

# 2015 Consolidated C o B e n Handbook

For Excluded Employees and Eligible  
Represented Employees in Bargaining  
Units 2, 7, 8, 16, 17, 18 & 19.

Health

Dental

Vision

**CAL**  **HR**

CALIFORNIA DEPARTMENT OF HUMAN RESOURCES

Benefits Division

additional information located at

[www.calhr.ca.gov](http://www.calhr.ca.gov)

# Consolidated Benefits

## Overview

As an employee for the State of California, you have the opportunity to select your health and dental benefits from a variety of plan options offered by the state. You choose the plans and coverage levels that best meet your needs. Depending on your plan choices, you share the cost of those benefits with the state.

Consolidated Benefits (CoBen), which is part of the state's FlexElect Program, offers two types of employee benefits:

- **Consolidated Benefits Allowance:** the state will provide you with a total CoBen allowance, rather than providing specific contribution amounts for your health, dental, and vision benefits. Depending on the total cost of the benefit plans you choose, CoBen may allow you to receive additional taxable income each month, which you can use to offset out-of-pocket premium costs.
- **Cash in lieu of your state-sponsored health and/or dental benefits:** if you have coverage through another source, such as your spouse, you may opt to receive cash in lieu of both your health and dental coverage or for your health coverage only.

This handbook offers you valuable information so that you can make the most out of the CoBen Program.

If you need more information or enrollment forms, check with your personnel office or visit the Department of Human Resources' (CalHR) website at [www.calhr.ca.gov](http://www.calhr.ca.gov) (click on Employees, then Benefits, and then Consolidated Benefits).

## Eligibility

Eligibility for CoBen is determined through the collective bargaining process for represented employees. Current bargaining units participating in CoBen are units 2, 7, 8, 16, 17, 18, and 19. All employees classified as excluded, exempt (except Judicial Council employees, Judges, and Justices), and confidential are eligible.

## Making Changes to Your Current Benefits

September 15-October 10, 2014, is the open enrollment period for this year. During this time, you have the opportunity to make the following changes:

- Enroll for the first time.
- Change your health and/or dental plan.
- Add or delete eligible dependents covered by your health and/or dental plans.
- Elect CoBen Cash Option in lieu of your health and dental coverage or your health coverage only.

## Cash Option

If you have coverage through another source, such as your parent or spouse, you may opt to receive cash in lieu of both your health and dental coverage or for your health coverage only. More information on CoBen Cash Option can be found on page 8.

## How CoBen Works

It's simple. First, identify the amount of your CoBen allowance (pages 3 and 4). This is the amount the state will provide you to pay the premiums for the health, dental, and vision plan you select. The amount of your CoBen Allowance depends on whether you're covering yourself only, or dependents too.

Next, choose the benefit plans that best meet your needs (see page 6 for list of plans). Then, total the cost of the plans you've selected and compare it to your CoBen allowance.

- If the total cost of the plans you choose is **less than** your CoBen allowance, you'll receive the difference as taxable cash (excess cash) in your paycheck. The excess cash amount will be subject to state, federal, Medicare and Social Security taxes. In order to receive excess cash, you must be enrolled in health, dental, and vision. If you're not enrolled in all three benefits, then you will not be eligible to receive excess cash.
- If the total cost of the plans you've chosen is **more than** your CoBen allowance, you will pay the difference with pre-tax dollars, which will be automatically deducted from your paycheck. This amount is not subject to state, federal, Social Security, or Medicare taxes.
- If the total cost of the plans you have chosen is **equal to** your CoBen Allowance, you will pay nothing, and you will not receive any cash back.
- If you are enrolled in health and vision only, the premium amount that would be deducted from your allowance for dental is applied to reduce your out of pocket premium cost.

**Cost of Premiums Only:** If you elect to receive cash in lieu of your state-sponsored health plan but enroll in a state-sponsored dental plan, the CoBen allowance will be the amount of your dental and vision premium. In this situation, you will receive cash in lieu of health, and your dental and vision premium will be fully paid. You will not have an out-of-pocket dental and vision premium cost.

