BALL STATE UNIVERSITY

SPECIAL POINTS OF INTEREST:

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- Health Insurance Deductibles and Outof-Pocket
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 Reset on
 January 1st,
 2011

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PEB News

WINTER

2010/2011 EDITION

Open Enrollment for Voluntary Benefits Has Closed

The Open Enrollment period for Voluntary Benefits closed on Friday, November 19th. The effective date for any changes and/or additions that were made during this period was January I, 2011. Please note that if you enrolled in the voluntary vision



program (VSP), your first deduction was taken in December as deductions for this benefit are taken out one month in advance.

For those employees currently enrolled in the MetLife Supplementary Life Insurance benefit, it is important to note that depending upon your age bracket, your rates may increase in 2011.

The rates can be found on the Voluntary Benefits Page of the PEB website at www.bsu.edu/payroll. Additionally, please remember that it is the employee's age that the rates are based upon for spousal/domestic partner coverage.

We were pleased that the enrollment in all voluntary benefit products increased this year, especially with the HM Critical Illness & Accident products. We believe the higher number of enrollments in these plans was directly related to two changes in the enrollment of these benefits; a simplified plan design offering less choice, and using a paper enrollment rather than offering online enrollment. In our "connected" world where almost everything can be done online,

we have suspected that this convenience often results in employees forgetting to enroll, a victim of "out of sight, out of mind." Although the requirement to return the forms regardless of the employees' decision on enrolling in these plans generated confusion, concern, or distrust in some employees, it did result in more employees reading the information we provided on the benefits available to them. Employees who understand their benefits will make more effective decisions in the use of their benefits which is critical to controlling health care costs.

The next opportunity for benefiteligible employees to enroll in the voluntary benefits will be in November of 2011.

Health Insurance Deductibles and Out-of-Pocket Maximums Reset

on January 1st, 2011

Although our benefits Plan Year runs concurrent with the University's Fiscal Year (July 1st to June 30th), the deductibles and out-of-pocket (OOP) maximums for our health insurance plans reset to \$0.00 (zero) on January 1st of each year. This provision applies to the dental and prescription plans as well.

However, it is important to note

that for the Low Deductible PPO and High Deductible Wellness Plans, "eligible expenses that were incurred in October, November, and December of the calendar year and applied to the Individual or Family Deductible for that year shall apply to the next calendar year's Individual or Family Deductible."* Unfortunately with the HSA Qualified Plans, the rules do not allow a

"carryover credit" for the deductible.

Please note that the prescription plan deductible for the Low Deductible PPO and High Deductible Wellness Plans has been eliminated effective January I, 2011. This does not apply to the High Deductible/HSA Qualified Plan.

*Taken from the Low Deductible PPO and High Deductible Wellness Plan Documents

Our former website's main page

PEB Website Conversion

We have recently converted our website from the Vignette to the SiteCore format.

In addition to all the work it took to convert our site, we now need to train on how to use and update it.

We expect there to be a period of time where there may be some outdated or missing information. We will work as quickly as possible to correct any issues.

It is our goal to have a site that is both informative and easy to

use, where employees can quickly find the answers they need regarding their payroll and benefits.

We would like to take this opportunity to thank Art Hill and his team in the University Marketing and Communications Department for helping us along with this transition.

Now available - the new and improved PEB website!

www.bsu.edu/payroll

Important tax information:

- If you changed your county of residence during 2010, you will need to fill out a new tax form W-4H for 2011
- Please note that in order to remain exempt from federal taxes, you will need to reapply by February 15th of each year and then fill out a new W-4

Please contact our office if you have any questions regarding this information.

