

2019 Benefits Enrollment FAQs

1. When is Open Enrollment?

Open Enrollment for Active employees is **September 24 – October 12, 2018**.

We will have a separate enrollment period for Retirees on October 15 – 26, 2018.

This is the only time of the year that you will be able to make changes to your benefits unless you have a qualifying event. Please make sure to enroll within the above time frame.

2. Is Open Enrollment Active or Passive this year?

Open Enrollment is active or passive depending on your current benefits participation.

- **Current 70/30 medical plan participants:** Open Enrollment is **ACTIVE** for 70/30 medical plan participants. If you are currently enrolled in this plan, you **MUST** choose another plan during Open Enrollment in order to have medical coverage in 2019. If you do not take action, your current medical benefits will end on December 31, 2018.
- **Current 75/25 HRA medical plan participants:** Open Enrollment is passive for Option 1 HRA medical plan participants: Your current medical plan elections will carry over for the 2019 plan year if you take no action during Open Enrollment.
- **Spending Accounts:** You must actively re-enroll in the Flexible Spending Account, Employee Medical Spending Plan, and/or Dependent Care Assistance Plan during Open Enrollment if you wish to participate in 2019. Otherwise, your current elections will end on December 31, 2018.
- **Dental, Vision, and Life:** Your other current benefit elections, including dental, vision, and life insurance, will carry over for the 2019 plan year. However, you will be able to make changes to these lines of coverage if necessary.

The City has recently issued a Request for Proposal for a new Voluntary Benefits provider, please expect to have a special enrollment period for those benefit areas once the new provider is selected.

3. When will our benefit elections take effect?

Any benefit elections or changes you make during Open Enrollment will take effect on January 1, 2019 - the start of our new plan year. Any new benefits deduction amounts will be reflected on your first paycheck issued in January.

4. Is the City making any changes to its benefits for 2019?

Yes. Subject to Council approval, the City is making changes to our medical plan choices for 2019, including two new plans. Here are the medical plan options for 2019:

- **Option 1 HRA** (same as current 75/25 HRA plan)
- **Option 2** (new for 2019)
- **Option 3 HSA** (new for 2019)

The current 70/30 Plan will be eliminated on December 31, 2018. It will not be available for 2019.

All other benefit plan designs and vendors, such as dental (MetLife) and vision (Davis Vision), will stay the same for 2019. There will be a slight increase to the Dental PPO plan. All remaining dental, vision, and life insurance premiums will remain the same.

It's very important that you review your benefit options, so you can make the best decision for yourself and your family. For additional details on our medical plan changes and other benefit offerings for 2019, please see the Benefits Guide at www.cityofdallasbenefits.org.

5. Will the City hold any Open Enrollment information sessions?

Yes. The City will hold numerous onsite information sessions at various locations before and during Open Enrollment to explain your benefit options and answer any questions you may have. You are not required to attend these meetings, but it is highly recommended. To view the schedule, please see the Benefit Information Sessions document on the www.cityofdallasbenefits.org website.

6. How do I enroll?

To enroll, log in to Lawson's 24/7 portal with your ID and password. You may also visit the Benefits Service Center at City Hall (Room 1DS) during their extended hours Monday through Friday from 8:00 a.m. to 8:00 p.m.

Please note: If you are adding a dependent who has never been enrolled in a City of Dallas benefits plan, you must bring supporting documentation (marriage license, birth certificate, etc.) to the Benefits Service Center to validate your dependent's status.

7. Will I receive a new identification card?

Yes. All medical plan participants will receive new medical plan ID cards in your home mail prior to January 1, 2019. You will need to stop using your current ID card on December 31, 2018 and begin using your new ID card on January 1 when you go to a doctor, hospital, or other healthcare provider.