You make the most out of your participation in CoBen by making cost-effective benefit choices, which can result in extra money for you each month in your paycheck. It's also important that you carefully consider your choices to ensure they will meet your ongoing health and dental needs and those of your eligible dependents.

*Note: Your enrollment in a health plan, specifically the health plan party code you select (1, 2 or 3), will determine the total CoBen allowance amount when enrolled into all three benefits.*

## Calculating Your Cost or Savings

The worksheet (on page 7) will help you calculate whether you will have monthly out-of-pocket premium costs deducted from your paycheck.

### Benefit Calculator

The Benefit Calculator is an automated worksheet designed to assist you in determining how your benefit plan choices will impact you. You simply click on your health and dental plan choices, and how many dependents will be covered. The Benefit Calculator automatically computes the total cost of the benefits you select and subtracts them from your CoBen allowance. The result shows whether you will have a monthly benefit deduction or receive excess cash. The Benefit Calculator is located at [www.calhr.ca.gov](http://www.calhr.ca.gov) (click on Employees, Benefits, and then Consolidated Benefits).

### CoBen Benefit Allowance

The CoBen allowances for represented employees may be subject to change based on any changes in the Memorandums of Understanding (MOU) and are also subject to union ratification and legislative approval. For the most current information, review your bargaining unit's MOU or the CalHR website at [www.calhr.ca.gov](http://www.calhr.ca.gov).

As of the date of this publication, the following rates will be effective January 1, 2015.

However, the collective bargaining process is fluid and rates are subject to change. CalHR will notify you if there are subsequent changes to these rates.

### Health Dependent Vesting Criteria

New employees who have never had state health benefit coverage may be subject to health dependent vesting. Dependent health care vesting provides new employees a reduced employer health benefits contribution toward dependent health coverage during the first 12 or 24 months of service. After the 12 or 24 months, these employees will receive the full employer contribution for their dependents as specified in their MOU agreement.

Please refer to the appropriate collective bargaining agreement for the specific criteria for determining if an employee is subject to health dependent vesting.

### The CoBen allowances for BUs 2, 7, 16, and 18 employees who are not subject to health dependent vesting are as follows:

	<u>2014</u>	<u>2015</u>
Employee only	\$ 557	\$ 569
Employee plus one dependent	1,096	1,123
Employee plus two or more dependents	1,429	1,469

### The CoBen allowances for BUs 2, 7, 16, and 18\* employees who are subject to health dependent vesting are as follows:

	<u>50% Vesting 2015</u>	<u>75% Vesting 2015</u>
Employee only	\$ 569	\$ 569
Employee plus one dependent	860	992
Employee plus two or more dependents	1,047	1,258

\*Effective July 1, 2015, BU 18 shall be subject to a 12-month dependent vesting schedule.

**The CoBen allowances for BUs 17 and 19 employees, who are not subject to health dependent vesting are as follows:**

	<u>2014</u>	<u>2015</u>
Employee only	\$ 557	\$ 569
Employee plus one dependent	1,096	1,123
Employee plus two or more dependents	1,429	1,469

**The CoBen allowances for BUs 17 and 19 employees who are subject to health dependent vesting are as follows:**

	<u>50% Vesting 2015</u>	<u>75% Vesting 2015</u>
Employee only	N/A	\$569
Employee plus one dependent	N/A	992
Employee plus two or more dependents	N/A	1,258

*Employees in BU 19 only have 12 months of dependent health vesting at 75 percent of the employer contribution.*

**The CoBen allowances for BU 8 employees are as follows:**

	<u>2014</u>	<u>2015</u>
Employee only	\$ 589	\$ 602
Employee plus one dependent	1,128	1,156
Employee plus two or more dependents	1,461	1,502

**The CoBen allowance for excluded employees is determined by CalHR. Effective January 1, 2015, the CoBen allowances for all excluded employees are as follows:**

	<u>2014</u>	<u>2015</u>
Employee only	\$ 590	\$ 604
Employee plus one dependent	1,140	1,167
Employee plus two or more dependents	1,474	1,515

## **Vision Coverage**

All employees are automatically enrolled in the state's Basic Vision Plan. Therefore, you need to add in the cost of this coverage when calculating the total cost of your benefits. For employees in CoBen, enrollment in the vision plan is mandatory.