Special Enrollment for Dependents Age 23 thru 25

The Patient Protection and Affordable Care Act (PPACA), otherwise known as health care reform, provides that, for plan years beginning on or after September 23, 2010, group health plans that provide dependent coverage of children must continue to make such coverage available for an adult child until the child turns age 26. Ball State is not required to make this change until July 1, 2011 - the beginning of the next plan year following September 23, 2010. However, Ball State has elected to balance the cost of early implementation with the potential convenience and "good-will" of a full early implementation by implementing the following changes to our plans effective January 1, 2011

through June 30, 2011: Adult children of Plan members who are at least 23 years of age but less than 26 years of age may continue to be covered by, or return to coverage under, the Ball State Health Care Plan provided they still qualify as dependents under the IRS rules, and are not eligible for any other employer-provided coverage. Benefit eligible employees and retirees with a dependent who meets the age requirements described above can enroll their eligible dependent(s) in the BSU Health Plan during a Special Open Enrollment period that will end on January 30, 2011.

A mailing will be sent out to those employees' homes who are identified with dependents in the age range of 23 to 25 who previously "aged-off" of our plan. The mailing will include enrollment information, the Health Enrollment Form, and the Dependent Verification Form. Employees who dropped their dependents' coverage before they "aged-off" will not receive this mailing, but can still enroll their dependents over the age of 23 who meet the eligibility requirements.

More information on other changes affecting our health plan as a result of the Health-care Reform Act will soon be available on the Payroll and Employee Benefits website under Healthcare Reform.

Remember: The deadline is January 30th, 2011!

Please be sure to keep your address current with our office. The 2010 W-2's will be mailed out in January to the address we have on file.

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Healthcare and FSA Open Enrollment — Spring 2011

Open Enrollment for healthcare and Flexible Spending Accounts (FSA) will be held in the spring of 2011. Typically Open Enrollment runs from mid-April through mid-May. Announcements will be sent out through email and the Communications Center and an information packet will be mailed to each benefit-eligible employee's home. This is an important reason to keep your address current with the PEB office.

The Open Enrollment period is the only time during the year that you can enroll or make changes to your healthcare benefits outside of a Qualifying Event. Qualifying Events include life changes like divorce, marriage, birth, loss of other coverage, etc. Remember, you cannot drop coverage at any other time during the year except Open En-

rollment without a Qualifying Event.

Keep in mind that once you make your first health plan change, you will be held to that change for three years unless the administration "opens up" the Plan for anyone to make a change. This might occur if significant changes to the rates or coverage are made. So if you decide to change plans for the first time, choose wisely! Please remember that if you participate in the medical or dependent care Flexible Spending Account plans, you must reenroll each Plan Year. Make sure to adjust your elected funds accordingly if you either under or over spent your current election(s).

To make the most of Open Enrollment you should plan in advance for your healthcare needs. Open Enrollment is the time to make sure you have health benefits that meet your healthcare needs and fit into your overall financial plan.

Look at what you currently have, even if you don't anticipate making changes. Consider any recent diagnoses that you or your family members have been given and how each health plan might best serve you under your new health circumstances.

Make sure to take advantage of any informational sessions that are offered by the PEB office during Open Enrollment. These sessions often include topics such as changes to the benefits and new choices available if applicable. Also be sure to visit the PEB website at www.bsu.edu.payroll often during the Open Enrollment period for updates and useful information.

"Make sure to take advantage of any informational sessions that are offered by the PEB office during Open Enrollment."

Important Information for High Deductible/HSA Qualified Plan Members

As the New Year approaches, please take note of the following important points and changes relative to HSAs (Health Savings Accounts) and High Deductible/HSA Qualified Health Plans:

Deductibles and out-of-pocket (OOP) maximums will reset to \$0.00 (zero) effective January I, 2011 and there is no "carry-over" credit applied from the last quarter of 2010, as you may have previously experienced in the Low Deductible or High Deductible Wellness Plans.

The maximum contribution amounts for HSAs have not changed for 2011; they remain at \$6,150 for family coverage and \$3,050 for single (the "catch-up" limit for individuals age 55 and over who are not enrolled in Medicare also remains at \$1,000 for 2011).

