"> Simple extractions | 80% coverage | 80% coverage |
| <ul style="list-style-type: none"> Non-surgical periodontics | 80% coverage | 80% coverage |
| <ul style="list-style-type: none"> Endodontics (root canal therapy) | 80% coverage | 80% coverage |
| Basic Care II | | |
| <ul style="list-style-type: none"> Surgical periodontics | 50% coverage | 50% coverage |
| <ul style="list-style-type: none"> Complex oral surgery | 50% coverage | 50% coverage |
| Special Care | | |
| <ul style="list-style-type: none"> Restorative crowns & onlays | 50% coverage | 50% coverage |
| Prosthetics | | |
| <ul style="list-style-type: none"> Bridges, dentures & partial dentures | 50% coverage | 50% coverage |
| <ul style="list-style-type: none"> Dental implants | 50% coverage | 50% coverage |
| Orthodontic Services | | |
| Orthodontic lifetime maximums are combined in and out-of-network | | |
| <ul style="list-style-type: none"> Orthodontic care for dependents under age 19 | 50% coverage up to \$1,000 Lifetime maximum | 50% coverage up to \$1,000 Lifetime maximum |

Emergency Care

Refer to the Group Dental Member Contract for coverage of emergency dental services.

2014-15 Employee Dental Insurance Costs

DENTAL PREMIUM INFORMATION:

| | |
|--------|-----------------------|
| | Annual |
| | <u>Premium</u> |
| Single | \$457.32 |
| Family | \$1,257.48 |

| DENTAL: | ADMIN | TRANSPORTATION | | CLERICAL | FOOD SERVICE | |
|-----------------------|-----------|----------------|----------|----------|--------------|-------------|
| Single Yearly Benefit | \$920.00 | \$275.00 | | \$400.00 | \$350.00 | |
| Family Yearly Benefit | \$920.00 | \$910.00 | | \$400.00 | \$350.00 | |
| | 24 Pay | 19 Pay | 24 Pay | 24 Pay | 19 Pay | 24 Pay |
| Single | \$ - | \$ 9.60 | \$ 7.60 | \$ 2.39 | \$ 5.65 | \$ 4.47 |
| Family | \$ 14.06 | \$ 18.29 | \$ 14.48 | \$ 35.73 | \$ 47.76 | \$ 37.81 |
| DENTAL: | CUSTODIAL | SUPPORT STAFF | | TEACHERS | | TECHNICIANS |
| Single Yearly Benefit | \$400.00 | \$375.00 | | \$378.00 | | \$400.00 |
| Family Yearly Benefit | \$400.00 | \$375.00 | | \$378.00 | | \$400.00 |
| | 24 Pay | 19 Pay | 24 Pay | 18 Pay | 24 Pay | 24 Pay |
| Single | \$ 2.39 | \$ 4.33 | \$ 3.43 | \$ 4.41 | \$ 3.31 | \$ 2.39 |
| Family | \$ 35.73 | \$ 46.45 | \$ 36.77 | \$ 48.86 | \$ 36.65 | \$ 35.73 |

SUPPLEMENTAL LIFE AND/OR AD&D INSURANCE

School District policy (and many of the group contracts) does offer the opportunity for employees to participate in additional supplemental insurances at the employees' expense by payroll deduction.

Supplemental Life Insurance is available through our current carrier, Reliance Standard. Rate information is below and enrollment forms are available on the New Prague Schools website. If you have further questions, please contact Sheila Heinen at (952) 758-1710 or sheinen@np.k12.mn.us.

Monthly Supplemental Life Rates:

| Age | Rate per \$1000 |
|-------------|-----------------|
| 0-24 | \$0.07 |
| 25-29 | \$0.08 |
| 30-34 | \$0.09 |
| 35-39 | \$0.12 |
| 40-44 | \$0.18 |
| 45-49 | \$0.30 |
| 50-54 | \$0.51 |
| 55-59 | \$0.86 |
| 60-64 | \$1.25 |
| 65-69 | \$2.08 |
| 70-74 | \$4.09 |
| 75 and over | \$6.16 |

Supplemental AD&D rate: \$0.02 / \$1,000

Contact Sheila Heinen for enrollment form at (952) 758-1710 or: sheinen@np.k12.mn.us

Open enrollment for these supplemental insurance plans must be completed no later than Friday, MAY 30, 2014.