## **Before You Enroll**

It is important for you to keep in mind that the choice you make for your dental coverage—whether to keep your state-sponsored dental coverage or receive cash in lieu of dental coverage, is a three-year commitment. This means:

1) If you enroll in the Cash Option for health only and enroll in a state dental plan, you must remain in a state dental plan for three years, unless you experience a valid “permitting event” under the CoBen Program. (See page 10 for a list of permitting events.)

2) If you enroll in the Cash Option for health and dental, you may not cancel your dental Cash Option for three years, unless you lose your other dental coverage, you cancel both your health and dental Cash Option during an open enrollment period, or you have a valid permitting event under the CoBen Program.

After completing the three-year commitment, employees may enroll in a dental plan during an open enrollment period.

## **Changes or Cancellations (Permitting Events)**

Your CoBen choices, whether for health and dental benefits, or for cash in lieu of health or health and dental benefits, are in effect for your entire period of participation. Your period of participation begins with the effective date of your enrollment and ends on December 31 of each year, or sooner, if you leave active pay status or cancel your enrollment. You may not change or cancel your CoBen choices during the year unless you experience a valid permitting event (listed on page 10).

If you experience a change in status that's listed on the chart on page 10, you're permitted to take the action that's listed next to that change.

*You have 60 days following the date of your status change to take the corresponding action.* Your completed form(s) must be received at the State Controller's Office by the tenth of the month to be effective on the first of the following month.

## 2015 Benefit Plan Premiums

Health Plans	1 PARTY (Employee only)	2 PARTY (Employee + 1 dependent)	3 PARTY (Employee + 2 or more dependents)
Anthem Select HMO	\$639.45	\$1,278.90	\$1,662.57
Anthem Traditional HMO	727.34	1,454.68	1,891.08
Anthem EPO	640.45	1,280.90	1,665.17
Blue Shield Access+	718.16	1,436.32	1,867.22
Blue Shield Access + EPO	718.16	1,436.32	1,867.22
Blue Shield Net Value	670.36	1,340.72	1,742.94
Kaiser (CA)	633.04	1,266.08	1,645.90
Kaiser Out-of-State	922.78	1,845.56	2,399.23
PERS Choice (PPO)	640.45	1,280.90	1,665.17
PERSCare (PPO)	718.93	1,437.86	1,869.22
PERS Select	618.22	1,236.44	1,607.37
PORAC	675.00	1,292.00	1,642.00
CAHP***	597.96	1,158.10	1,512.22
CCPOA (No. Cal.)	681.33	1,365.26	1,843.13
CCPOA (So. Cal)	561.88	1,126.30	1,521.82
Health Net Salud y Más	535.97	1,071.94	1,393.52
Health Net SmartCare	671.47	1,342.94	1,745.82
Sharp	586.38	1,172.76	1,524.59
United HealthCare	642.40	1,284.80	1,670.24

### Dental Plans

#### Delta Dental Plans

Delta Dental Premier (Basic)*	\$48.85	\$ 85.29	\$123.28
Delta Dental Premier (Enhanced)**	50.81	100.00	140.48
Delta PPO	44.64	86.78	130.58

#### Pre-Paid Dental Plans

SafeGuard (Standard)*	\$16.58	\$26.86	\$37.62
SafeGuard (Enhanced)**	16.92	28.63	35.27
DeltaCare USA	17.99	29.52	40.83
Premier Access	16.63	26.94	37.73
Western Dental	15.16	25.02	35.49

### Vision Plan

Basic Plan	\$8.64	\$8.64	\$ 8.64
Premier Plan****	8.84	17.68	28.46

\* Available to represented employees

\*\* Available to excluded employees

\*\*\* For CAHP members seeking further information on CAHP plan premiums, please contact the CAHP directly. Health plan rates shown are subsidized rates for supervisory (S05) or managerial (M05) employees enrolled in the CAHP Health Benefit Trust Prudent Buyer Plan.

\*\*\*\*Premier Vision Plan rates include a state contribution component of \$8.64. The employee share is shown here.

