

COUNTY OF ORANGE

2012 PLAN YEAR

01/01/12 – 12/31/12

Open Enrollment 10/01/2011 - 10/31/2011

****Requests Must Be Received By or Post-Marked No Later Than October 31, 2011****

Orange County Division of Risk Management - 18 Seward Avenue - Middletown NY 10940

During October, you can make changes to your benefits without special reasons, or “qualifying events”. These benefits include *medical, dental, vision, flexible spending accounts, and medical buy out*. All October open enrollment requests will become effective January 1, 2012.

The County of Orange and Orange County Community College each operate under “Cafeteria Plans”, established under Section 125 of the Internal Revenue Code, to help you pay for certain expenses using pre-tax dollars. Under the Plan, all employee contributions for health, family dental and family vision are taken on a pre-tax basis. These pre-tax contributions do not affect New York State Retirement System benefits.

The Plan is governed by Internal Revenue Service regulations and as a result, there are certain limitations on an enrollee’s ability to make changes to coverage during the year. At this time, you do not need a special reason to enroll an eligible dependent. However, once Open Enrollment ends, you must have a qualifying reason to request coverage for a dependent. Be sure to request all the changes you know you need or want for 2012 at this time. Do not wait until you need them, because you cannot enroll at will.

Please remember:

Health Coverage is Available for Adult Children to Age 26 - Under federal legislation that became effective for the *Empire Plan* 01/01/11, **adult children** can be covered up to age 26. Eligibility is lost at the end of the month in which the dependent reaches age 26. (See page 4.)

Dental or Vision Coverage is Available to Full-Time Students Only, Ages 19-25 - The Orange County Self-Insured Dental and Vision Plans are NOT subject to healthcare reform law. Therefore, the eligibility requirements have not changed. Children are covered up to age 19, and if full-time students, they are eligible for your dental/vision coverage until age 25. As always, **it remains your responsibility to submit full-time student verification directly to the claims administrator.** (See pages 6 and 7.)

Consider Flexible Spending Accounts to save taxes – There is one for unreimbursed medical expenses, and another for dependent care. (See pages 2 and 3.)

If you are planning to retire next year and will be eligible for Retiree medical benefits, you need Empire Plan benefits in effect before you retire. If you are currently in the Medical Health Insurance Buyout, you need to enroll during October, for 01/01/12 coverage. (See page 5.)

Submit original forms only; no faxes will be accepted. If documents (Marriage certificate for spousal coverage, birth certificate and Social Security card for every dependent) are not on file with Risk, you will be required to submit them in order for your request to be reviewed and processed.

Health Flexible Spending Account

The Health Flexible Spending Account, also known as Health FSA or Med Flex, is a medical reimbursement plan funded by your tax-free contributions. Enrolling in the Health FSA allows you to set aside money from your paycheck on a pre-tax basis to pay for medical, dental and vision expenses that cannot be reimbursed through insurance or any other arrangement.

Pre-tax contributions are not subject to federal, FICA, and most state or local taxes. (If you live outside New York State, you should check applicable state law.)

This is a voluntary program. You can enroll for a **minimum of \$300**, up to a **maximum of \$3,000** for the **2012 Plan Year**. During this open enrollment period, you should think about the out of pocket expenses you will have for yourself and your eligible dependents for the coming year. Examples of Health FSA expenses are co-payments, eyeglasses and orthodontics.

As a result of the federal healthcare reform law, and effective with the 2011 Plan Year, **over the counter (OTC) medications are no longer eligible FSA expenses UNLESS prescribed by a doctor**. Over the counter medications such as aspirin, ibuprofen, antihistamines, etc., will need appropriate documentation from a doctor in order to be reimbursed by a health flexible spending account for the 2012 Plan Year. Prescription drugs, insulin, blood pressure monitors, bandages and first aid kits are still eligible. Eligible expenses are those that would normally be deductible for Federal Income Tax purposes. You can view or download IRS Publication 502, "Medical and Dental Expenses", from the IRS website, www.irs.gov/publications/p502.

After your Health FSA becomes effective January 1, 2012, you cannot make changes in your account unless you have a qualifying change in status that would allow a corresponding and consistent change to occur. There are specific reasons for which a change can be allowed. You will be required to complete a *Change in Circumstance Form*, and provide acceptable documentation of the change in circumstances. This is an IRS rule that must be followed.