Health Care and Dependent Care Flexible Spending Accounts (FSA)

New Prague Area Schools provides you the opportunity to pay for out-of-pocket medical, dental, vision, and dependent care expenses with pre-tax dollars through the Flexible Spending Accounts. You must enroll/re-enroll in the plan to participate for the plan year July 1, 2014 through June 30, 2015.

A health care FSA is used to reimburse out-of-pocket medical expenses incurred by you and your dependents. A dependent care FSA is used to reimburse expenses related to care of eligible dependents while you and your spouse work.

Contributions to your FSA come out of your paycheck before any taxes are taken out. This means that you don't pay federal income tax, Social Security taxes, and state and local income taxes on the portion of your paycheck you contribute to your FSA. You should contribute the amount of money you expect to pay out of pocket for eligible expenses for the plan period. If you do not use the money you contributed it will not be refunded to you or carried forward to a future plan year. This is the use-it-or-lose-it rule.

The maximum that you can contribute to the Health Care Flexible Spending account is **\$2,400**.

The maximum that you can contribute to the Dependent Care Flexible Spending Account is **\$5,000** if you are a single employee or married filing jointly, or **\$2,500** if you are married and filing separately.

The following example shows how you can save money with a flexible spending account.

Bob and Jane's combined gross income is \$30,000. They have two children and file their income taxes jointly. Since Bob and Jane expect to spend \$2,000 in adult orthodontia and \$3,300 for day care next plan year, they decide to direct a total of \$5,300 into their FSAs.

| | Without FSAs | With FSAs |
|--------------------------------------|--------------|-----------|
| Gross income: | \$30,000 | \$30,000 |
| FSA contributions: | 0 | -5,300 |
| Gross income: | 30,000 | 24,700 |
| Estimated taxes: | | |
| Federal | -2,550* | -1,755* |
| State | -900** | -741** |
| FICA | -2,295 | -1,890 |
| After-tax earnings: | 24,255 | 20,314 |
| Eligible out-of-pocket | | |
| Medical and dependent care expenses: | -5,300 | 0 |
| Remaining spendable income: | \$18,955 | \$20,314 |
| Spendable income increase: | | \$1,359 |

*Assumes standard deductions and four exemptions.

**Varies, assume 3%.

The example above is for illustrative purposes only. Every situation varies and we recommend that you consult a tax advisor for all tax advice.

All medical claims are automatically processed and deducted from your VEBA and/or Flex account unless you complete a "Decline Crossover Form" to opt out. If you decline crossover, you may request a "Debit Card" which you will find on the New Prague Area website under Human Resources/Payroll - Benefits - Flex.

403(b) Plan

A 403(b) plan, also known as a tax-sheltered annuity (TSA) plan, is a retirement plan for certain employees of public schools, employees of certain tax-exempt organizations. Individual accounts in a 403(b) plan can be any of the following types:

There are three benefits to contributing to a 403(b) plan:

- The first benefit is that you do not pay tax on allowable contributions in the year they are made. You do not pay tax on allowable contributions until you begin making withdrawals from the plan, usually after you retire. Allowable contributions to a 403(b) plan are either excluded or deducted from your income. However, if your contributions are made to a Roth contribution program, this benefit does not apply. Instead, you pay tax on the contributions to the plan but distributions from the plan (if certain requirements are met) are tax-free.
- The second benefit is that earnings and gains on amounts in your 403(b) account are not taxed until you withdraw them. Earnings and gains on amounts in a Roth contribution program are not taxed if your withdrawals are qualified distributions. Otherwise, they are taxed when you withdraw them.
- The third benefit is that you may be eligible to take a credit for elective deferrals contributed to your 403(b) account.

Any eligible employee can participate in a 403(b) plan. You may also be eligible for a district contribution (employer match). For eligibility requirements, please refer to your contract.

To initiate a 403(b) or change vendors:

- Set up an account with one of our 3 approved vendors
- Complete a salary reduction agreement and turn in to Sheila Heinen, Payroll/Benefits

To change deduction amounts or discontinue a 403(b):

- Complete a salary reduction agreement and turn in to Sheila Heinen, Payroll/Benefits

(Above mentioned vendor list and salary reduction agreement are available on the New Prague Area Schools website.)

For all other types of 403(b) transactions such as a loan, transfer, withdrawal, etc., you will notice that your investment provider's paperwork will require a signature from your "Plan Administrator/Sponsor" which is Educators Benefit Consultants (EBC), our 3rd party administrator for providing 403(b)/457(b) administration and compliance services. EBC will review and sign off on that paperwork for you.