## Calculating Your Cost or Savings

The following worksheet will help you calculate whether you will have monthly out-of-pocket premium costs deducted from your paycheck or be eligible to receive excess cash in your paycheck each month. The Benefits Calculator is available on the CalHR website at [www.calhr.ca.gov](http://www.calhr.ca.gov) (click on Employees, Benefits, and then Benefits Calculator).

1. Enter the amount of your CoBen allowance. Refer to chart on page 3 and 4. \$ \_\_\_\_\_
2. Refer to the 2015 Benefit Plan Premiums table on page 5 and 6, identify your health and dental plans, and enter their total premium costs.

**Health Plan** (plan name) \_\_\_\_\_ (total premium) \$ \_\_\_\_\_

**Dental Plan** (plan name) \_\_\_\_\_ (total premium) \$ \_\_\_\_\_

**Basic Vision Plan, or** \$ 8.64

**Premier Vision Plan** \$ \_\_\_\_\_

3. Total cost of your premiums. \$ \_\_\_\_\_

4. Subtract the total cost of your premiums (Line 3) from your CoBen allowance (Line 1). \$ \_\_\_\_\_

- If the amount on Line 4 is a positive number, you'll receive this amount of taxable income each month.
- If the amount is a negative number, this is your net monthly out-of-pocket premium cost for the benefits you've selected. This amount will be deducted from your paycheck on a pre-tax basis.

## Cash Option

If you have coverage through another source, such as your parent or spouse, you may opt to receive cash in lieu of both your health and dental coverage or for your health coverage only. To receive cash in lieu of benefits, you must complete the CoBen Cash Option Enrollment Election form. These payments are considered taxable income and are as follows:

- \$155 in lieu of state-sponsored health and dental benefits.
- \$130 in lieu of state-sponsored health benefits.

**Note:** You will not receive any CoBen Cash if you decline dental coverage only.

## Enrollment

Your first opportunity to enroll in the CoBen Cash Option is within 60 days after becoming “newly eligible” for these benefits. However, for many employees the typical time to enroll is during the annual fall open enrollment period.

CoBen Cash Option payments are included with your regular paycheck and are subject to the same payroll taxes (federal, state, Social Security, and Medicare) as your regular salary. However, Cash Option payments are not considered compensation for retirement purposes. This additional cash is reported on your W-2 statement in the same tax year you received the Cash Option payment.

## Cash Option for Employees in Bargaining Units 1, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 20, and 21

If you're in bargaining units 1, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 20, and 21 your Cash Option is available through FlexElect. Contact your personnel office for information and forms to enroll in a FlexElect Cash Option. You may also access the FlexElect Cash Enrollment Authorization form on CalHR's website at [www.calhr.ca.gov](http://www.calhr.ca.gov).

## Permanent-Intermittent (PI) Employees Enrolled in CoBen Cash Option

If you're a permanent-intermittent employee and want to receive cash in lieu of your health and dental coverage or health coverage only, you must enroll each plan if year you want to participate. You must complete the enrollment form (STD. 702) during open enrollment, or as “newly eligible” after open enrollment but prior to January 1.

In order to receive the cash payment, you also must meet all of the following criteria:

- Be eligible to enroll in health and dental insurance as of January 1, 2015 (i.e., you qualified in the July 1–December 31, 2014 control period).
- Have a permanent-intermittent appointment from January 1, 2015, through June 30, 2015.
- Be paid for at least 480 hours worked from January through June 2015.

If you're appointed to a permanent position with a time base of half-time or more, you lose eligibility for the PI cash payment. If you want to enroll as a “newly eligible” permanent employee, you must complete a new STD. 702 within 60 days after your appointment.

## Lump Sum Payment

If you enroll in a Cash Option for health and dental benefits or health benefits only as a permanent-intermittent employee, you will receive your payment in a lump sum. The amount is for the period of January through June; you are not eligible for the Cash Option for the July through December period. After June 30, 2015, once your personnel office certifies your eligibility based on the criteria listed above, you will receive your Cash Option payment as follows:

- \$780 in lieu of state-sponsored health benefits;
- \$930 in lieu of state-sponsored health and dental benefits.

These payments are made within 60 days after the State Controller's Office receives the certification from your personnel office.

