Tacoma Employees and Family Members,

Choosing your benefit plans is an important decision for you and your family. Please review this Open Enrollment Newsletter to learn about the benefit changes taking place in 2019. We’re excited to announce we will be offering debit cards with the Healthcare Flexible Spending Account (FSA) benefit next year. Learn about the Washington State Paid Family & Medical Leave that is coming. And the IRS has some annual plan contribution limit changes.

As a reminder, Open Enrollment is the one special time of year you can make changes to your plan options and dependents outside of experiencing a qualifying life event (e.g. marriage, birth of a child, loss of other coverage, etc.). Even if you don’t wish to make any changes to your benefit plans or the dependents enrolled on your plans for 2019, we strongly encourage you to review your current information for accuracy. In anticipation of Open Enrollment, we recently emailed all employees a “Benefits Confirmation Statement” to assist with this review process. We hope you found this useful.

Please review the chart below to determine if you need to take any action during Open Enrollment.

If you have questions, or need additional assistance, please contact the Human Resources Benefits staff at benefits@cityoftacoma.org or (253) 573-2345.

Kari L. Louie
Senior Compensation & Benefits Manager

If you need to complete Open Enrollment, see page 7 for instructions on how to access Employee Self Service (ESS).

You cannot enroll from home unless you have VPN access.
Benefit Changes for 2019

Medical Plan Changes for Next Year

There are minimal changes taking place with the medical plans offered by the City for 2019. Please visit the Benefits webpage under Plan Information to review the summaries for Regence BlueShield (PPO and High-Deductible Health Plans) and Kaiser Permanente (HMO Health Plan). New 2019 plan booklets will be made available in the first quarter of 2019.

Regence BlueShield

- **Controlled Substance Refills**: With the opioid crisis that is facing our country, Regence BlueShield will be revising its Refill Too Soon limit from 75% to 85% for Schedule 2 and 3 controlled substance medications. This means members must use more of their current prescription before obtaining a refill.

- **Manufacturer Coupons**: Regence BlueShield will be changing the process for handling manufacturer coupons for prescription medications. A member can still use a manufacturer coupon, but any money saved with the coupon will not count toward the members’ Out-of-Pocket Maximum (OOPM) under the health plan.

Kaiser Permanente

- **Reproductive Health**: All medically necessary medical and surgical services and FDA-approved contraceptive drugs/devices are covered at no charge. Please contact Kaiser Permanente customer service for coverage details.

- **Telemedicine**: Telemedicine services will be covered in full. Telemedicine may be initiated by a member or provider, and the member must be at a qualified location such as a hospital or skilled nursing facility.

Benefit Rates

Although the City will pay more for some benefit plans in 2019, there will be no monthly premium contribution changes for full-time employees. (If you met the 2019 Wellness Program incentive requirements, your employee premium for the health insurance will be reduced. See page 4 for details.)

<table>
<thead>
<tr>
<th>Benefit Plan</th>
<th>2018 Plan Cost</th>
<th>2019 Plan Cost</th>
<th>Employee Premium (Individual/Family)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Plans</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regence PPO</td>
<td>$1,480.01</td>
<td>$1,502.64</td>
<td>$40/$80</td>
</tr>
<tr>
<td>Regence High-Deductible</td>
<td>$1,239.20</td>
<td>$1,258.15</td>
<td>$40/$80</td>
</tr>
<tr>
<td>Kaiser Permanente HMO</td>
<td>$1,246.47</td>
<td>$1,396.05</td>
<td>$40/$80</td>
</tr>
<tr>
<td><strong>Dental Plans</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delta Dental of Washington</td>
<td>$119.03</td>
<td>$116.47</td>
<td>$0/$0</td>
</tr>
<tr>
<td>Willamette Dental</td>
<td>$131.70</td>
<td>$137.65</td>
<td>$0/$0</td>
</tr>
<tr>
<td><strong>Vision Plans</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vision Service Plan (VSP)</td>
<td>$13.11</td>
<td>$13.11</td>
<td>$0/$0</td>
</tr>
<tr>
<td>Kaiser Permanente</td>
<td>(Included in the HMO Medical Plan)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Who Can I Cover on my Benefits?

**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 as of Dec. 31, 2016, OR, after Jan. 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**: Any dependent disabled child over the age of 26 who otherwise meets the criteria for “child” and is incapacitated due to developmental disability, physical handicap, or mental health diagnosis that would prevent the child from establishing and maintaining consistent employment or independence, provided the child was covered on the day before the 26th birthday and the incapacity occurred prior to the 26th birthday.