Please call EBC at 1-888-507-6053, if you have questions about your 403(b) Plan administration and/or compliance or if you need a copy of the 403(b) Transaction Processing Kit. You may also download the kit directly at <http://www.ebcsolutions.com/forms/Set%20Up%20Kit-Plus.pdf>

Questions & Answers

Changes that can be made effective July 1, 2014:

- ♦ Change medical plans.
- ♦ Enroll or terminate individual and/or dependent coverage in the medical/dental plans.
- ♦ Enroll in the Flexible Spending Account Plan.
- ♦ Enroll in the 403(b) Plan. (*Effective 9/01/12 for 9 month employees*)

Forms to be completed if making changes:

- ♦ Medical & Dental Enrollment/Change Form to change medical plans or individual/dependent coverage levels in the medical/dental plans.
- ♦ FSA Election Form for 2014-2015 plan year.
- ♦ Salary Reduction Agreement to change or initiate a 403(b).

What Forms MUST be completed?

- ♦ Flexible Spending Account Enrollment Form to enroll or re-enroll for the new plan year July 1, 2014 to June 30, 2015.

Where do I find these forms?

- ♦ All forms are available on the New Prague Area Schools website at: www.np.k12.mn.us under *Human Resources/Payroll - Benefits*

When are the forms due and where do I return them?

- ♦ All forms are due by ***Friday, May 30, 2014** and must be returned to Sheila Heinen, Payroll/Benefits Coordinator.
***September 1, 2015** for 403(b) Salary Reduction Agreements for some bargaining groups. Refer to your contract to see if this applies to you.

Who do I contact with questions?

- ♦ Contact Sheila Heinen, Payroll/Benefits Coordinator at (952) 758-1710 or sheinen@np.k12.mn.us with any questions you may have.

Other Information:

- ♦ New elections must be made to the Flexible Spending Account to continue participation.
- ♦ If you do not make changes to your current medical and dental elections, those elections will remain the same for the plan year July 1, 2014 through June 30, 2015.
- ♦ **Flex and/or VEBA Participants Only-** Decline Crossover Form must be completed if you choose “not” to have your claims processed automatically through your Flex and/or VEBA account. If you decline crossover, you may request a “Debit Card” which you will find on the New Prague Area website under Human Resources/Payroll-Benefits-Flex.

Federal law requires that employers provide specific disclosures to employees about their benefit plans and enrollment rights that may be available. Please review the information below as you make your enrollment decisions for 2014 to see if any of these circumstances apply to you.

***Notice of Grandfathered Status
HIPAA Special Enrollment Rights
Annual Medicare Part D Certification
Women’s Health and Cancer Rights Act Annual Notice
Medicaid and the Children’s Health Insurance Program (CHIP) Offer Free or Low-Cost Health
Coverage to Children and Families
General Notice of COBRA Continuation Coverage Rights
HIPAA Notice of Privacy Practices***

Notice of Grandfathered Status

New Prague Area School’s group health plan believes this plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to Sheila Heinen at (952) 758-1710 or sheinen@np.12.mn.us . You may also contact the U.S. Department of Health and Human Services at www.healthreform.gov.

HIPAA Special Enrollment Rights

If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing toward your or your dependents’ other coverage). However, you must request enrollment within 30 days after your or your dependents’ other coverage ends (or after the employer stops contributing toward the other coverage).

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. However, you must request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption. To request special enrollment or obtain more information, contact Sheila Heinen at (952) 758-1710 or sheinen@np.12.mn.us .

Annual Medicare Part D Certification Important Information

Applies if you or one of your dependents is on Medicare or becomes covered under Medicare while you remain an active employee.

Medicare offers insurance coverage for prescription drugs through Medicare Part D. New Prague Area School’s Medical Plan will continue to offer prescription drug coverage as a benefit under these plans for active employees and their covered dependents. New Prague Area School’s coverage is considered ‘creditable coverage’, which means New Prague Area School’s Medical Plans’ prescription drug benefits provide coverage at least as good as or better than Medicare Part D. *If you or one of your dependents is on Medicare or becomes covered under Medicare while you remain an active employee, please print the Certificate of Creditable Coverage, and keep it in your records. This Certificate of Creditable Coverage will allow you and your dependents to join Medicare Part D in the future without paying late enrollment fees.*

During your employment, you have the option to choose to continue your prescription drug coverage through New Prague Area School’s Medical Plan or to elect Medicare Part D. However, if you choose to elect Medicare Part D, you will not be eligible to participate in New Prague Area School’s Medical Plan that provide both medical and prescription drug coverage. Please read materials sent to you from Medicare or other Medicare Part D providers carefully before making your decision. If you decide to enroll or continue participating in New Prague Area School’s Medical Plan, you may do so during Open Enrollment, which runs from **Monday, May 6, 2014 through Friday, May 24, 2014**

Women’s Health and Cancer Rights Act Annual Notice

On October 21, 1998 the federal government passed the Women’s Health and Cancer Rights Act of 1998. As part of our plan’s compliance with this Act, we are required to provide you with this annual notice outlining the coverage that this law requires our plan to provide.

