

# 2020

## Consolidated Benefits Handbook



### HEALTH • DENTAL • VISION

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



CALIFORNIA DEPARTMENT OF HUMAN RESOURCES

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# Consolidated Benefits

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## 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), offers two types of employee benefits:

- **Consolidated Benefits Allowance:** the state will provide you with a benefits allowance, rather than providing specific contribution amounts for health, dental, and vision benefits. If the total cost of your benefit plans is less than your CoBen allowance, you receive the remainder as additional taxable income.
- **Cash in lieu of your state-sponsored health and/or dental benefits:** if you have qualifying group health and/or dental 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.

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

## Eligibility

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

**Open Enrollment Period: September 9–October 4, 2019.** During this time, you have the opportunity to do the following:

- 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 the CoBen Cash Option in lieu of your health and dental coverage or your health coverage only.

## How CoBen Works

Identify the amount of your CoBen allowance (page 3). This is the amount the state will provide you to pay the premiums for the health, dental, and vision plans you select. The amount of your CoBen Allowance depends on whether you are covering yourself only or dependents too.

Next, choose the benefit plans that best meet your needs (see page 4 for a list of plans). Then, total the cost of the plans you have selected and compare it to your CoBen allowance.

- If the total cost of the plans you choose is **less than** your CoBen allowance, you will receive the difference as taxable income in your pay. In order to receive excess cash, you must be enrolled in health, dental, and vision. If you are not enrolled in all three benefits, you will not receive excess cash.

- If the total cost of the plans you have chosen is **more than** your CoBen allowance, you will pay the difference with pre-tax dollars, which will be automatically deducted from your paycheck.
- 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 State sponsored Basic Vision Plan premiums 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 is 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 5 will help you calculate whether you will have monthly out-of-pocket premium costs deducted from your paycheck.

## Benefits Calculator

The Benefit Calculator is an online tool designed to assist you in determining the impact of your benefit plan choices. You simply select the year, your bargaining unit, your vesting option (if applicable), 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 State Employees, then Benefits Calculator). **Disclaimer:** The Benefits Calculator provides an estimate of out-of-pocket costs and excess cash and is subject to change.

## CoBen Benefit Allowances

The CoBen allowances for represented employees may be subject to change based on collective bargaining. For the most current information, go to the CalHR website at [www.calhr.ca.gov](http://www.calhr.ca.gov).

## Vision Coverage

All employees are automatically enrolled in the state's Basic Vision Plan. You will 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.

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## 2020 CoBen Benefit Allowances

As of the date of this publication, the following rates will be effective January 1, 2020.\*

Bargaining Unit	1-Party Single	2-Party	3-Party Family
2	\$655	\$1,298	\$1,689
7	\$655	\$1,298	\$1,689
8	\$693	\$1,336	\$1,727
16	\$655	\$1,298	\$1,689
17	\$655	\$1,298	\$1,689
18	\$630	\$1,245	\$1,623
19	\$655	\$1,298	\$1,689
Excluded	\$695	\$1,347	\$1,741

\*Due to the nature of the collective bargaining process, changes may alter contribution amounts and dependent vesting levels.

## 2020 Benefit Plan Premiums

<b>Health Plans</b>	<b>SINGLE</b> (Employee only)	<b>2 PARTY</b> (Employee + 1 dependent)	<b>FAMILY</b> (Employee + 2 or more dependents)
Anthem EPO Del Norte	\$787.00	\$1,574.00	\$2,046.20
Anthem HMO Select	787.79	1,575.58	2,048.25
Anthem Traditional HMO	1,115.75	2,231.50	2,900.95
Blue Shield Access+	910.16	1,820.32	2,366.42
Blue Shield EPO	910.16	1,820.32	2,366.42
Blue Shield Trio	701.06	1,402.12	1,822.76
CAHP***	718.38	1,394.63	1,824.05
CCPOA (No. Cal.)	804.44	1,612.51	2,177.10
CCPOA (So. Cal.)	663.31	1,330.19	1,797.48
Health Net Salud y Más	403.55	807.10	1,049.23
Health Net SmartCare	860.96	1,721.92	2,238.50
Kaiser (CA)	730.05	1,460.10	1,898.13
Kaiser Out-of-State	995.19	1,990.38	2,587.49
PERS Choice (PPO)	787.00	1,574.00	2,046.20
PERSCare (PPO)	989.88	1,979.76	2,573.69
PERS Select (PPO)	492.24	984.48	1,279.82
PORAC	724.00	1,449.00	1,927.00
Sharp	606.02	1,212.04	1,575.65
United HealthCare	726.95	1,453.90	1,890.07
Western Health Advantage	731.96	1,463.92	1,903.10

### Dental Plans

#### Delta Dental Plans

Delta Dental Premier (Basic)*	\$50.83	\$88.75	\$128.28
Delta Dental Premier (Enhanced)**	52.87	104.06	146.18
Delta PPO	46.45	90.31	135.88

#### Pre-Paid Dental Plans

DeltaCare USA	\$19.44	\$31.90	\$44.13
Premier Access	15.48	25.08	35.12
SafeGuard (Standard)*	15.74	25.50	35.71
SafeGuard (Enhanced)**	16.06	27.18	33.48
Western Dental	15.77	26.02	36.91

### Vision Plans

Basic Plan	\$8.27	\$8.27	\$8.27
Premier Plan****	16.73	25.19	35.51

\* 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 \$8.27. The employee share is shown here.