Please note that if you have an HSA, you will not be able to use the funds to pur-

chase OTC (over-the-counter) medications without a prescription after December 31, 2010; this new rule was added as part of the new healthcare reform initiative. HSA accountholders should keep the prescription along with the receipt for their tax records in the event that they are audited

Another noteworthy item coming out of the healthcare reform initiative concerns coverage for dependent children to age 26; it is important to note that this does not apply to HSAs because an HSA is not a health plan – it is a tax-exempt account used to pay for the medical expenses of dependents. HSAs use the IRS definition of dependent, which includes children up to age 19, or 24 if a full-time student; so, although you could add your 25 year old child to your High Deductible/HSA Qualified health plan, you cannot use your HSA dollars on out-of pocket expenses for claims incurred by that child.

The tax penalty for non-QME (Qualified Medical Expense) HSA distributions will increase from 10% to 20% effective January 1, 2011; this penalty is in addition to the non-QME expense being included in the account holder's gross income.

Please remember that if you enroll in Medicare, you are no longer eligible to contribute to your HSA. You may still have coverage under the University's High Deductible/HSA Qualified Plan and use the funds already in your HSA, but you cannot contribute additional funds. Additionally, after you turn age 65, the tax penalty for using your HSA funds for non-qualified medical expenses no longer applies.

If you have any questions regarding the information provided in this update, please contact the Payroll & Employee Benefits Office at 765-285-8461 or peb@bsu.edu.



Ball State University

Payroll and Employee Benefits Office Administration Building, 029 Muncie, IN 47306

Phone: 765-285-8461 Fax: 765-285-6612 E-mail: peb@bsu.edu

Ball State University Education Redefined

PEB Vision Statement

Working together to provide professional, friendly, high quality and accurate products and services to the Ball State University Community.

PEB Mission Statement

The office of Payroll and Employee Benefits is dedicated to meeting the needs of our customers and supporting the mission of the University. We do this by:

- Providing leadership and guidance in the implementation, interpretation and equitable administration of University policies and procedures; and
- Creating an environment of mutual respect through partnering with vendors, government entities, campus departments and other members of the Ball State community.



Now Available on the PEB Website

There is a multitude of information
and forms you may need available on
the PEB website at www.bsu.edu/
payroll. Please visit the PEB website
to access additional information
about your benefits including:
☐ Claim Forms (Medical, Dental, Rx)
\square Dependent Fee Remission Forms
☐ Change Forms
☐ Health Savings Account (HSA)
Information
☐ 403(b) TDA (Tax Deferred Annu-
ity), 403(b) Roth & 457(b) Forms
☐ Benefits at a Glance – a Summary
of Our Healthcare Plans
☐ Plan Documents – Detailed De-
scriptions of Our Healthcare Plans
☐ Information on Voluntary Benefits
(MetLife, VSP Vision, Long Term
Care)

☐ Customer Service Contact Infor
mation

☐ PEB Staff Directory

☐ Benefit Comparison Calculator

☐ General Information on Benefit and Payroll Policies

☐ Important Updates and Messages Regarding Benefit Changes and Deadlines

About the Payroll and Employee Benefits Department

The Payroll and Employee Benefits
Department is located in the basement of the Administration Building in Room 029. Normal business hours are Monday through Friday, from 8:00AM to 5:00PM. You can call (765) 285-8461 during business hours to speak with either a benefits or payroll representative. Walk-ins are also welcome, as are email inquiries,

which can be sent to peb@bsu.edu.

PEB Staff Directory

Marie Kavanagh, Director PEB: 285-8460
Betty Ballard-Hill, Receptionist: 285-8461
Vicki Collard, Office Coordinator: 285-8460
Wendy Heathcote, Payroll Mgr.: 285-3506
Terri Shockley, Sr. Faculty Payroll: 285-8467
Pat Fife, Student Payroll: 285-8462
Dianna Cook, Student/Grad Pay.: 285-8466
Julie Combs, Service/Staff Payroll: 285-8463
Penny Masters, Prof. Payroll: 285-8468
Brandi McGlothin, Benefits Mgr.: 285-2353
Susan Girton, Sr. Benefits Rep.: 285-8469
Elizabeth Voland, Pension Rep.: 285-8450

Stacey French, Benefits Rep.: 285-8470

Loretta Smith, Disability Rep.: 285-8496