

# IMPORTANT BENEFITS INFORMATION FOR THE 2023 PLAN YEAR



The Internal Revenue Service (IRS) has announced changes to annual contribution limits for Flexible Spending Accounts (FSA) and Deferred Compensation programs for 2023. Additionally, our health insurance providers announced some changes to our plans for next year, and the State’s Paid Family and Medical Leave (PFML) program announced premium increases beginning January 1, 2023. These notifications came much later than expected, and the Open Enrollment newsletters had already been printed for mailing to City of Tacoma employees. Read below to learn about these updates that go into effect next year:

## **Flexible Spending Account (FSA)**

During Open Enrollment, you will be able to elect up to the 2023 maximums listed below for your Flexible Spending Health Care or Dependent Care Account(s) through the Employee Self Service Portal.

Plan Type	Annual Contribution Limits 2022	Annual Contribution Limits 2023
Health Care FSA	\$2,750	<b>\$3,050</b>
Dependent Care FSA	\$5,000 if filing jointly \$2,500 if filing separately	\$5,000 if filing jointly \$2,500 if filing separately

## **Deferred Compensation**

Effective November 1, 2022, employees who want to make changes to their contribution elections or newly enroll in the Deferred Compensation Plan Traditional (pre-tax option) or Roth (post-tax option) will now handle these activities directly through our vendors. Access options include the vendors’ website, mobile app, or by calling their customer service line. For complete details on how to enroll or make changes to your contribution elections with MissionSquare or Nationwide, please refer to the City of Tacoma Benefits website at [cityoftacoma.org/benefits](http://cityoftacoma.org/benefits) under **Plan Information** and **Deferred Compensation**.

Contribution Category	Annual Contribution Limits 2022	Annual Contribution Limits 2023
Regular Deferral	\$20,500	<b>\$22,500</b>
Age 50+ Catch-Up	\$27,000	<b>\$30,000</b>
Pre-Retirement Catch-Up	\$41,000	<b>\$45,000</b>

## Medical Plans

### **Kaiser Permanente:**

***New Advanced Care at Home Program (ACAH):*** This is a voluntary, patient-centered program designed to provide hospital-level acute care and clinical services to members with certain diagnoses at home, under the direction of Washington Permanente physicians. This option provides members alternatives to hospitalization by bringing the necessary services to them in their home and addresses many safety and quality concerns. Members will not have copayments for services received through the ACAH program.

***Inpatient Hospital Services:*** If a member who is receiving covered services in a hospital for inpatient services loses coverage, that member will no longer be eligible on the coverage termination date. This provision will not apply if the member elects COBRA continuation coverage or is covered under another health plan.

### **Regence BlueShield:**

***Sexual Dysfunction Drugs:*** Due to the increased demand to treat cardiac and benign prostate conditions, coupled with the low cost of generics within this medication class, effective January 1, 2023, Regence BlueShield will discontinue restricting quantity limits for low-cost generic sexual dysfunction drugs such as tadalafil (Cialis®) and sildenafil (Viagra®), not to exceed one (1) tablet per day. High-cost sexual dysfunction drugs such as vardenafil (Levitra®), vardenafil ODT (Staxyn®), and avanafil (Stendra®) will continue to be restricted to a quantity of eight (8) tablets per month.

If you have any questions on these updates to the benefit programs, please contact the Benefits Office at (253)573-2345 or at [benefits@cityoftacoma.org](mailto:benefits@cityoftacoma.org).

## **Washington Increases PFML Rates and Weekly Benefit for 2023**

Effective January 1, 2023, the premium rate for Washington State's Paid Family and Medical Leave (PFML) will increase to 0.8% (from 0.6% in 2022) of each employee's gross wages up to the 2023 Social Security cap (\$160,200).

Employers with 50 or more employees working in the state of Washington will pay 27.24% of the 0.8% premium and employees will pay 72.76%. This is the program's second-rate increase for PFML since payroll deductions began in 2019.

### **Why is the Premium Rate is Changing?**

Premiums, collected from employees and employers through quarterly reporting, fund the Paid Leave program. By law, the Employment Security Department (ESD) recalculates the Paid Leave premium rate annually on September 30. The premium rate is adjusted based on contributions from premiums and benefits paid during the previous year.

### **City of Tacoma Resources**

Information pertaining to the PFML program that is specific to City employees is available on the [City's PFML resource website](#).

Please direct your questions to the City's DLM Office at [DLM@cityoftacoma.org](mailto:DLM@cityoftacoma.org) or (253) 591-5452.