### **Changes and Cancellations (Permitting Events)**

Once you enroll in a Cash Option, you can't cancel or change your enrollment during the plan year (January 1 through December 31) unless you experience a change in status, called a "permitting event." See page 10 for a list of status changes that permit you to cancel or change your enrollment.

### **Payroll Status Changes**

In addition to the permitting events listed on page 10, below are some other payroll status changes and how they affect your Cash Option enrollment:

**Non-Industrial Disability Insurance (NDI):** If you receive NDI while enrolled in the Cash Option, your monthly Cash Option payment remains in effect and will be reflected on your NDI check.

**Industrial Disability Leave (IDL) and Temporary Disability (TD):** If you receive IDL or TD while enrolled in the Cash Option, your enrollment remains in effect. You will receive a separate check for your Cash Option, issued about a week after your IDL or TD check.

**State Disability Insurance (SDI) for Employees in Bargaining Unit 17 only:** If you receive SDI while enrolled in the Cash Option, your enrollment will stop while you are on leave. If you return to pay status in the same plan year, your enrollment will resume.

**Unpaid Leave of Absence:** If you are on an unpaid leave of absence while enrolled in the Cash Option, your enrollment will stop while you are on leave. If you return to pay status in the same CoBen plan year, your enrollment will resume.

**Military Leave:** If you are called to active duty pursuant to Government Code section 19775.18, for the War on Terrorism, you are eligible to retain your state benefits for up to 365 calendar days above the 180 calendar days provided by Government Code section 19775.17. If you are currently receiving cash in lieu of health and dental, or health only benefits, you may continue to receive the cash for the duration of your military leave, not to exceed the time limits mentioned above. Military leave is not a permitting event to be considered "newly eligible" to enroll into the Cash Option Program.

**Retirement:** If you're enrolled in a Cash Option when you retire, your Cash Option will stop automatically. **You will need to take the following actions to protect your benefits:**

- If you are enrolled in the Cash Option for health benefits you have 30 days prior to or 60 days following the date of your retirement to enroll in the California Public Employees' Retirement System (CalPERS) health plan. If you don't enroll within this time period, you must wait until the next health open enrollment. Your enrollment at that point would be handled through CalPERS.
- If enrolled in the Cash Option for dental benefits, you have 30 days prior to or 60 days following the date of your retirement to enroll in a dental plan. If you don't enroll within this time period, you must wait until the next dental open enrollment. If you enroll prior to retirement, your dental enrollment will be processed through your personnel office. If you enroll following retirement, your enrollment is handled through CalPERS.

## Permitting Events

Canceling or changing your benefit choices and/or Cash Option is permitted only under the following circumstances called “permitting events.” All changes, cancellations, and enrollments **must** be made within 60 days of the date of the permitting event.

Permitting Event	Action Allowed
Initial appointment to state service.	You may enroll as newly eligible.
Marriage.	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Divorce (date of final divorce), legal separation, annulment, termination of domestic partnership.	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Birth, adoption, or child placed for adoption.	You may change/cancel your CoBen choices.
Death of spouse or domestic partner.	You may enroll as newly eligible or, if currently enrolled, you may change/cancel your CoBen choices.
Loss of medical and/or dental coverage provided through spouse, domestic partner, or other source due to an employment status change.	If you are currently enrolled in the Cash Option, you may cancel/change your Cash Option choices.
Medical and/or dental plan is no longer available.	If you are currently enrolled, you may cancel/change your medical/dental plans. No new enrollments are allowed.
Moving out of a group practice plan service area.	You may cancel/change your CoBen choices, however, no new enrollments are allowed. If your plan is no longer available, you may enroll in a new plan.
New health and/or dental plan(s) in area where none was previously available.	You may change to the new health and/or dental plan. New enrollments are not allowed.
Addition or deletion of dependents on health and/or dental plans.	If permissible under CalPERS for health and CalHR for dental, you may change the party code on your health and/or dental plans.
Commencement of medical and/or dental coverage provided through spouse, domestic partner, survivor benefits, or other source, due to an employment status change.	May enroll in Cash Option as newly eligible or, if currently enrolled, may cancel/change Cash Option.