

# Memorandum

**To:** Hamilton Employees  
**From:** Marisa Batista, Finance Director  
**Date:** June 4, 2019  
**Re:** FY 2020 Health Insurance Open Enrollment

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The Town's annual **Open Enrollment** period is now underway and we will be accepting applications and plan changes through the month of June. Representatives from Essex Regional Retirement Board and the Deferred Compensation Smart plan will be holding office hours on Tuesday, June 25<sup>th</sup> in the Town Hall Memorial Room from **10:30 until 1:30 p.m.**

The FY'20 health insurance rates for the HMO and PPO plans are increasing 2.0% over last year's premium and the dental rates are decreasing by 2.25%. The rate increase of 20% in the life insurance rates is due in part to the expiration of the three year rate guarantee and the loss ratio over the last few years. Please refer to the attached spreadsheet showing the annual and bi-weekly breakdown of the new FY20 rates.

The **FSA** (Flexible Spending Account) plan now includes dependent care coverage. This separate 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 be 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. The enrollment deadline has been extended to Thursday, June 20, 2019.

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, 2019. 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 will continue for the FY20 plan year. This program is available to currently covered employees who have been participating in the Town's health plan since July, 2017. The handout is available on the Town's website under Human Resources and 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 Department by June 28, 2019. Health 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**. Please note that current participants must complete the Opt-Out form for FY20 and provide us with proof of coverage.

The co-insurance for eligible employees will remain the same at 25% for the Network Blue New England plan, 45% for the Blue Care Elect plan 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 14, 2019 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 28, 2019.** If you need assistance with enrollment or making a change, please stop by the Accounting Office or contact Dyan Katz at (978) 626-5216.

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. Also available is the **Blue Cross/MIA online E-Kit, which allows you to navigate with ease through all our Blue Cross offerings with just the click of your mouse.**

You may also obtain additional information on Flexible Spending Accounts (FSA) by visiting, <http://www.irs.gov/publications/p969>.

## **Attachments**

FY'20 Health Insurance Rates