

2014 Benefits Information

Medical Insurance

Over the course of the last year the College has been evaluating possible cost saving measures for our medical and prescription benefit plans. With approval from the College's Trustee Budget Committee, we have determined that we will change our funding arrangement from fully insured, purchasing an insurance contract from a health insurance carrier with rates partially based on our utilization and set for the upcoming calendar year, to a self-insured arrangement whereby the College takes on the risk for paying claims and our rates are based on our own plan utilization. By making this transition to self-insured, the College expects the proposed insured rate increase for 2014 of 7.2% will be reduced.

The employee contribution tiers have been restructured from three tiers, employee, employee +1 and family to four tiers, employee, employee +spouse, employee +child(ren) and family. Please refer to the enclosed rate chart for details. Your current enrollment will automatically be moved to the correct tier at January 1 unless you request an enrollment change during open enrollment.

The College's health insurance plan will continue to be administered by Excellus BlueCross BlueShield with the following changes to the plan design:

In-network out-of-pocket maximums are changing from \$750 for an individual and \$2,250 for a family to \$1,500 for an individual and \$4,500 for a family. As required by health care reform for 2014, all medical copays will also apply to the out-of-pocket maximums (currently just deductible and coinsurance amounts apply). (Prescription copays will count toward out-of-pocket maximums in 2015.)

Participants in the health plan will receive new Excellus ID cards, issued in mid-December, which should be presented to your physician and other medical providers starting January 1. Your identification number will remain the same; however, prescription information will be removed from the card and a separate ID card will be issued for prescription benefits.

In addition to the Medical Plan Summary located in the Guidebook, you may also view a copy of our 2014 Summary of Benefit and Coverage (SBC) at the Human Resources website at: www.hamilton.edu/documents/2014SBC.pdf. A paper copy of this summary may be requested by contacting Luann Zaleski at extension 4689 or Samantha Campione at extension 4042.

Prescription Drug Coverage

The College is capitalizing on an opportunity to join the Preferred University Rx Purchasing Coalition (PURPC) which is a partnership of similar colleges and universities. The current copay structure of \$10/\$30/\$50 and the availability of mail-order service will continue. By joining the Coalition, the College will receive greater discounts for prescription cost and administration. PURPC utilizes Express Scripts to administer the program and Express Scripts will be Hamilton's prescription vendor beginning January 1, 2014.

With the change to Express Scripts, employees that participate in the medical plan will be receiving separate pharmacy ID cards and a welcome package in mid-December. Participants should present your new ID card each time you fill a prescription either through a retail outlet or through the mail-order program. It is expected that current mail order prescription information will be transferred from Excellus BlueCross BlueShield to Express Scripts and you will be able to request remaining mail order refills without the need to submit a new script.

(continued)

Every year, and with any change in vendors, changes are made to the prescription formulary which determines the member's copay and any therapy protocols (i.e. prior authorization or step-therapy for specific medications). Please review the enclosed "Transitioning to Express Scripts" booklet for detailed information including a formulary list of frequently utilized medications. Additionally, prior to January 1, 2014 you may look up formulary information at www.express-scripts.com/NATPLSNATPREF14. After January 1, 2014 you may visit Express Scripts website at www.express-scripts.com and create an online account.

Please note the excluded medications list contained in the "Transitioning to Express Scripts" booklet. If you are currently receiving one of the "Excluded Medications" through our Excellus coverage, you will have a 90-day grace period to change to a covered alternative. During the 90-day grace period beginning on January 1, you will pay a \$50 copay. After the 90-day grace period, you will pay the full retail price of the prescription unless your doctor demonstrates the necessity of an excluded medication with ExpressScripts.

Dental and Vision Insurance

Dental – the benefit schedule remains the same for 2014. Premiums are increasing by 3.7% for 2014 (rate chart is enclosed). New enrollees will be eligible for all allowed services without penalty for late enrollment.

Vision – the benefit schedule and premium cost will remain the same for 2014.

Eligibility for dependent children under the voluntary dental and vision plans is up to age 19 or to age 23 if enrolled as a full-time student.

Flexible Spending Accounts (FSA)

The College offers employees the opportunity to participate in Flexible Spending Accounts (FSA). This program allows you to set aside tax-free dollars from your paycheck for eligible healthcare and dependent care expenses. The maximum amount allowed for a healthcare account for 2014 is \$2,500. The maximum amount allowed for dependent care expenses is \$5,000.

For 2014 a 2 ½- month grace period to incur claims will be implemented; therefore, all amounts elected for 2014 must be used for expenses incurred January 1, 2014 through March 15, 2015 and claims must be submitted by June 15, 2015. (For 2013 participants, all amounts elected for 2013 must be used for expenses incurred by December 31, 2013 and claims must be submitted by March 31, 2014.)

As a reminder, if you are a current participant and plan to reenroll for 2014, please keep your debit card. The card will be reloaded with your new election.

Voluntary 403(b) Retirement Plan

New enrollments and changes to your voluntary retirement deductions may be made at any time throughout the year. **New enrollment forms** must be received at least two weeks before the requested effective pay date for employees that are paid weekly and before mid-month for employees paid monthly. If you want to make **a change to your Salary Reduction Agreement**, a request form must be submitted at least one week before the requested pay date for employees paid weekly and before mid-month for employees paid monthly.

Announcement of the IRS annual contribution limits for voluntary contributions for 2014 has been delayed but it is expected that the limits will remain the same as current at \$17,500 and an additional \$5,500 catch-up contribution limit for individuals age 50 and over.