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MEMO

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TO: All Benefit Eligible Employees  
FROM: Peggy Torrance, Human Resources Director  
Maria Wingenbach, Benefits and Compensation Coordinator  
DATE: November 14, 2011  
RE: Open Enrollment for Calendar Year 2012

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**Open Enrollment Dates: November 14 – November 30, 2011**

**IMPORTANT NOTE: All forms *must* be received by the Human Resources department on or before 5:00 p.m. Central Standard Time (CST) on November 30, 2011 in order for benefits to go into effect for the 2012 plan year. *There will be no exceptions.* Failure to adhere to this deadline may jeopardize the College's plan status under IRS Section 125.**

Open Enrollment for the 2012 Calendar Year begins Monday, November 14 and ends Wednesday, November 30, at 5 pm Central Standard Time (CST). All enrollments and enrollment changes will be effective January 1, 2012.

Enrollment forms are available at <http://www.cord.edu/Offices/hr/Benefits/forms.php>

Once paperwork is completed, you will need to submit it to Human Resources. Please turn your completed paperwork in to Maria Wingenbach at the Human Resources Office in Moorhead or to Joanne Barfknecht at the Centrum office in Bemidji.

**You must re-enroll in Flexible Spending annually to participate. If you do not want to make changes to your other benefits, you do not need to complete paperwork.**

Feel free to contact your Human Resources representatives with any questions:

Maria Wingenbach	<a href="mailto:mwingenb@cord.edu">mwingenb@cord.edu</a>	218-299-4926
Joanne Barfknecht	<a href="mailto:jbarfkne@cord.edu">jbarfkne@cord.edu</a>	218-586-8503

## Health Insurance

**Provider:** BlueCross BlueShield of Minnesota

**Eligible:** Employees at .5 status or more

**Action:** **Both Health Plan designs have changed.**

The current **\$250** plan will now be referred to as the **Lower Deductible** plan and the new deductible will be **\$500**.

The current **\$750** plan will now be referred to as the **Higher Deductible** plan and the new deductible will be **\$1,000**.

If you currently participate in the \$250 plan, you will automatically be moved to the **Lower Deductible** plan. If you currently participate in the \$750 plan, you will automatically be moved to the **Higher Deductible** plan. An enrollment form is needed to change between the plans.

### Premium Rates (monthly amounts listed)

2012 Premiums	<u>Lower Deductible</u>	
Single	<u>Total Cost</u>	<u>Employee Share</u>
Full-time employee's share	\$450.00	\$149.00
Part-time employee's share	\$450.00	\$234.00
Family	<u>Total Cost</u>	<u>Employee Share</u>
Full-time employee's share	\$1,392.00	\$488.00
Part-time employee's share	\$1,392.00	\$766.00

2012 Premiums	<u>Higher Deductible</u>	
Single	<u>Total Cost</u>	<u>Employee Share</u>
Full-time employee's share	\$436.00	\$83.00
Part-time employee's share	\$436.00	\$170.00
Family	<u>Total Cost</u>	<u>Employee Share</u>
Full-time employee's share	\$1,295.00	\$363.00
Part-time employee's share	\$1,295.00	\$622.00

### Plan Design 2012

	<u>Lower Deductible</u>	<u>Higher Deductible</u>
<b>Deductible Individual</b>	\$500	\$1,000
<b>Deductible Family</b>	\$1,000	\$2,000
<b>Medical OOP Max Individual</b>	\$3,000	\$3,500
<b>Medical OOP Max Family</b>	\$6,000	\$7,000
<b>Preventative /Routine Care</b>	100% Covered	100% Covered
<b>Copay - Office Visits</b>	\$30	\$35
<b>Inpatient Hospital (After Deductible Met)</b>	80% out of pocket maximum	75% out of pocket maximum
<b>Emergency Room Services</b>	\$100 copay	\$100 copay
<b>Prescription Drugs - Retail</b>		
<b>Generic</b>	\$8	\$10
<b>Formulary Brand</b>	\$30	\$40
<b>Non-Formulary Brand</b>	\$50	\$60
<b>Prescription Drugs – 90 Day Rx</b>		
<b>Generic</b>	\$16	\$20
<b>Formulary Brand</b>	\$60	\$80
<b>Non-Formulary Brand</b>	\$100	\$120

## Dental Insurance

**Provider:** MetLife Dental

**Eligible:** Employees at .5 status or more

**Action:** If you would like to maintain your current benefit status for dental insurance, then no forms need to be completed. An enrollment form is needed to make changes.

**Reminder:**

- Since January 1, 2011 MetLife has been our Dental Insurance Provider. Please ensure you have a MetLife ID card.
  - ID cards can be printed from <http://www.cord.edu/Offices/hr/Benefits/forms.php> or picked up at the Human Resources Office.

<b>2012 Premiums</b>		
	<u>Standard Plan</u>	<u>Standard Plan w/Ortho</u>
Single	\$38.76	-
Family	\$109.91	\$124.38
<b>2011 Premiums</b>		
	<u>Standard Plan</u>	<u>Standard Plan w/Ortho</u>
Single	\$36.91	-
Family	\$101.05	\$118.45

If you are not already having your premiums deducted on a pre-tax basis for health and dental, you may want to consider this as an option for reducing your out-of-pocket expenses. On average, an employee may save between 10 to 23% of the premium, depending on individual tax standings. If you are already contributing on a pre-tax basis, everything will remain the same unless a change is selected.

See **A Note about Premium Conversion** for more information.

