

# Memorandum

**To:** Town of Hamilton Employees  
**From:** Michael Lombardo, Town Manager  
**Date:** June 2, 2017  
**Re:** FY 2018 Health Insurance Open Enrollment and Health Fair

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The Town's Annual Open Enrollment and Health Fair will be held on **Thursday, June 15<sup>th</sup>** in the Town Hall Memorial Room from **11:00 –1:30** p.m. As part of this year's Open Enrollment, we are pleased to offer the Health & Wellness Screenings listed below. We will also have representatives from the following organizations available to answer your questions or assist you in making changes to your plans.

**Health & Wellness Offerings**  
Seated Chair Massage  
Cholesterol Screening  
Build your own Health Trail Mix

NFP – On behalf of MIIA  
Essex Regional Retirement  
Cafeteria Plan Advisors (FSA)  
Smart Plan – Deferred Comp.

**Metropolitan Credit Union**  
**Salem Five Savings Bank**  
**The Standard Life Insurance**

The FY'18 health insurance rates for both the HMO Network Blue New England and the Blue Care Elect plans have increase by 7.2% over last year's premium with the dental and life insurance rates remaining unchanged. Please refer to the attached spreadsheet showing the annual and bi-weekly breakdown of the new FY18 rates.

This year, the **FSA** (Flexible Spending Account) plan has been expanded to include dependent care coverage. This new program allows employees to contribute up to an additional \$5,000.00 per family to pay for dependent related expenses. Unlike your FSA account in which your annual contribution is available on July 1<sup>st</sup>, your dependent care funds will be available for reimbursement once they are received from the Town, (i.e. your payroll deductions). In choosing your amount for the dependent care plan, it is advised that you select an amount that you know you're going to need and use within the plan year. If you have a change in program needs or have a qualifying event, midyear adjustments to your payroll deductions will made accordingly. If you are currently enrolled in the FSA program, a renewal form will be emailed to you to re-enroll. If you are new to the program, please visit the Town's website under Human Resources to obtain all the necessary forms and instructions for enrollment.

Flexible spending accounts are "use-it-or-lose-it" plans; this means that remaining balances in excess of the \$500.00 rollover benefit at year end cannot be carried over to the next year. Your employer is not permitted to refund any part of the balance to you, so it is important to withhold an amount that you know will be used. All administration costs associated with this program will be paid by the Town. **Please note that employees currently participating in the FSA program must submit all expenses incurred through June 30<sup>th</sup> by September 30, 2017. Remaining balances up to \$500.00**

**will automatically roll over to your Health Savings Account providing that you've re-enrolled for the upcoming plan year.**

The **“Opt-Out”** program is offered to currently enrolled employees, who have been participating in the Town's health plan since July, 2015. The handout, available via the Town's website, explains the purpose and benefits of this program. Employees wishing to “Opt-Out” should submit the completed form along with proof of insurance coverage to the Accounting I (Over) insurance premiums are deducted one month in advance; therefore, if you choose to Opt-Out or convert to another plan, adjustments will be reflected in a subsequent paycheck. The Opt-Out payout will be extended for another year for all current participants.

The co-insurance for eligible employees will remain the same at 25% for the HMO Benchmark v.3 and, 45% for the BCEP Benchmark and 25% for The Standard life insurance. Please note that Dental Plans are paid 100% by employees with no contribution by the Town. Any call firefighters participating in the Town's health care plan will pay the full cost for their plan selection. **The new rates as shown on the attached schedule will take effect on the June 2, 2017 payroll.**

Please note that Open Enrollment is the only time during the year you are allowed to enroll or make changes unless you have a qualifying event. Please take the time to look over all your benefits carefully to ensure that you are enrolled in a plan and/or have the coverage that best fits your needs. **The Open Enrollment period will run through Friday, June 30, 2017.**

If you need assistance in making a change, please stop by the Accounting Office or contact Dyan Katz at (978) 468-5596. You may also obtain additional information on Flexible Spending Accounts (FSA) by visiting, <http://www.irs.gov/publications/p969>. Please note that the Health Reimbursement Account (HRA) is no longer being offered.

**New this year is the Blue Cross/MIIA online E-Kit. This handy tool allows you to navigate with ease through all our Blue Cross offerings through MIIA with just the click of your mouse.** The E-Kit link along with all program handouts and forms are available on the Town's website at [www.hamiltonma.gov](http://www.hamiltonma.gov) under Human Resources or by visiting the Accounting Office.

## **Attachments**

FY'18 Health Insurance Rates