Aetna Value Plan and Health Saving Account (HSA)

Presented by Teachers College and Mercer
Aetna Plans

• Four plans will still be offered (Access, Direct, Exclusive, Value).
  – Your current election will be transferred to the corresponding Aetna plan.
  – You do not need to take action during open enrollment unless you would like to change your plan election.
  – This is the last open enrollment period the Access Plan will be offered.
# 2015 Employee Premiums

<table>
<thead>
<tr>
<th>Access</th>
<th>2015 Monthly Contribution</th>
<th>Change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$287.25</td>
<td>+ $13.69</td>
</tr>
<tr>
<td>Employee + 1</td>
<td>$702.23</td>
<td>+ $23.39</td>
</tr>
<tr>
<td>Family</td>
<td>$1,098.82</td>
<td>+ $36.59</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exclusive</th>
<th>2015 Monthly Contribution</th>
<th>Change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$233.09</td>
<td>+ $14.78</td>
</tr>
<tr>
<td>Employee + 1</td>
<td>$597.72</td>
<td>+ $25.52</td>
</tr>
<tr>
<td>Family</td>
<td>$935.29</td>
<td>+ $39.93</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Direct</th>
<th>2015 Monthly Contribution</th>
<th>Change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$177.83</td>
<td>+ $15.91</td>
</tr>
<tr>
<td>Employee + 1</td>
<td>$491.06</td>
<td>+ $27.70</td>
</tr>
<tr>
<td>Family</td>
<td>$768.39</td>
<td>+ $43.34</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Value</th>
<th>2015 Monthly Contribution</th>
<th>Change from 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$140.85</td>
<td>+ $16.67</td>
</tr>
<tr>
<td>Employee + 1</td>
<td>$419.68</td>
<td>+ $29.15</td>
</tr>
<tr>
<td>Family</td>
<td>$656.71</td>
<td>+ $45.31</td>
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</tbody>
</table>
Aetna Value Plan

- The Aetna Value Plan is a high deductible health plan (HDHP) which, per IRS guidelines, is eligible to have a HSA attached to the plan.
- Key differences between traditional plans and HDHP:
  - Higher deductibles, i.e. what you pay before plan benefits begin
  - Deductibles are “per family” and not “per individual”
  - Tax-advantaged savings accounts for health care uses (Health Savings Account); more details later
  - Prescription drugs and physician office visits are subject to deductible (although in-network preventive care is not subject to deductible). After deductible is satisfied, in-network physician office visits are paid at 80% and pharmacy is subject to copayments.
How will Teachers College’s HDHP work?

You satisfy the plan deductible

Non Preventive Medical and/or Pharmacy Expenses
- Single - $1,300
- EE+1 or Family - $2,600

Aetna pays 80%
You pay 20%

Deductible + Coinsurance or Rx copays
- Single - $3,300
- EE +1 or Family - $6,600

You can use pre-tax money from your HSA to cover out of pocket costs

There are some items Aetna pays 100% for including:
- Adult and Child Preventative Care Services
- Pharmacy expenses, after you reach the out of pocket cap
- Most medical expenses, after you reach the out of pocket cap
What is an HSA?

• Pre-tax benefit account that works a lot like a 401(k)
  – Set aside pre-tax money
  – Pay for everyday health expenses today
  – Save for future healthcare expenses
Who is Eligible to Participate in an HSA Plan?

• Because HSA Plans have special tax advantages, the IRS defines specific rules on participation.
• To be eligible to contribute to a Health Savings Account, the IRS requires that individuals:
  – Must be enrolled in a qualified HDHP medical plan (Aetna Value Plan)
  – Cannot have any other health coverage (Note this applies to employee only)
  – Not covered by spouse’s medical or pharmacy plan
  – Not covered through Medicare Part A or Part B
  – Not covered through a general-purpose Flexible Spending Account (FSA) plan (either employer’s or spouse’s)
  – If you are enrolled in TC’s 2014 FSA plan and have money left over in your account as of 12-31-14, you are not eligible to contribute to or use the HSA until 4-1-15.
  – Cannot be claimed as a dependent on another person’s tax return
• Dependent Children – While dependent children are eligible up to age 26 for the medical plan, their healthcare expenses can only be paid out of the HSA as long as they are considered a tax dependent on your tax return under IRS rules.
Advantages of an HSA

• Use tax free money to pay for today’s eligible out-of-pocket healthcare expenses
• Put away something extra for tomorrow’s healthcare needs
• Earn money while saving money with no “use it or lose it” risk
• You can change your election throughout the year, however, not more than 1 time per month
## Tax Advantages of an HSA

<table>
<thead>
<tr>
<th>Contributions</th>
<th>Withdraws</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Payroll deduction contributions are pre-tax</td>
<td>• Withdrawals to pay qualified medical expenses are tax-free</td>
</tr>
<tr>
<td>• Please consult with your tax advisor for any potential additional deductions when filing your tax returns</td>
<td>• Withdrawals for ineligible expenses are taxed and you pay a 20% penalty</td>
</tr>
<tr>
<td></td>
<td>• At age 65, withdraw funds for any reason with no penalty (taxes do apply)</td>
</tr>
</tbody>
</table>
How does an HSA work?