This summary is intended to be used as a guide to coverage provided. For a complete description of benefits, please refer to the official plan documents. If there is a discrepancy between this Summary and official plan documents, the official plan documents are the authoritative text.

## **Flexible Spending Accounts**

**Provider:** Discovery Benefits

**Eligible:** Employees at .5 status or more

**Action:** If you would like to use Flexible Spending for 2012, **you must re-enroll** otherwise you will NOT be participating in 2012. You will need to complete the online enrollment through Discovery Benefits at [www.discoverybenefits.com](http://www.discoverybenefits.com).

### ***What's New:***

- 2012 is the final year for Medical Spending Accounts annual maximum of \$3,600. Effective 2013 the annual limit will be \$2,500.

**Back by popular demand**, Flexible Spending enrollment may be completed online. Directions for online enrollment are available online at <http://www.cord.edu/Offices/hr/Benefits/forms.php>. Make sure to print your enrollment confirmation page.

Flexible Spending Accounts (FSA) provides employees an opportunity to pay for medical and dependent care expenses with pre-tax dollars.

**Medical Spending Account:** Covers personal expenses such as major medical, co-pays, deductibles, dental work and costs, hearing aids, eyewear and contacts. Annual balance is available at the opening of the plan year, regardless of year-to-date deduction amounts. For future planning please note that 2012 is the final year with an annual max of \$3,600. Starting in 2013 the annual max will be \$2,500.

Annual minimum - \$100

Annual maximum - \$3,600

**Dependent Care Spending Account:** Covers childcare services and expenses. Monthly deduction is the maximum amount available to the employee each month as dependent care is a consistent expense.

Annual minimum - \$250

Annual maximum - \$5,000

**Important:** Estimate your eligible expenses carefully, since money in Flex Spending Accounts must be spent before the end of the plan year (December 31<sup>st</sup>) or the funds are forfeited.

### **Long Term Disability:**

**Provider:** The Hartford  
**Eligible:** Employees at .75 status or more

**Action:** If you would like to continue your LTD insurance coverage, no forms need to be completed. If you would like to enroll in LTD during Open Enrollment, then you will need to provide evidence of medical insurability and be subject to approval by The Hartford. Premium is \$8.00 per month.

If you would like to make changes, please locate the appropriate forms online at:  
<http://www.cord.edu/Offices/hr/Benefits/forms.php> and turn them in to Human Resources.

If you would like to switch your LTD premium from pre-tax to post-tax, you may do so during open enrollment. Please complete an enrollment form. When premiums are post-tax, then tax payments are not required when the benefit is used.

### **Life Insurance: Employee Basic, Supplemental, Spouse and Dependent Coverage**

**Provider:** The Hartford  
**Eligible:** Employees at .75 status or more

**Action:** If you would like to continue your life insurance coverage, no forms need to be completed. If you would like to purchase additional life insurance during Open Enrollment, then you will need to provide evidence of medical insurability and be subject to approval by the Hartford.

**Update:** If both you and your spouse are employed by Concordia you may not double cover each other on life insurance. Example: you may not elect supplemental life insurance for yourself and have your spouse elect supplemental coverage for you as well.

**Reminder:** The New Year is a good time to update your life insurance beneficiary.

If you would like to make changes, please locate the appropriate forms online at:  
<http://www.cord.edu/Offices/hr/Benefits/forms.php> and turn them in to Human Resources.

Age Bracket	2012 Rates
* < 25	\$0.05
* 25 - 29	\$0.06
* 30 - 34	\$0.08
* 35 - 39	\$0.09
40 - 44	\$0.12
45 - 49	\$0.16
50 - 54	\$0.26
55 - 59	\$0.45
60 - 64	\$0.77
65 - 69	\$1.42
* 70+	\$2.06

\*The indicated age brackets premiums have been updated to avoid imputed tax to the employee.

## **Retirement Benefits**

**Provider:** TIAA-CREF  
**Eligible:** Employees at .5 status or more

**Action:** Enrollment and Changes may occur throughout the year.

To enroll use the TIAA CREF/Concordia College site at:  
<http://enroll.tiaa-cref.org/concordia/>

To make contribution changes use the Agreement for Salary Reduction form located at:  
<http://www.cord.edu/Offices/hr/Benefits/forms.php>

IRS limits for 2012 have been announced:

Employee Contribution Limit:	\$17,000
Age 50 and older add'l catch-up amt.	\$ 5,500

### Retirement Annuity (RA)

Defined contribution plan (eligible after one year of employment)

Employee contribution:	5%
Employer contribution:	<u>7%</u>
Total:	12%

### Group Supplemental Retirement Annuity (GSRA)

Tax-deferred annuity (eligible at date of hire)

## **A Note about Premium Conversion (Pre-Tax Deduction of Premiums)**

Insurance premiums can be deducted before taxes to save you money through premium conversion. Premium conversion lowers your taxable income resulting in a lower tax deduction and greater take-home pay. You are able to utilize premium conversion for your premiums for health, dental, long-term disability\* and flexible spending accounts.

You do have the option to opt out of premium conversion, paying premiums with after-tax dollars. Some choose this option if they are approaching age 60 or more and feel that it will be a hindrance to their social security payout. The decreased taxable income lowers the income amounts that the Social Security Administration uses to calculate social security earnings. Also, opting out of premium conversion allows the employee the option to cancel their coverage during the plan year at the end of any month, without a qualifying life event. Remember that it is always best to consult your accountant or tax professional.