To enroll in the health care flexible spending account, complete a **2012 Flexible Spending Account Enrollment Form** and return it before the enrollment deadline of October 31, 2011. *Submit original forms; no photocopies or faxes will be accepted.*

IMPORTANT: If you go out on a Leave of Absence, you must contact the Benefits Unit at Risk Management (or OCCC Human Resources) to discuss the status of your FSA Account.

Plan wisely and do not over pledge. You must use this money during the Plan Year or you will lose it. You cannot get it back, and you cannot roll it over to the next year. This "Use it or Lose it" rule is a federal regulation.

Fitzharris and Company Incorporated is the County's Section 125 third party claims administrator. For questions regarding FSA accounts, call 1-800-635-5651, ext. 140.

Your current FSA enrollment, if any, terminates December 31, 2011. This benefit is not automatically renewed. You must apply for the new Plan Year.

The Health FSA Claims filing deadline for the 2011 Plan Year is March 31, 2012.

Dependent Care Flexible Spending Account

Dependent Care is another voluntary flexible spending account funded by your pre-tax salary contributions. This account helps you reduce taxes and increase your disposable income by paying dependent care expenses with pre-tax dollars.

This program is available to employees who have dependents under age 13, handicapped children, or adult parents who need care to allow you and your spouse to continue working.

Like the Health FSA, the Dependent Care Plan Year runs January 1 - December 31. The Dependent Care FSA reimburses only those expenses incurred during the coverage period.

Unlike the Health FSA, **for a Dependent Care Account you must have sufficient contributions in your account to cover the amount you are requesting for reimbursement.** There must be adequate claims substantiation (the employee must provide the name, address of the caregiver, caregiver's tax ID, or the Social Security number for an individual.)

You cannot carry over any unused contribution. The same "Use it or Lose it" rule applies to the Dependent Care FSA, in accordance with federal regulations.

The annual minimum contribution is \$300. There is a statutory limit on the amount of expenses that can be paid pre-tax under a Dependent Care FSA. The maximum contribution, set by the IRS, is \$5,000 (or \$2,500 if married and filing separate returns).

You will need to decide whether you will claim the Dependent Care Tax Credit for eligible dependent care expenses. You should talk to your tax preparer to assist you with this decision.

This benefit is not automatically renewed. If you are currently enrolled in the Dependent Care FSA, it will terminate December 31, 2011. **If you want a 2012 Dependent Care Flexible Spending Account, you must apply for it during October.**

To enroll in one, or both of the flexible spending accounts, (Health FSA or Dependent Care FSA), you must complete the *Flexible Spending Account Enrollment Form*, and return to Risk Management by the October 31, 2011 deadline.

All of the components of the Section 125 Flexible Benefit Plan operate under Internal Revenue Service rules. Therefore, once you have elected participation, you may not change your deduction(s) during the Plan Year unless you experience a qualifying event, as allowed by IRS regulations. You must contact Risk Management to discuss mid-year changes.

You will be required to complete a *Change in Circumstance Form* and provide acceptable proof of the qualifying event. If you experience a change of status, contact the Benefits Unit with your questions and for further instructions.

The Dependent Care FSA Claims filing deadline for the 2011 Plan Year is March 31, 2012.

Medical Coverage

The Empire Plan is a specially designed health insurance program for public employees in New York State. It provides coverage to you and your enrolled eligible dependents (spouse to whom you are legally married, and children up to the age of 26). Documentation (copy of marriage certificate if enrolling a spouse, birth certificate and Social Security card for each dependent) is required. If these documents have not been submitted previously, they must be submitted before your request can be approved and processed.

If you have an employee contribution, it has been negotiated by your union and your employer.

Although 2012 Empire Plan premiums have not yet been finalized, CSEA and COBA covered employees will continue to pay eleven percent of the annual premium, not to exceed \$1000 for individual and \$1825 for family coverage.

CSEA and COBA covered employees will pay, per pay period, no more than:

\$38.46 for **Individual** coverage

\$70.19 for **Family** coverage

DSPBA and Superior Officers' contributions will continue at current rates, until notified otherwise.

OCCC Faculty and OCCC Staff and Chair employees should check with OCCC Human Resources for 2012 contribution rates.

If you are already enrolled in the Empire Plan, and do not need to make any changes, do nothing. Your coverage will continue as it is now.