Our group health plan has always provided coverage for medically-necessary mastectomies. This coverage includes procedures to reconstruct the breast, on which the mastectomy was performed, as well as the cost of necessary prostheses (implants, special bras, etc.) and treatment of any physical complications resulting from any stage of the mastectomy. However, as a result of this federal law, the plan now provides coverage for surgery and reconstruction of the other breast to achieve a symmetrical appearance and any complications that could result from that surgery.

The following benefits must be provided if benefits are provided for a mastectomy:

1. Coverage for reconstruction of the breast on which the mastectomy is performed.
2. Coverage for surgery and reconstruction of the other breast to produce a symmetrical appearance with the breast on which the mastectomy is performed.
3. Coverage for prostheses and physical complications resulting from any stage of the mastectomy, including lymph edemas.

These benefits are subject to the same deductible, copayments and coinsurance that apply to mastectomy benefits under the plan.

**Medicaid and the Children’s Health Insurance Program (CHIP)
Offer Free Or Low-Cost Health Coverage To Children And Families**

If you are eligible for health coverage from your employer, but are unable to afford the premiums, some States have premium assistance programs that can help pay for coverage. These States use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage, but need assistance in paying their health premiums.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, you can contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, you can contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or www.insurekidsnow.gov to find out how to apply. If you qualify, you can ask the State if it has a program that might help you pay the premiums for an employer-sponsored plan.

Once it is determined that you or your dependents are eligible for premium assistance under Medicaid or CHIP, your employer’s health plan is required to permit you and your dependents to enroll in the plan - as long as you and your dependents are eligible, but not already enrolled in the employer’s plan. This is called a “special enrollment” opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance.**

If you live in one of the following States, you may be eligible for assistance paying your employer health plan premiums. The following list of States is current as of September 1, 2014. You should contact your State for further information on eligibility -

| MINNESOTA - Medicaid | WISCONSIN - Medicaid |
|--|--|
| Website: http://www.dhs.state.mn.us/ Click on Health Care, then Medical Assistance Phone (Outside of Twin City area): 800-657-3739 Phone (Twin City area): 651-431-2670 | Website: http://dhs.wisconsin.gov/medicaid/publications/p-10095.htm Phone: 1-800-362-3002 |

To see if any other States have added a premium assistance program, or for more information on special enrollment rights, you can contact either:

U.S. Department of Labor
Employee Benefits Security Administration
www.dol.gov/ebsa

1-866-444-EBSA (3272)

U.S. Department of Health and Human Services
Centers for Medicare & Medicaid Services
www.cms.hhs.gov

1-877-267-2323, Ext. 61565

General Notice of Cobra Continuation Coverage Rights

In addition to the above-mentioned annual notices, upon enrollment in our medical, dental and/or life coverage, we are required to send you (and your family) the **General Notice of COBRA Continuation Coverage Rights**. This notice explains continuation of your coverage and when it may become available to you and/or your family members under the federal COBRA law. It also provides you important information regarding your responsibilities if you were to experience a “qualifying event”. For instance, if your dependent child loses eligibility on the District’s plan, you must notify Human Resources in writing within 60 days. If you fail to notify the District, your dependent would lose their right to COBRA continuation. This document is important to read so you are aware of the District’s and your rights and responsibilities.

HIPAA Notice of Privacy Practices

This notice is to advise you that New Prague Area Schools maintains a HIPAA privacy policy and a notice of the district’s privacy practices is available to you at any time. If you would like to request a copy of the privacy practice, please contact Human Resources.

Coverage Notice This analysis is an outline of the coverage proposed by the carrier(s), based on information provided by your company. It does not include all of the terms, coverage, exclusions, limitations, and conditions of the actual contract language. The policies and contracts themselves must be read for those details. Policy forms for your reference will be made available upon request.