Reminder

If you ADD new dependents to your benefit plans during Open Enrollment:
- **ENROLL** them in all the appropriate plans in ESS.
- **COMPLETE and SUBMIT** a Dependent Eligibility Verification Form and provide supporting backup documents (e.g. marriage license, birth certificate, etc.) to the Benefits Office NO LATER THAN Monday, Nov. 19, 2018.
- Find the form on the Benefits webpage under the Benefit Forms section.
Health Savings Account Contribution Limits for 2019

The Internal Revenue Service (IRS) has increased the Health Savings Account (HSA) annual limits for 2019. This means you are able to put more money into your account on a pre-tax basis.

<table>
<thead>
<tr>
<th>Coverage</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$3,450</td>
<td>$3,500</td>
</tr>
<tr>
<td>Family</td>
<td>$6,900</td>
<td>$7,000</td>
</tr>
<tr>
<td>Catch-Up Contribution (Age 55-65)</td>
<td>$1,000</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

The High-Deductible Health Plan (HDHP) with an HSA is very different from the traditional medical plans the City offers, and they may not be the right fit for everyone:

- Due to IRS requirements, you may not qualify to sign up for an HSA.
- 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.

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

(Note: The Wellness incentive information on page 4 includes details on how much the City will contribute to an HSA if you sign up for this health plan option.)

Section 125 Flexible Spending Account (FSA)

2019 Annual Contribution Limits

The Health and Dependent Care FSA annual plan limits will remain the same for 2019, pending notification of any changes from the Internal Revenue Service (IRS). Should such changes occur, participants will be notified at that time. (Remember, if you want to be enrolled in an FSA for 2019, you MUST enroll during Open Enrollment. The IRS requires you to elect this plan annually.)

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>2019 Annual Contribution Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare FSA</td>
<td>$2,650</td>
</tr>
<tr>
<td>Dependent Care FSA</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

New Debit Cards for Healthcare FSA Participants in 2019

In 2019, the City will be offering the new feature of debit cards with the Healthcare FSA benefit. Debit cards are convenient in that you can use them to pay for out-of-pocket (health, dental, and vision) expenses, as you would with a personal credit or debit card and avoid having to make copies of your receipts and send them in with a claim form to the claims administrator. You can pay for these expenses at the time of service/point of sale, and you can use them to pay a paper billing you might receive in the mail by filling in the debit card number. The debit cards will be automatically sent to all employees enrolled on the Healthcare FSA at the beginning of the year. If you’ve had an address change, please be sure to update your record in ESS. Please note, the debit cards are NOT allowed to be used for the Dependent Care FSA, and if an employee tries to use the debit card for this purpose, the charge would be declined. Employees are not required to use the debit card to pay for healthcare expenses. Employees can still be reimbursed for healthcare expenses by submitting a claim form and receipts.

Important Things to Know About the Healthcare FSA Debit Cards:

- Cards will be mailed out at the beginning of Jan. 2019.
- For 2019 only, the debit cards CANNOT be used to pay for the 2018 healthcare expenses. If somehow a charge for a 2018 claim expense does go through on a new debit card, our claims administrator will request a refund.
- Even though we are adding the new debit card feature, there may be occasions that an employee will have to substantiate an expense with our claims administrator that was charged to the debit card.
The 2019 Wellness Incentive Period has Ended

The 2019 incentive period was from Oct. 1, 2017 through Sept. 30, 2018. A letter will be mailed to your home in early November indicating whether or not you earned the incentive. If you successfully met the requirements, see the chart below which explains the incentives you will be eligible for based on the health plan you select for 2019. Employees who did not qualify for the incentive, but feel they should have, can submit an Appeal Form to wellness@cityoftacoma.org by no later than Dec. 15, 2018.

<table>
<thead>
<tr>
<th>Incentive Credit</th>
<th>City Contributions With Wellness</th>
<th>City Contributions Without Wellness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wellness Credit:</td>
<td>$20 per month credit toward their premium contribution for medical insurance coverage under the Regence or Kaiser Permanente traditional plan.</td>
<td>$500/year</td>
</tr>
<tr>
<td>OR</td>
<td>$40 per month credit toward their premium contribution for coverage under the Regence High-Deductible Health Plan (HDHP) with a Health Savings Account (HSA).</td>
<td></td>
</tr>
<tr>
<td>Contributions to HSA Accounts:</td>
<td>Employees who elect the HDHP with HSA plan option will additionally receive contributions to an HSA from the City, which will be prorated per pay period throughout the plan year.</td>
<td></td>
</tr>
<tr>
<td>Employee Coverage</td>
<td>$1,250/year</td>
<td></td>
</tr>
<tr>
<td>Family Coverage</td>
<td>$2,500/year</td>
<td>$1,000/year</td>
</tr>
</tbody>
</table>

The 2020 Wellness Incentive Period is Underway

The 2020 incentive period runs from Oct. 1, 2018 through Sept. 30, 2019. The monthly Wellness incentive/credit will continue to be tied to your participation with the RedBrick Health Portal.

Why use Track?