8. What are the Benefits Service Center hours?

The Benefits Service Center (BSC) at City Hall (Room 1DS) is open Monday through Friday from 8:15 a.m. to 5:15 p.m. to assist with your benefit questions and concerns. Extended Open Enrollment dates and hours: Monday through Friday 8:00 AM – 8:00 PM. Active employees September 24, 2018 through October 12, 2018 and Retirees between October 15, 2018 and October 26, 2018

You may come by in person or call the BSC at 214-671-6947 (select your language option then select Option 1). Active employees must enroll in person at the Benefits Service Center, elections will not be taken via phone. Employees will be served on a first-come, first-served basis.

Note: If you wish to enroll or make changes in person rather than via Lawson, or if you want to add a new dependent to your coverage, you must visit the BSC in person. Documentation to show proof of relationship for new dependents is required. Remember, the last week of Open Enrollment is always extremely busy. To ensure faster service, please do not wait until the last week to visit the BSC.

9. How do I add a dependent to my coverage?

If you are adding a dependent who has never been enrolled in a City of Dallas benefits plan, you must visit the Benefits Service Center at City Hall, room 1DS, and bring a copy of the required documentation. This does not apply to any dependents that are currently enrolled. For a list of required documentation, please visit www.cityofdallasbenefits.org.

10. Where can I find additional information about Open Enrollment and the City's 2019 benefits?

For more information, please visit the Benefits website at www.cityofdallasbenefits.org, review your Benefits Guide, and check your work e-mail announcements regularly.

11. Will I receive a benefits guide at my house?

Yes. Benefits enrollment guides will be mailed to your home address that is on file in Lawson.

To verify your address information, log on to Lawson and click *Home > New Hire > Personal Data > Home Address*. If your home address is incorrect, edit the data as needed and click Update. You may also call the HR Service Center at 214-671-MYHR (6947) to update or verify your address information.

12. Will the City still offer the Benefit Rewards incentive program?

Yes, the City will continue to offer the Benefit Rewards incentive program in 2019. HRA rewards and premium reduction amounts (if applicable) will be applied before January 1, 2019 if you completed the 2018 program.

If you choose to complete the program in 2019, you will earn dollars toward your HRA if you are enrolled in the Option 1 HRA plan. The two new medical plans also will be eligible for 2020 premium reductions if you participate and meet all the 2019 program requirements.

13. What happened to my HRA dollars if I enroll on the Option 2 Copay or Option 3 HSA plans?

Members will have 90 days after you term your HRA (March 31st, 2019) to submit any HRA claims. All unused HRA dollars will be forfeited.

14. What happens if I live outside of the DFW LocalPlus service area and want to enroll on the Option 2 Copay or Option 3 HSA plan?

The LocalPlus network is only available for employees residing in the following counties:

Collin, Cooke, Dallas, Denton, Ellis, Erath, Fannin, Grayson, Henderson, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Somervell, Tarrant and Wise

If you want to enroll in the new Option 2: Copay or Option 3: HDHP w/HSA plan and do not live in one of the listed counties, your service network will include the current network's providers (Open Access Plus).

15. What is the Evidence-Based Solutions pharmacy program?

The Evidence-Based Solutions pharmacy program provides certain diabetes and hypertension medications at no cost. Option 3 HSA plan participants are not eligible to participate in this program. For additional details, please see the FAQs on Option 3 HSA.

16. What is the Preventive Therapy Drug List?

The Preventive Therapy Drug List offers discounts on certain generic drugs. To view the full list of eligible medications, visit www.cityofdallasbenefits.org.

New Option 3 HSA Plan FAQs

What is the Option 3 HSA Plan?

It is a High-Deductible Health Plan (HDHP) with a Health Savings Account (HSA). This contrasts to an employer-owned HRA. An HSA gives you the ability to make contributions, provides tax savings, is portable, and has no “use it or lose it” rules.

How does the Option 3 HSA Plan differ from the other medical plans the City offers?

The Option 3 HSA Plan has lower biweekly premiums, but a higher deductible. The Option 3 HSA Plan has no copays, which means you must meet your deductible before plan benefits begin. Once your deductible is met, co-insurance takes effect: The City of Dallas pays 80 percent and you pay 20 percent of the cost of care.