• Determine how much you would like to contribute to your HSA - funds are deducted, pre-tax, from your paycheck
  – Annual max for individual $3,350
  – Annual max for family $6,650
  – If you are 55 + as of 12/31/15, you may make an additional deposit into your HSA up to $1,000. Please note this is not done via TC Payroll

• Teachers College will also contribute to your HSA in 2015:
  – $300 for single enrollment
  – $600 for employee + 1 enrollment
  – $900 for family enrollment

Note: TC’s contribution counts toward the annual maximum
How does an HSA work?

• Use your WageWorks Card to pay instantly
• Works like a debit card, just swipe and go
• Funds come directly from your HSA
• WageWorks’s banking partner is BNY Mellon
• No PIN required
• If you are currently enrolled in the FSA, your current card will convert to the HSA (no new card needed)
How do I manage my HSA?

- Use WageWorks EZ Receipts
  - File a claim and pay provider or yourself directly
  - View transactions and benefit account balances using a single login
  - Snap a photo of receipts and submit them for payment
  - Receive confirmation emails when claims are received, processed, or paid
  - Receive text messages when card verification is required, a transaction is denied, or a claim has been processed
- Or online at WageWorks.com
How do I open my HSA?

Once open enrollment elections have been submitted, you will need to complete an application on the WageWorks website in order to officially open your HSA with BNY Mellon:

If you have not yet registered to use the WageWorks secure web site:
You will first need to complete the simple online registration process:
1. Go to www.wageworks.com
2. Click on Login/Register, then Employee Registration
3. Enter the information requested so WageWorks can identify you
4. Confirm your contact information, review the User Agreement, and create your username and password to complete registration
5. Click on Finish Opening Your HSA!
6. Complete the application. (A new window opens after the first page, so you may need to adjust pop-up blocker settings)

If you have already registered to use the WageWorks secure web site:
1. Go to www.wageworks.com
2. Enter your user name and password
3. Click on the Health Care tab
4. Click on Finish Opening Your HSA!
5. Complete the application. (A new window opens after the first page, so you may need to adjust pop-up blocker settings)
Eligible Expenses

Use Your HSA to pay for:
• Prescriptions for almost any medical condition
• Co-payments, co-insurance, and deductibles
• Dental care, both preventive and restorative
• Orthodontia, child and adult
• Vision care, eyeglasses, contact lenses, solutions
• Eye surgery, including laser vision correction
• Counseling and therapy
• Psychology and psychiatry
• Chiropractic care and acupuncture
• See www.wageworks.com/myhsa for more
What if I want to leave the Value Plan?

• Leaving the plan
  – Leave employment
  – Enroll in another benefit offered through the college
  – Become covered through a spouse’s plan

1. HSA dollars are portable – they remain the account holders’ dollars to keep
2. The HSA becomes an individual account
3. Account holder may have different/additional account fees
4. The account holder can no longer contribute to the HSA (unless they are covered through an HSA qualified plan and remain eligible)
5. The account holder can continue using the HSA fund, for qualified health care expenses of their qualified dependents
Limited Purpose FSA

- If you are eligible for and contributing to the HSA, you are **ineligible** to contribute to a traditional healthcare FSA. However, you are eligible to contribute to a Limited Purpose FSA.

- A Limited Purpose FSA operates similar to a healthcare FSA, except, you are unable to cover out of pocket medical costs. It is limited to out of pocket dental and vision costs only. The IRS calendar year maximum contribution of $2,500 applies, as well as the “use it or lose it rule.”

- If you enroll in both the HSA and Limited Purpose FSA, you will have **one** debit card. It will automatically draw out for dental and vision expenses from the Limited Purpose account and medical expenses will automatically withdraw from the HSA.

- If you do not elect the Limited Purpose FSA, your HSA funds can be used for dental and vision.

- Like the full FSA, the HSA-Compatibility FSA will also have a 2 ½ month grace period to incur expenses that are incurred after December 31st of each year.
Questions?

Thank you!