

Your Benefits News

Dear City of Tacoma TERS Retiree and Family,

Open Enrollment is your opportunity to make changes to your current benefit plans and dependents for 2025 outside of experiencing a qualified life event (e.g., marriage, birth of a child, loss of other coverage, etc.). The Open Enrollment period is **November 12 — November 26, 2024**. All changes will be effective on January 1, 2025. You are only eligible to make changes to your medical and dental coverage if you are currently enrolled.

Medical and Dental Coverage

TERS Retirees with current City of Tacoma retiree coverage and their eligible dependents are eligible for the medical and dental plans offered by the City of Tacoma if they are currently enrolled in these plans. You cannot elect this plan coverage for 2025 during Open Enrollment if you are not currently enrolled in medical and/or dental coverage.

What is Changing in 2025?

- There are changes to the medical and dental plan premium rates
- There are design changes to the medical plans

What Changes Can I Make During Open Enrollment?

- Change your medical plan option
- Change your dental plan option
- Add or remove dependents
- Cancel your medical or dental coverage (this can be done anytime)

If you do not want to make any changes to your plans or the dependents that are currently covered, you do not need to take any action.

Your current plans and covered dependents that remain eligible will continue in 2025. If you are in your 60-day COBRA election period for VSP vision coverage and you do not wish to elect coverage, you do not need to take any action.

If you are enrolled on the medical insurance and/or dental insurance, you can make changes to your coverage and/or covered eligible dependents during Open Enrollment by completing and submitting a **City of Tacoma Enrollment/Change Form** and any other required documents to the City of Tacoma, Retirement Office via email, fax, or USPS mail no later than November 26, 2024.



Kari L. Louie
Assistant Human Resources Director

City of
Tacoma
2025

Open
Enrollment

November 12
Through
November 26

TERS Retiree



Who to Call for Questions or More Information

For questions about making changes or for forms:

Please visit the Retirement website at www.cityoftacoma.org/TERS or call (253) 502-8200.

Email completed forms to TERSretirement@cityoftacoma.org, fax to (253) 502-8660, or mail to TERS, PO BOX 11007, Tacoma, WA 98411.

Need additional information on specific plans?

Please contact the City of Tacoma Benefits Office via email at benefits@cityoftacoma.org or by calling (253) 573-2345.

Benefit Changes for 2025

Medical Plan Changes

There are changes taking place Regence BlueShield medical plans offered by the City effective **January 1, 2025**, which are highlighted below. You can visit the Benefits webpage under **Plan Information** to review current summaries for the Regence BlueShield (PPO and High-Deductible Health Plans). New 2025 plan booklets will be available in the first quarter of 2025.

Regence BlueShield Plan Changes

Increase to Annual Deductible for the High-Deductible Health Plan


Effective January 1, 2025, the annual deductibles will be increasing as follows:

HDHP Annual Deductible		
	2024	2025
Individual	\$1,600	\$2,000
Family	\$3,200	\$4,000

Quartet Replaced with Headway - Effective January 1, 2025, Regence BlueShield will discontinue the Quartet Care Connections service that connects members 18+ through self-referral to behavioral health providers. Effective immediately in 2024, members will now have access to Headway, which offers a self-referral tool that has personalized matching for members looking for a behavioral health provider by filtering providers based on a members' clinical needs and personal preferences. They also can provide immediate availability and same-day matching with providers who have openings in 48 hours. Both in-person and virtual care is offered. See the Benefits webpage for more details on the new Headway program at cityoftacoma.org/benefits. For matching support, visit headway.co or scan the QR code below.

How it works

- 1 Scan this QR code
- 2 Filter for your preferences, such as race/ethnicity, gender and language to find the right provider
- 3 Add your insurance details and select an appointment slot - we'll handle the rest



Who Can I Cover on my Benefits?

The following are the City of Tacoma's benefit eligibility rules for family members. Please contact the Benefits Office if you have questions.

- **Spouse:** Your current legal spouse.
- **Domestic Partner:** Your grandfathered domestic partner who met the requirements of the City of Tacoma Affidavit of Domestic Partnership and was registered and on file with the City of Tacoma as of December 31, 2016; OR, after January 1, 2017, is registered with the State of Washington under chapter 26.60.030 RCW.
- **Child under age 26:** Your children up to age 26 may include: a natural child, adopted child, or a child legally placed with you for adoption, including a child for whom you have assumed a total or partial legal obligation for support in anticipation of adoption, a stepchild or domestic partner's child, or a child for whom you have legal guardianship or court-ordered custody.
- **Child age 26 and over:** Your, your spouse's, or your domestic partner's otherwise eligible child who is age 26 or over and incapable of self-support because of physical, mental, or developmental disability that prevents the child from establishing or maintaining consistent employment or independence that began before their 26th birthday, if you complete and submit the affidavit of dependent eligibility form, with written evidence of the child's incapacity, within 30 days of the later of the child's 26th birthday or your effective date and either:
 - They are a dependent immediately before their 26th birthday; or
 - Their 26th birthday preceded your effective date and he or she has been continuously covered as your dependent on group, individual, or other insurance plan (including public programs) coverage since that birthday



Note: You are required to contact the Retirement Office **immediately** to report any dependents on your plans that no longer meet the above definitions.