Note to Employees Planning to Retire in 2012: If you are eligible for Retiree health benefits, please be aware that you need your Empire Plan benefits in effect prior to your retirement. **If you are not currently enrolled in medical coverage, you need to enroll for 2012 coverage in October 2011.** If you or your spouse is age 65 or over, or disabled, contact Risk to discuss Medicare/NYSHIP requirements.

If you need to enroll, or make changes to your Empire Plan coverage, you must submit a **PA Health Insurance Transaction Form** (PS-503.1). (For general information, copies of the current *Empire Plan at a Glance* are available through Risk Management or OCCC Human Resources.)

Risk Management has not been informed of any changes to the Empire Plan for 2012. Please watch your mail for Empire Plan notifications, such as *Empire Plan Reports* and the *2012 Empire Plan At A Glance*. The Empire Plan can be accessed on the NYSHIP website www.cs.state.ny.us (Employee Benefits, Employees and Retirees of Participating Agencies (PA), Core Plus).

Important Reminder While Off the Payroll: **If you go off the Payroll you are responsible for paying part, or all, of the bi-weekly premiums to keep your benefits in effect. Your Department will mail you a bill for the amount(s) owed, and you will be responsible for making payment. If you do not receive a bill through the mail, you must contact your Department As Soon As Possible. Failure to make the required payments on time will result in a cancellation of your coverage.**

Medical Health Insurance Buy-Out

An Active benefits eligible employee who has an alternate source of coverage is eligible for the Medical Health Buy-Out Option. (Government programs are not coverage sources.) The Medical Health Insurance Buy Out is effective from January 1 through December 31 of each year.

For New Buy-Out Enrollees: If you want to terminate your current Empire Plan coverage to enroll in the Medical Buy-Out for the 2012 Plan Year, you must complete the *Request to Decline and Waive Medical Health Insurance Coverage*. You must provide detailed information regarding the alternate coverage (employment based) under which you will be covered during the buyout period. Your Empire Plan coverage will be terminated at the end of the calendar year, December 31, 2011.

For Current Buy-Out Enrollees, please take note:

For **CSEA, Managerial/Confidential, Management Plan, COBA, OCCC Faculty or OCCC Staff and Chair** employees, your current Buy-Out will automatically be continued for 2012 unless you submit a health plan enrollment application (form PS503.1). If you submit a health enrollment form, your Buy-Out will terminate December 31, 2011; your health will become effective January 1, 2012.

For **DSPBA or Superior Officers** who are enrolled in the 2011 Buy-Out, this option is not automatically renewed for you. **If you want to continue the Buy-Out option** for the coming year, complete a *Request to Decline and Waive Medical Health Insurance Coverage* and return it to Risk Management before the October 31, 2011 deadline. **If you want to enroll in medical coverage**, complete an Empire Plan enrollment form and return it to Risk Management before the October 31, 2011 deadline. (Please remember to include any supporting documents that are required to verify eligibility of dependents you want to enroll.)

Health Insurance Buyouts are offered on an annual basis only. If you enroll in the 2012 buyout, you will not be allowed to re-enter NYSHIP until the end of the buyout period (December 31, 2012) and must enroll during next year's annual transfer period to have coverage without a waiting period after the buyout period ends. **If you are planning to Retire with medical benefits in 2012, you need to enroll in the Empire Plan during October 2011.**

Once you are enrolled in the 2012 Medical Buy-Out, you will **not** be able to re-enter the medical health plan during the year unless you experience a qualifying event. If you lose your other coverage, you may request re-entrance into the health plan under the rules for involuntary loss of coverage. (It would not be a qualifying event if you find that your alternate coverage is not as good as the coverage you instructed this office to terminate. However, if your spouse loses his/her job and health coverage, that loss would be a qualifying event which would allow you to enroll in coverage for yourself and your dependents. You must be able to supply acceptable documentation of the loss of coverage.) If you experience an involuntary loss of coverage during the period of the Buy-Out, you must contact the Risk Management Benefits Unit (or OCCC Human Resources) immediately to discuss health plan options, and to complete the required *Request to Resume Medical Health Insurance Coverage*.

Buy-Out payments are issued by the Orange County Payroll Department in the month following the end of each quarter.

Orange County Self-Insured Dental Plan

The Orange County Self-Insured Dental Plan is funded by the premiums that you and your department pay. It is not subject to the Patient Protection and Affordable Care Act.