What is first-dollar coverage?

Under the Option 1 and Option 2 Plans, “first-dollar coverage” is when a medical plan pays benefits before the deductible is met. Office visit copays are an example of first dollar coverage in action (you pay the copay and the medical plan pays the rest of the cost of the office visit). The Option 3 HSA Plan has no first-dollar coverage, which means you will pay the full cost of care (at the Cigna discounted rate if you stay in-network) until your deductible is met. However, qualifying preventive care is covered at 100 percent under all our plans.

Who qualifies for an HSA?

To open an HSA, you must be enrolled in a qualifying high-deductible health plan (Option 3 HSA Plan) and meet other IRS eligibility requirements unless an exception applies.

- You cannot be covered by any other health plan that is not an HDHP.
- You cannot be currently enrolled in Medicare or TRICARE.
- You cannot be claimed as a dependent on another individual's tax return.

What is a qualifying HDHP?

This is a health plan that satisfies certain IRS requirements with respect to deductibles and out-of-pocket expenses.

Can I still receive free diabetes and hypertension medication if I'm enrolled in the Option 3 HSA?

No. Due to the IRS regulations, you must pay the full cost of the contracted rate for all medical and pharmacy services, until you meet your deductible.

If you switch to the Option 3 HSA plan, you may be responsible for the full cost of your prescription. If your medication is included on the Generics Only Preventive Therapy Drug List, you will pay a discounted price (\$25 if the generic is priced under \$100 and \$40 if the generic is priced over \$100). You can find a list of the qualifying generics on the City of Dallas Benefits website.

Can I still receive free care at the City Hall onsite clinic?

Option 3 HSA members visiting the clinic for a preventive appointment will not be required to submit payment for the visit. Preventive appointments include visits for screenings, yearly physicals etc. For non-preventative or “sick” visits, a \$25 office visit fee will be required. Non-preventative or “sick” visits are those for existing conditions such as sore throat, fever, high blood pressure, diabetes, thyroid disorders, etc. Once the out-of-pocket maximum has been met, the non-preventive visit fee will reduce to \$0.

How is an HSA different from an HRA?

One of the most important differences is that the **employer** owns the HRA and the **employee** owns the HSA. This means you can take the HSA with you when you retire or leave the City's employment, and you choose when to use the funds. With an HRA, if an employee leaves employment without spending all the money in their HRA, the funds disappear.

Another significant difference involves how the accounts are funded. In an HRA, the funds are simply an allowance made by the employer, with no employee contributions allowed. With an HSA, anyone can contribute including the employer, the employee, or a family member. And, your contributions are made on a pre-tax* basis.

What are the benefits of a Health Savings Account (HSA)?

HSAs are tax-advantaged accounts that help people save and pay for qualified health care expenses. Benefits include:

- You and the City can both contribute to the HSA.
- Contributions are pre-tax or tax deductible*.
- Earnings grow tax-free.
- You can make tax-free withdrawals for qualified health care expenses.
- You can carry over unused funds from year to year – there are no “use it or lose it” rules.
- The HSA is yours to keep even if you change jobs, change health plans, or retire.

Can I open an HSA if I am still on my parents' insurance?

No. You cannot be covered/claimed as a dependent by another plan/person to be eligible for an HSA.

Can I open an HSA even if I am not enrolled in the HDHP Plan?

No. You **MUST** be enrolled in an HDHP, per IRS regulations, to open an HSA. If you have an HSA through another employer or jointly with a spouse, you do not need to enroll in this HDHP Plan to access those existing funds. However, contributions can only be made into an HSA when you are enrolled in an HDHP.

What happens to my HSA if I'm no longer covered by a qualifying high-deductible health plan (HDHP)?

While you can no longer contribute to your HSA, you can still use the remaining funds to pay or be reimbursed for past, current, and future qualified health care expenses.

What can I use my HSA for?

