

Coordinating Medical and Dental Benefits When You Have Other Coverage

When you're covered by more than one medical and/or dental plan (including any coverage you may have under an Automobile Personal Injury Policy, PIP), your JHHCG benefits will be paid under the Coordination of Benefits (COB) provision. Under the COB provision, the plan that pays first is called the Primary Plan. The Secondary Plan generally makes up the difference between the Primary Plan's benefits and the benefits the Secondary Plan would pay if there were no Primary Plan. When one group plan does not have a COB provision, that plan is always considered Primary and always pays first. When both plans have a COB provision, the chart below shows you how the Primary Plan is determined for you or your spouse/same-sex domestic partner.

IF YOU ARE:	AND THE OTHER PLAN IS SPONSORED BY:	AND EXPENSES ARE FOR:	THEN YOUR PLAN IS:
Employee	Your spouse's/same-sex domestic partner's employer	Yourself Your spouse/same-sex domestic partner	Primary Secondary
Spouse or same-sex domestic partner	Your spouse's/same-sex domestic partner's employer	Your spouse/same-sex domestic partner Yourself	Secondary Primary

To determine benefits for child(ren), the parent whose birthday falls earlier in the calendar year will have the Primary Plan for the children. When parents are divorced or separated, the parent with custody of the child(ren) usually has the Primary Plan, unless the noncustodial parent has been assigned financial responsibility by the courts for the child(ren)'s health care.

If none of these rules apply, the plan that has covered the patient longer will be the Primary Plan. Contact the HR Department for help to determine which plan is Primary or Secondary in your situation.

Basic Life, Supplemental Life and Accidental Death & Dismemberment (AD&D) Benefits

All employees who are regularly scheduled to work 20 or more hours per week and weekend option nurses are eligible to receive basic life insurance of one times your annual base salary, rounded up to the next \$1,000 to a maximum of \$300,000. Your life insurance also includes basic AD&D insurance, which is equal to the amount of life insurance coverage to which you are entitled. AD&D may pay benefits if you die or suffer certain serious injuries as a result of an accident.

Employees who are scheduled to work 20 or more hours per week and weekend option nurses may elect to buy Supplemental Life Insurance/AD&D coverage. Coverage for new employees is effective on the first of the month following date of hire with a completed enrollment form. Your Supplemental Life options/AD&D options are:

- An additional amount equal to one times your annual base salary, rounded up to the next \$1,000 to a maximum of \$450,000, or
- An additional amount equal to two times your annual base salary, rounded up to the next \$1,000 to a maximum of \$450,000.

Proof of Good Health Required

Current employees may buy supplemental coverage with proof of good health. If you are a current employee, you will need to provide proof of good health if you are:

- Selecting this coverage for the first time, or
- Increasing your current election in the year 2010.

Cost of Coverage

Your bi-weekly cost for Supplemental Life/AD&D coverage is based on your current annual base salary and your age as of January 1, 2010. Please note there is a combined maximum benefit of \$750,000 for Basic and Supplemental Life/AD&D. Your Supplemental Life/AD&D premium will be adjusted for any change in your salary throughout the year.

To calculate the bi-weekly cost of your coverage, use the following formula:

$$(\text{ANNUAL BASE SALARY}) \div \$1,000 = \underline{\hspace{2cm}} \times \text{RATE} = \text{BI-WEEKLY COST OF COVERAGE}$$

For example, if you are age 25 and earn \$29,700 per year, this amount would be rounded up to \$30,000. This means your cost for one times salary would look like this:

$$\$30,000 \div \$1,000 = 30 \quad 30 \times \$0.034 = \$1.02 \text{ bi-weekly} \quad (\text{For two times supplemental, multiply by 2})$$

YOUR COST FOR SUPPLEMENTAL LIFE/AD&D COVERAGE	
Your Age	Bi-weekly Rate per \$1,000 of Coverage
Under 30	\$.034
30-34	\$.044
35-39	\$.048
40-44	\$.071
45-49	\$.118
50-54	\$.187
55-59	\$.288
60-64	\$.450
65-69	\$.801
70 and over	\$1.42

Please note: Internal Revenue Service (IRS) regulations require JHHCG to include, in your taxable income, the cost of employer-paid group life insurance in excess of \$50,000. The value of this insurance is based on an IRS premium table, and not on the actual cost. The value of any coverage in excess of \$50,000 will automatically be reflected on your paycheck as taxable income.

Flexible Spending Accounts

Health care and dependent care expenses can take quite a bit out of your family's budget. JHHCG offers you a way to pay these expenses on a tax-free basis. Flexible Spending Accounts (FSAs) allow you to set aside tax-free money in two types of accounts that reimburse you for eligible health care and dependent care expenses. These accounts are:

- Health Care Flexible Spending Account
- Dependent Care Flexible Spending Account (for child and adult daycare)

By setting aside money pre-tax, you pay fewer taxes and save money. Then, when you pay for an eligible expense (such as day care), just submit a claim and you'll receive the money back from your account.

Who Is Eligible to Use These Accounts

If you are regularly scheduled to work at least 30 hours per week, you are eligible to use these accounts. Part-time employees who work 19 hours or less per week are not eligible to enroll in FSAs.

Flexible Spending Accounts: Your Decision Guide

Is it preferable to open both accounts? And how do you decide how much to contribute?

Take a moment to ask yourself the following questions:

- What were the total out-of-pocket health care expenses for you and your family last year? These expenses could include doctor's office visits and prescription co-pays, over-the-counter medications, deductibles, etc.
- Do you expect to spend about the same (or more or less) for health care in the coming year?
- Will you or a dependent have the need for special items, such as eyeglasses, contacts, braces or hearing aids?
- Are you or a dependent considering laser eye surgery during the upcoming year?
- Do you have dependent day care expenses for child(ren) under age 13? Or for adult dependents, such as elderly parents?
- How much do you expect to spend on day care expenses during the year?
- Is the amount of taxes you would save with a Dependent Care FSA greater than the amount of taxes you would save by using the Federal Tax Credit? (Refer to the worksheet on page 15.)