Your department pays the total premium for your Individual dental coverage; you pay the premium cost for Family coverage. (Family Dental covers the enrolled spouse, children up to 19, and full-time student dependents 19-25.)

Family coverage for the following **Groups** will cost **\$25.94** per pay period. **This is an increase.**

Group 723 CSEA/Management Plan

Group 718 COBA

Group 768 Superior Officers

Group 719 OCCC Faculty

Group 722 OCCC Staff and Chair

Family coverage for **Group 755, DSPBA**, will cost **\$17.48** per pay period.

To make changes to your dental coverage, submit an *Orange County Self-Insured Dental Plan* transaction form. If you are adding dependents, make sure you complete the form accurately; list all eligible dependents you want covered, with proper names, dates of birth and Social Security numbers. Remember, if you are adding dependents for the first time, (or if documents for dependents are not currently on file at Risk Management) you must supply required proofs of eligibility.

Also keep in mind that only eligible dependents can be covered. If you have dependents, ages 19-25 who are not full-time students, they are not eligible for your dental coverage and must be removed. If you notify this office as soon as your dependent loses eligibility, continuation of dental coverage can be offered under COBRA.

If you have full-time students, ages 19 to 25, who are, or will be, enrolled on your coverage, please make sure you obtain full-time student verification. Verification should be sent directly to the plan administrator.

Fitzharris and Company, Incorporated
PO Box 9182
Farmingdale, NY 11735

Plan brochures, provider lists, and claim forms are available by accessing the County's Intranet or contacting Risk Management. (OCCC employees contact the College.)

If you do not submit a dental change form by the 10/31/11 deadline, your dental coverage will remain the same as it is now.

Remember that all 2011 Dental claims must be submitted by March 31, 2012 in order to be considered for payment.

Orange County Self-Insured Vision Plan

The Orange County Self-Insured Vision Plan, not subject to the Patient Protection and Affordable Care Act, is funded by the premiums that you and your Department pay. Your Department pays the total cost of your Individual coverage.

Family coverage will cost you **\$2.08** per payroll. (Family Vision has the same eligibility requirements as the Orange County Self-Insured Dental Plan, page 6.)

If you do not submit an *Orange County Self-Insured Vision Plan* transaction form, to enroll or makes changes, by 10/31/11, your vision coverage will remain the same as it is now.

Fitzharris and Company Incorporated, administers claims for the County's dental and vision programs. Fitzharris pays claims based on the schedule of benefits. If you have questions regarding a claim, you should call the toll free number at 1-800-321-1336.

In order to have claims processed for an enrolled dependent, age 19-25, you must send full-time student verification to Fitzharris and Company, Inc. (Address noted on page 6.)

The deadline for submitting dental and vision claims for a Plan Year is March 31st of the following calendar year. **(The 2011 Vision claims deadline is March 31, 2012.)** It is ***YOUR*** responsibility to ensure that claims are sent to Fitzharris before the claims filing deadline. **Claims received after the deadline will not be considered for payment.**

SOME IMPORTANT REMINDERS ABOUT YOUR BENEFITS:

Keep your benefits record current – Whenever you experience a change that affects the eligibility of your dependents, it is your responsibility to contact Risk Management.

If you marry or gain a dependent and want to cover that dependent, contact Risk Management as soon as possible. Failure to submit timely notification may delay, or prevent, the opportunity to add the dependent until the next open enrollment.

If a dependent loses eligibility, due to a divorce or loss of student status (for dental and vision coverage) you must contact this office as soon as possible. Failure to do so may prevent the dependent from being offered continuation coverage. In addition, use of benefits after eligibility ends is considered an act of fraud, and you can be held financially responsible for repayment of claims paid after eligibility ends.

If, during the Plan Year, you think you have experienced a qualifying event that would allow a change in your benefits election, and therefore your pre-tax contributions, you must contact the Benefits Unit (or OCCC Human Resources) within 30 days of the change in status. You will be required to complete a *Change in Circumstance Form* along with all applicable forms and documentation. (Minimum documents required are Marriage Certificate, if adding a spouse, Birth Certificate, and Social Security card.)

If you have questions regarding open enrollment, eligibility for coverage, or required documents, please contact the Benefits Unit at Risk Management at 615-3600. (OCCC employees please contact OCCC Human Resources.)