# Calculating Your Cost or Savings

This 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 State Employee, Benefits Orientation, and then Benefits Calculator).

1. Enter the amount of your CoBen allowance. Refer to the chart on page 3. \$ \_\_\_\_\_

2. Refer to the 2020 Benefit Plan Premiums on page 4, 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** \$ 8.27

**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 will receive this amount of taxable income each month (only if you are enrolled in all three benefits).

If the amount is a negative number, this is your net monthly out-of-pocket premium cost for the benefits you have selected. This amount will be deducted from your paycheck on a pre-tax basis.

# CoBen Cash Option

## Cash Option Eligibility

If you have qualifying group health or dental 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.

Qualifying group coverage is maintained by an employer or employee organization and must conform to the federal Affordable Care Act's (ACA's) minimum value standards.<sup>1</sup> All California Public Employees' Retirement System (CalPERS) sponsored health plans meet the minimum value standards.

Employees covered under individual coverage, such as TRICARE, Medicare, Medi-Cal, and Covered California are not eligible for cash in lieu of health benefits, even if their health coverage meets the ACA's minimum value standards.

To receive cash in lieu of benefits, you must complete the STD. 702 Consolidated Benefits Cash Enrollment Election form. If you are currently enrolled and want to continue next year, you do not need to do anything unless you are a permanent-intermittent employee. If you are a permanent-intermittent employee and you want to continue receiving the Cash Option next year, you must re-enroll.

## Cash Option Benefits

These payments are considered taxable income and are as follows:

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

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<sup>1</sup>The ACA establishes a minimum value standard of benefits of a health plan. For a qualifying group health plan to meet the ACA's minimum value standards, the plan must cover at least 60 percent of the total allowed costs of benefits provided under the plan. Employees may refer to their plan's Summary of Benefits and Coverage document to determine if their coverage meets the law's minimum value standards.

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

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

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. CoBen is governed by Federal Internal Revenue Service (IRS) rules based on Internal Revenue Code (IRC) section 125, which can change at any time. The state may implement changes to the CoBen program in order to comply with state or federal law. If there is any discrepancy between the information in this handbook and the IRS rules, the IRS rules are controlling.

## Before You Enroll

It is important for you to keep in mind that if you choose to receive cash in lieu of dental coverage, 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 experience a valid permitting event under the CoBen Program. After completing three years, you may enroll in a state-sponsored dental plan during an open enrollment period.

## Mid-Year Enrollments

Your first opportunity to enroll in a Cash Option is within 60 days after becoming "newly eligible" for these benefits. You are newly eligible if you meet the following criteria:

- You are a new state employee.
- You were on an approved leave of absence during the entire open enrollment period.

- You experience a change in status described on page 9 that permits you to enroll as newly eligible.
- Your tenure/time base changes from one that was ineligible to one that is eligible, or you change from a permanent-intermittent position to a permanent position with a time base of half-time or more.

Once your election is made it cannot be canceled or changed unless you experience another permitting event to change your election, even if you are still within the 60-day time period, or wait until the annual open enrollment period.

### **Cash Option Non-CoBen Employees**

If you are 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 STD. 701C FlexElect Cash Enrollment Authorization form and FlexElect Handbook on CalHR's website at [www.calhr.ca.gov](http://www.calhr.ca.gov).

### **Cash Option for Permanent-Intermittent Employees**

If you are 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 year. You must complete the STD. 702 Consolidated Benefits Cash Enrollment Election form during open enrollment, or as "newly eligible" after open enrollment, but prior to January 1.

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

- Be eligible to enroll in health and dental insurance as of January 1, 2020 (i.e., you qualified in the July 1–December 31, 2019, control period).

- Have a permanent-intermittent appointment from January 1, 2020, through June 30, 2020.
- Be paid for at least 480 hours worked from January through June 2020.

If you are 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, 2020, 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 cannot 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 9 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 9, 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):**

Bargaining Unit 17 only: If you receive SDI while enrolled in the Cash Option, your enrollment will stop while you are on leave. Your enrollment may continue if you supplement your SDI. 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 beyond the 365 calendar days provided by Government Code section 19775.18. If you are currently receiving cash in lieu of qualifying group health and dental, or qualifying group health only, 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 are 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 a CalPERS health plan. If you do not enroll within this time period, you must wait until the next health open enrollment.
- **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 do not enroll within this time period, you must wait until the next dental open enrollment.
- **If you enroll in health or dental benefits prior to retirement**, your 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.

<b>Permitting Event</b>	<b>Action Allowed</b>
Initial appointment to state service.	You may enroll as newly eligible.
Marriage or registered domestic partnership.	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 enroll as newly eligible or, if currently enrolled, 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.

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