Benefits at a Glance 2025

Within 30 days of retirement, retirees may elect medical and/or dental coverage. If you do not elect to enroll or continue the City of Tacoma's group health insurance upon retirement, or if you elect to cancel your coverage at any time, you will not be eligible to return to a City of Tacoma retiree plan.

Regence BlueShield PPO or High-Deductible Health Plan (HDHP) plans are available to retirees. During our annual open enrollment period, retirees who maintain medical coverage may switch plans and add or drop eligible dependents.

Medical Plan Options (Participant Plan Costs)	Regence PPO Preferred Network/Participating Network/ Out of Network	Regence HDHP Preferred Network/Participating Network/ Out of Network
Monthly Premium	\$2,014.38	\$1,283.55
Office Visit Co-pay	\$20	N/A
Deductible	\$250 Individual / \$500 Family	\$2,000 Individual / \$4,000 Family
Telehealth (through MDLive)	\$10 copay	After deductible 20%
Telehealth (Virtual Visit)	\$10 copay / \$10 copay / 50%	After deductible 20% / 20% / 50%
Out-of-pocket maximum	\$1,500 Individual \$3,000 Family	\$3,000 Individual \$6,000 Family
Hospital Coinsurance	10% / 40% / 50%	20% / 40% / 50%
Rx Co-pay	\$5 Generic \$35 Brand \$60 Non-formulary \$75 Specialty – Formulary \$150 Specialty – Non-Formulary Mail Order: 2x Rx co-pay 90 day supply *Low Value Drug Exclusion List added to exclude high-cost drugs that have a lower cost alternative	After deductible has been met coverage is 20%; member may be balance-billed when non-participating pharmacy is used. Retail or Mail Order: Up to 90-day supply and up to 30-day supply for covered self-administrable injectable medication. Note: Rx list includes drugs in certain categories that will not be subject to the plan deductible. It includes generic medications and formulary brand-name medications specifically designated for treatment of chronic diseases. *Low Value Drug Exclusion List added to exclude high-cost drugs that have a lower cost alternative
HSA IRS Annual Contribution Limits	N/A	\$4,300 / \$8,550*

*Annual limits are subject to change by the IRS. Individuals age 55 and over can make an additional annual \$1,000 catch-up contribution.

Delta Dental of Washington and Willamette Dental plans are available to retirees. The annual open enrollment period will only apply to those who maintain coverage, which includes adding or dropping eligible dependents and/or switching plans between Delta Dental and Willamette. If you cancel your coverage at any time, you will not be eligible to return to a City of Tacoma dental plan.

Dental Plan Options	Delta Dental	Willamette
Monthly Premium	Retiree only: \$64.52 Retiree plus spouse: \$129.07 Retiree plus children: \$90.04 Retiree plus spouse and children: \$154.61	Retiree only: \$88.80 Retiree plus spouse or child(ren): \$171.50 Retiree plus family: \$241.00
Office Visit Co-pay	None	\$10 general / \$30 specialty
Deductible	\$0 – Network Provider \$50 Individual / \$150 Family - Out-of-Network Provider	None
Annual Benefit Maximum	\$2,000 per person	None
Diagnostic & Preventive Care	0%	0%
Basic Services	20%	0%
Major Services	50%	0%
Orthodontia	Not covered	Pre-Orthodontic Service Co-Pay: \$150 Orthodontic Co-Pay: \$1,800

Health Savings Account Contribution Limits

The Internal Revenue Service (IRS) has increased the Health Savings Account (HSA) annual limits for 2025. The High-Deductible Health Plan (HDHP) with an HSA is very different from the traditional medical plans the City offers, and may not be the right fit for everyone.

The IRS may not allow you to use your HSA account to pay for qualified health expenses for some of your dependents (e.g., domestic partners and adult children) unless they are claimed on your tax return and meet requirements of Internal Revenue Code (IRC) Section 152.

If you are considering enrolling in this plan for next year, we recommend you visit the Benefits webpage to review the Frequently Asked Questions (FAQ) for the HDHP/HSA. You can also speak to our Plan Administrator, HealthEquity, 24/7, 365 days a year with your questions toll-free at (866) 346-5800 or healthequity.com/HSAlearn.