✓ Unlike other healthy activity trackers, Track allows you to track healthy behaviors across all aspects of wellness.
✓ Get credit for what you are already doing or for making a new healthy behavior a long lasting habit.
✓ You can even sync your favorite devices and apps to have Track update automatically.

Download the RedBrick Health app today. Go to the Apple App store or Google Play store to download the app so that your favorite RedBrick tools are in one easily accessible place — your smart phone or tablet. Your sponsor is “City of Tacoma”.

Save time and effort by syncing a device/app. Would you like to spend less time entering activities into RedBrick? Then consider syncing a device or app! This way you will automatically get credit for the healthy, everyday habits that you are already practicing.

Questions? Please visit new.redbrickhealth.com or wellness.cityoftacoma.org to learn more about the 2020 incentive requirements, sync options, appeal process, and other program components.
New Paid Family & Medical Leave


What is Washington Paid Family & Medical Leave (PFML)?

Paid Family & Medical Leave is a statewide insurance program that provides financial assistance for individuals to care for themselves or their qualified family members. The reasons an individual would apply for PFML are very similar to the reasons an individual qualifies for leave under the Family Medical Leave Act (FMLA) such as for their own medical condition, caring for a qualified family member, bonding with a child after the birth, adoption or foster placement, and for certain military-related events.

Learn More

Rulemaking is still taking place and is scheduled throughout most of 2019. We have created a page on the City’s Benefits website for the Paid Family & Medical Leave Program. As more information becomes available, it will be placed on the webpage. We will be hosting Open Enrollment presentations this year to provide more information on PFML. For those who can’t attend, there will be a recorded version made available. However, in the meantime, listed below are a few key pieces of currently available information related to the design and timing of this new paid leave:

<table>
<thead>
<tr>
<th>Eligibility</th>
<th>Individuals will need to work 820 hours for a Washington-based employer during the previous year to qualify for this benefit.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit</td>
<td>This insurance program will allow up to 12 weeks replacement of wages but in some cases it could be 16-18 weeks. The amount of the benefit varies depending on the employee’s weekly wage, median statewide incomes, and other factors.</td>
</tr>
<tr>
<td>Cost</td>
<td>The total premium is equal to 0.4% of an employee’s paycheck.</td>
</tr>
</tbody>
</table>

What Happens in 2019

Starting Jan. 1, 2019, the State will begin collecting premiums associated with this new benefit.

What Happens in 2020

Starting January 1, 2020, qualified individuals will be able to apply for PFML benefits with the Washington State Employment Security Department.

Open Enrollment Employee Benefit Meetings and Employee Self Service Assistance

To learn more about the benefit changes taking place in 2019, employees are invited to attend an Open Enrollment Benefits Meeting. Representatives from the Benefits Office and Trusteed Plan Services (our FSA Plan Administrator) will be available to answer your questions. For those employees who cannot attend a session in person, a recording of the presentation will be available on the Benefits Open Enrollment webpage by Nov. 6th.

Benefits Office staff will also be available in person during Open Enrollment Employee Self Service (ESS) Help Days to answer your questions and provide access to a computer that is connected to the City network.

— Important Notice —

Due to a computer breach that took place earlier this year, ESS is not open for access from outside the City network. This means you can’t access ESS from home unless you have VPN access. Here is how you make changes to your benefits during Open Enrollment this year:

- Log in to ESS through GNET or UNET on your City assigned computer at a City work location.
- Attend an Assist Day hosted by Benefits staff.
- Visit the Human Resources Department at the Tacoma Municipal Building, 14th Floor to work with Benefits staff.
- Use a computer assigned to your department at a City work location. Many departments have computers available for employees to use during Open Enrollment.

Note: If you have VPN access to the City network, you can access ESS outside a City work location.

(See the calendar on the last page for times and dates for all of these activities.)
Deferred Compensation Plan

Annual Contribution Limits for 2019

The Deferred Compensation plan limits will remain the same for 2019, pending notification of any changes from the Internal Revenue Service (IRS). Should such changes occur, participants will be notified at that time.

Participants Age 50 and Over

If you are currently enrolled in the Deferred Compensation plan, and will turn 50 sometime during 2019, you will be automatically enrolled in the Age 50+ Catch-Up option. This allows you to make a higher annual contribution, if you so choose. If you do not make a change, your deduction amount will stay the same.

How to Make Contribution Election Changes During Open Enrollment

If you are currently enrolled in the Deferred Compensation plan, you can increase or decrease your contribution amount during Open Enrollment through Employee Self Service (ESS), which will take effect Jan. 1, 2019. However, for changes to contributions outside of Open Enrollment, you can only stop or decrease your amount in ESS using the Allowable Midyear Benefits Changes option. A paper form is required to increase your contribution elections or to newly enroll in the Deferred Compensation Plan (pre-tax option) or Roth (post-tax option). Enrollment forms are located on the Benefits webpage under Benefits Forms.