You can use the funds in your HSA:

- To pay for qualified medical, dental, vision, and prescription drug expenses regardless of age.
- As supplemental income after age 65. Once you are 65, you can withdraw funds for any reason without paying a penalty, but they will be subject to ordinary income tax if withdrawn for nonqualified expenses. If you are under age 65 and use your HSA funds for nonqualified expenses, you will need to pay taxes on the money you withdraw, as well as an additional 20 percent penalty.

What is considered a qualified health care expense?

You can use your HSA funds at any time to pay for qualified health care expenses to treat or prevent physical or mental illness including: deductibles, co-insurance, prescriptions, dental and vision expenses, spouse or dependent qualified health care expenses, and retirement health care expenses. For a complete list of qualified health care expenses, see [IRS Publication 502](#).

Can I use my HSA to pay for qualified health care expenses for a spouse or tax dependent?

Yes, even if your spouse or tax dependent is covered under another health plan. To ensure that you understand the tax impact on your specific situation, consult a qualified tax advisor.

Are health insurance premiums considered qualified health care expenses?

In general, no, but exceptions do include qualified long-term care insurance, COBRA health care continuation coverage, any health plan maintained while receiving unemployment compensation under federal or state law and, for those 65 and over (whether they are entitled to Medicare), any employer-sponsored retiree medical coverage premiums for Medicare Part A or B or Medicare HMO. However, premiums for Medigap policies are not qualified medical expenses.

Are there any IRS rules that apply if I have a domestic partner?

Yes. If your domestic partner IS a tax dependent, they can use the HSA but cannot contribute money to the account. If your domestic partner IS NOT a tax dependent, they can contribute to their own HSA, but they likely cannot put in pre-tax dollars unless the HSA is set up through their employer.

Can I invest my HSA dollars?

Yes. You can choose to invest your HSA dollars in mutual funds once you have at least \$2,000 in your account. Visit myCigna.com for more details.

New Option 3 HSA Plan FAQs



What happens to my ability to invest my HSA dollars if my account dips below \$2,000?

The investment option is shut off while the balance in your account is below \$2,000 regardless of how that occurred. Please note that the actual balance of your HSA and the investment accounts are separate and the non-invested portion is **not** subject to market change. This means that the “account balance” would never drop below \$2,000 because of a change to the market value of investments. Only the invested funds would change in value.

How much can I contribute to an HSA?

The IRS sets annual contribution limits each year. Any contributions made to your HSA by you, family members, the City, or others count toward this IRS limit. **This limit does not include the catch-up contribution allowed for employees age 55 or older.**

Year	Individual Coverage	Family Coverage
2019	\$3,500	\$7,000

What is the HSA catch-up contribution?

If you are 55 or older, you can contribute an additional \$1,000 each year. The primary account holder must be 55 or older (even if the spouse is not of that age).

How can I make contributions?

There are three ways to make a deposit:

- Payroll deductions through the City.
- Online at **myCigna.com** using your personal checking account.
- Mail in a personal check along with the HSA Contribution Form.

You can find this form after logging in at **myCigna.com**.

When can contributions be made?

Contributions for a taxable year can be made any time within that year and up until the tax filing deadline for the following year, which is typically April 15. If you want, you can contribute the entire year’s IRS limit whenever you become eligible.

Can I still make contributions to and use an HSA if I am an employee over age 65?

Yes, but only if you are **NOT** enrolled in Medicare. If you enroll in Medicare, neither you nor the City can contribute to the HSA. However, you can still use your HSA funds to pay past, current, and future qualified health care expenses including Medicare premiums.

NOTE: If you apply for Social Security benefits, you will be automatically enrolled in Medicare Part A at age 65 and this will disqualify you from being able to contribute to an HSA.

What happens if my annual HSA contribution exceeds the

annual contribution limit?

If you contribute more than the IRS annual contribution limit in a calendar year, you have until the tax-filing deadline to withdraw excess contributions. If excess contributions for that year are not withdrawn by the tax-filing deadline, an annually assessed excise tax of 6 percent will be imposed on any excess contributions. If your balance is more than the HSA annual contribution limit, no worries! Your balance is allowed build and grow over time.