Coverage	2024	2025
Single	\$4,150	\$4,300
Family	\$8,300	\$8,550
Catch-Up (Age 55-65)	\$1,000	\$1,000

Understanding a High-Deductible Health Plan with a Health Savings Account

A **high-deductible health plan (HDHP)** is similar to a traditional health plan. There is an annual deductible that must be satisfied before the health plan will begin to contribute toward the cost of an individual's health claims. However, in-network preventative care services are covered at 100 percent by the health plan and not subject to the annual deductible. Once the deductible is met, the health plan shares in the cost of an individual's health claims till the out-of-pocket maximum (OOPM) limit has been satisfied. After the OOPM is satisfied, the health plan will cover the remainder of the in-network health claims for the rest of the plan year. So what is different with an HDHP? With a HDHP, the annual deductible and the OOPM levels are *much larger* and they are often combined with a health savings account (HSA) feature.

A **health savings account (HSA)** is a savings account that gives you tax advantages. In order to have an HSA, you must be enrolled in a qualified HDHP. Retirees can make contributions to an HSA post-tax and claim a tax deduction for the contributions made even if they do not itemize their deductions on their annual tax return. Any interest and earnings through investment on the funds are non-taxable. Similar to a flexible spending account (FSA), the money accumulated in an HSA can be used for out-of-pocket qualified medical expenses. However, unlike an FSA, the "use-it-or-lose-it" rule doesn't apply. The HSA account is a savings

Are you eligible to establish an HSA?

The Internal Revenue Service has established rules for health savings accounts (HSAs) that restrict who can establish an account and make contributions:

- ✓ You **must** be enrolled in a qualified high-deductible health plan (HDHP)
- ✓ You **cannot** be covered by another health insurance plan (such as a spouse's plan), unless it is a qualified HDHP
- ✓ You **cannot** be enrolled in a general purpose flexible spending account (FSA) or have coverage through a spouse's FSA*
- ✓ You **cannot** be enrolled in a health reimbursement arrangement (HRA) or have coverage through a spouse's HRA*
- ✓ You **cannot** be covered by other health insurance through Medicare, TRICARE, or Indian Health Services
- ✓ You **cannot** be claimed as a dependent on someone else's tax return. You can be listed as a spouse filing jointly.

*Individuals can be enrolled in or covered through a spouse's limited purpose FSA or HRA. The City of Tacoma currently offers a general purpose FSA. Employees who sign up for the HDHP will not be able to sign up for the Health Care FSA benefit. However, you can still participate in the Dependent Care FSA.

account and the money accumulated belongs to the individual. The account will earn interest and if it reaches a certain threshold, the money can even be invested. As long as the funds are used to pay for qualified out-of-pocket medical expenses, the funds stay sheltered from being taxed.

An HDHP may not be the right fit for everyone and some individuals cannot establish an HSA (see "Are you eligible to establish an HSA?" above). Additionally, the IRS may not allow you to use your HSA account to pay for qualified health expenses for some of your dependents (e.g. domestic partners and adult children), unless they are claimed on your tax return and meet the requirements of Internal Revenue Code (IRC) Section 152.

With an HDHP, an individual may not have enough funds accumulated in their HSA to pay their responsibility for their health claims before the health plan begins to share in the cost. However, with this type of a health plan, an individual may be able to reduce their expenses and build up their HSA account balance while at the same time reducing their taxable earnings. An individual may accomplish this by spending wisely and researching their plan options to ensure they are getting only the needed care at the best price and with the right provider.

If you are considering enrolling in this plan option during Open Enrollment, we strongly urge you to contact the HSA plan administrator to learn about these plans so you are fully informed on how they work.

How to Establish a Health Savings Account

If you decide to elect a high-deductible health plan for 2025, you can open an HSA with any banking institution to align with your high-deductible health plan. The City of Tacoma is using HealthEquity as their HSA administrator.

If you are interested in opening an individual HSA with HealthEquity, **go to this page to open an account:**

<https://publichsa.healthequity.com/Signup/Member#/signup>

If you have questions about opening an HSA, HealthEquity is available 24/7, 365 days a year and can be reached at (866) 346-5800 or healthequity.com/HSAlearn.

Alternative Individual Health Care Resources

Under the Affordable Care Act, individuals can now also access public exchanges, where they may qualify for tax credits that immediately lower health insurance costs. The 2025 annual open enrollment period runs November 12, 2024 through December 15, 2024 for health coverage to start January 1, 2025. If you miss the 2025 enrollment period, you can still enroll if you qualify for Apple Health or a special enrollment period. You can contact Washington Health Plan Finder for assistance. Additional alternative health care resources are also listed below for your information.

- Washington Health Plan Finder: www.wahealthplanfinder.org or 1-855-WAFINDER (1-855-923-4633)
- Washington Basic Health: www.hca.wa.gov
- Statewide Health Insurance Benefits Advisors (SHIBA): www.insurance.wa.gov/shiba or (800) 562-6900
- Medicare: www.medicare.gov or 1-800-MEDICARE (1-800-633-4227)
- Social Security: www.ssa.gov or (800) 772-1213
- Federal Healthcare Resource: www.healthcare.gov or (800) 318-2596