<table>
<thead>
<tr>
<th>Contribution Category</th>
<th>Annual Contribution Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Deferral</td>
<td>$19,000</td>
</tr>
<tr>
<td>Age 50+ Catch-Up</td>
<td>$25,000</td>
</tr>
<tr>
<td>Pre-Retirement Catch-Up</td>
<td>$38,000</td>
</tr>
</tbody>
</table>

October/November 2018 Benefits Calendar

<table>
<thead>
<tr>
<th>October 29</th>
<th>October 30</th>
<th>October 31</th>
<th>November 1</th>
<th>November 2</th>
</tr>
</thead>
</table>
| TMB Benefits Presentation  
Council Chambers  
11:30am-1pm  
TPU Health Fair  7am-2pm  
TPU Employee Wellness Center  
ATS                  | TMB Benefits Presentation  
Council Chambers  
11:30am-1pm  
TPU Health Fair  7am-2pm  
TPU Employee Wellness Center  
ATS                  | TMB ESS Help Day  10am-1pm  
Room 1530           | ES CTP ESS Help Day  2:30-5pm | ES Solid Waste ESS Help Day  
7:30-10pm & 1-4pm |

November 5  
TBU Benefits Presentation  
11:30am-1:00pm, Auditorium  
TMB Benefits Presentation  
2:30-4:00pm, Council Chambers  
TBU Benefits Presentation  
2:30-4:00pm, Council Chambers

November 6  
TMB ESS Help Day  10am-1pm  
Room 1530

November 7  
TACOMA FIRE ESS Help Day  
Station 8, 8-11am

November 8  
TACOMA FIRE ESS Help Day  
Station 8, 8-11am  
ESS ESS ESS Help Day  10am-1pm  
ES BENEFITS ESS Help Day  2:30-4pm  
Auditorium

November 9  
TACOMA FIRE ESS Help Day  
Station 8, 8-11am

November 12  
Veterans Day Holiday  
Flag

November 13

November 14  
TACOMA FIRE ESS Help Day  
Station 8, 8-11am

November 15  
ESS ESS Help Day  2:30-4:30pm  
ESS ESS Help Day  2:30-4:30pm  
ESS ESS Help Day  2:30-4:30pm  
ESS ESS Help Day  2:30-4:30pm

November 19  
LAST DAY FOR OPEN ENROLLMENT  
(Closes 11:59pm)  
TMB ESS Help Day  7:30am-4:30pm, Room 1530  
ESS ESS Help Day  7:30am-4:30pm, ABN Computer Room

November 22  
Thanksgiving Day Holiday

November 23  
Friday after Thanksgiving

Questions? Contact the Benefits Office at benefits@cityoftacoma.org or (253) 573-2345

Benefit Plan Information & Open Enrollment Tools/Resources Website  
Visit cityoftacoma.org/benefits for:  
Plan Summaries, Provider Websites, Benefit Forms, Open Enrollment FAQ, Benefit Videos, and much more

Review Plan Elections/Make Benefit Changes  
Log-in to Employee Self-Service (ESS) at cityoftacoma.org/ESS from any computer or device connected to a City of Tacoma network

Forgot Your Log-in or Password?  
Contact the IT Service Desk at (253) 591-2057 Monday – Friday | 7:30 a.m. – 5:30 p.m.
Instructions for Completing Open Enrollment Online

To review your current benefit elections and make any changes to your coverage choices for 2019, log in to Employee Self Service (ESS) through Gnet or Unet, or by going to cityoftacoma.org/ESS from any computer connected to the City network. However, if you have VPN access you can log in to ESS outside a City work location.

- If you have difficulty logging in to ESS, contact the IT Service Desk at (253) 591-2057 during their regular business hours of 7:30 a.m. to 5:30 p.m.
- See page 5 about other options to complete your Open Enrollment changes.

Follow these easy steps to make your changes in ESS!

1. Log in through Gnet or Unet or from any computer connected to the City network at cityoftacoma.org/ESS.
2. Select the Benefits link.
3. Select the COT Open Enrollment link and follow the steps below.
4. Select the plan type you want to change. If you do not want to change any plans or add dependents, proceed to step 7 below.
5. Select your plan option.
6. Scroll down to see all plan options available.
7. If you switch to a different plan option, you MUST re-check each dependent you want enrolled in that plan.
8. Proceed to the Review and Save screen and look for the button shown above to SAVE your final changes. You MUST click this button for your changes to save.
9. Once your elections are saved, print a summary for your records.

*Note: If you are enrolled in the deferred compensation plan you may see the (Review & Save) screen as Step 8 of 8.

Per City of Tacoma Information Technology Policy 4.1, “Employees shall not share their user ID or password with any other person”.

Important: Review the Terms and Conditions and then click Accept.