Can I have an HSA if I also have a Healthcare FSA?

No, if you are enrolled on the Option 3: HDHP w/ HSA plan, you are not eligible to have a Healthcare FSA. All FSA funds must be exhausted before December 31st to be eligible for an HSA. This includes any balances that you may have previously been able to carry over.

If I change employers, what happens to my HSA?

Since you are the owner of the HSA, you may continue to maintain the account if you change employers. **The funds are yours to keep.**

Can I reimburse myself with HSA funds for qualified health care expenses incurred prior to my enrollment in the Option 3 HSA Plan?

No. Qualified health care expenses may be reimbursed only if the expenses are incurred **AFTER** the date your HSA was established.

Is there a time limit (statute of limitations) for reimbursing myself after incurring qualified health care expenses?

No. You can reimburse yourself at any time (now or in the future) for expenses you paid for out-of-pocket. While there is no time limit, the expenses must have been incurred **AFTER** your HSA was opened.

How can I use my HSA to pay for medical services?

You can use your HSA Bank debit card, online bill pay, or pay out-of-pocket and then reimburse yourself from your HSA.

How many HSA Bank debit cards does a family receive?

You will receive one debit card as standard. However, once your HSA is open you can order additional cards at no cost by accessing your account online at **myCigna.com** or by calling HSA Bank customer service.

Can I use my HSA to pay for non-health related expenses?

Yes. However, any distribution amount not used to pay for qualified health care expenses for you, your spouse, or your dependents is includable in your gross income. These distributions could be subject to taxes and an additional 20 percent IRS tax penalty, except in the case of distributions made after your death, disability, or reaching age 65.

Is tax reporting required for an HSA?

Yes. You must file IRS Form 8889 each year with your tax return to report total deposits and withdrawals from your account. For more information about tax rules including distribution information, visit myCigna.com and consult a qualified tax advisor.

If I retire, what happens to my HSA?

HSA benefits do not stop when you retire – you can still use your HSA funds on a tax-free basis for past, current, and future qualified health care expenses. If you are an early retiree and wish to continue making contributions, you must contact HSA Bank. If you are age 55 or older, the IRS allows an additional annual catch-up contribution of \$1,000.

What happens to my HSA if I am a retiree under age 65 and my spouse is over age 65 (or vice versa)?

You can both continue to make contributions until you enroll in Medicare. When you enroll in Medicare, neither you nor the City can contribute to the HSA. However, you can still use your HSA funds on a tax-free basis for past, current, and future qualified health care expenses including Medicare premiums.

If I am a under age 55 and my spouse is over age 55, can I contribute the additional \$1,000 catch-up contribution?

The catch-up contribution is specific to the individual. So, if one of you is over age 55 and the other is under age 55, only the person over age 55 can contribute the \$1,000 catch-up amount.

Can I still make contributions to and use an HSA if I am a retiree over age 65?

HSA benefits do not stop when you retire. You can make contributions to your HSA until you enroll in Medicare. If you were receiving Social Security benefits prior to turning 65, you will automatically be enrolled in Medicare and **CANNOT** contribute to your HSA. However, you can still use your HSA funds on a tax-free basis for past, current, and future qualified health care expenses including Medicare premiums.

What happens to my HSA when I die?

If you are married, your spouse will become the owner of the account and assume it as their own HSA. If you are unmarried, your account will cease to be an HSA. The money in your account will pass to your beneficiaries or become a part of your estate, and it will be subject to applicable taxes.

Can I use my HSA to pay for long-term care insurance and/or long-term care premiums?

You might be able to use your HSA dollars to pay for long-term care and/or long-term care premiums. For more information visit www.irs.gov/publications/p502.



NEED MORE ANSWERS?

Call the Benefits Service Center at 214-671-6947
(select your language option then select Option 1)
or visit www.cityofdallasbenefits.org