October 17—November 10, 2016

Blue Valley Schools Employee Benefit Changes & Information Effective January 1, 2017

Changes to group plan benefits and programs are typically recommended by members of the Employee Benefits Committee to the Negotiations Committee and to the Board of Education. Plans, benefits, contract provisions, rates, carriers, providers are subject to change and/or termination.

District Benefit Fairs

District Benefit Fairs will be held in the District Office High Plains Room (Lower Level of Ed. Services) on:

- October 18: 11 am to 5 pm
- October 19: 1 pm to 5 pm

Vendors and Benefits Department staff will be available to help answer your questions. A computer lab will be set-up to help employees re-enroll in their benefits for the 2017 Plan Year. Anyone who has a Health Savings Account (HSA) or Flexible Spending Account (FSA) and wants to continue the plan benefit in 2017 MUST re-enroll during the Annual Enrollment Period.

The BV Benefits website is my first source for answers! www5.bluevalleyk12.org/cbiz/

“...paved with good intestines!”
- Sherry A. Rogers

“Nothing is particularly hard if you divide it into small jobs.”
- Henry Ford

2017 Updates

- Enrollment Information
- BlueKC Updates
- HSA & FSA Information
- Additional Benefits
- 2017 Wellbeing Targets
- Federal Reporting
- Retirement Plans
- Working After KPERS Retirement
Get started by completing the

**2017 Benefits Enrollment Worksheet**

Medical, dental, and vision coverage is available for all dependents. Specific information is required for each beneficiary and eligible covered dependent. Eligible dependent children can be covered to the end of the calendar year in which they attain age 26.

- Name, address, phone number
- Social Security Number, Date of birth, and Relationship (not required if a trust)
- Allocation percentage available (required for beneficiaries only)

**To Enroll...**

Go online to: [www.cbizesc.com/bluevalley](http://www.cbizesc.com/bluevalley). Click on Help for your USERNAME and PASSWORD.

OR

Call the Enrollment Center at: (888) 972-3430 between 8:30 am and 5:00 pm, Monday-Friday.

**Confirm...**

Once you have completed the enrollment process a confirmation statement of your entries will be available for your review.

- If correct, click “Confirm.” You will then receive a confirmation number.
- If incorrect, click “Change.” You may change your enrollment as many times as necessary during your enrollment period.

You will receive a confirmation number when you complete the process and after each enrollment change. Your enrollment is not complete until you receive your confirmation number.
HEALTH INSURANCE UPDATES
Blue Cross Blue Shield of Kansas City (BlueKC)

Compass Concierge Servicing will discontinue effective January 1, 2017.

Looking for a new provider? Blue Distinction Providers

If you are considering a change in your primary care physician or have yet to select one, refer to the flyer A Better Approach to Better Health Begins Today included in this packet or contact BlueKC customer service at (816) 395-2270 to find a Blue Distinction Provider.

- Copays are lower under the PPO and HMO plans — Blue Distinction physicians are credentialed and provide a high standard of care for BlueKC plan members, which may provide for more favorable outcomes.

- Long-term claim expenses are typically lower utilizing a Blue Distinction provider. It’s considered a win/win for members utilizing Blue Distinction providers and will help in managing claim costs which impacts BOTH employee and employer premium rates.

Choosing the BlueSelect Plus High Deductible Health Plan (HDHP)? Please note this is a smaller network of physicians & hospitals

In-network: Emergency care and in/out-patient hospital care for members living in the Greater KC Metro Area must be accessed through in-network physicians and the following hospitals:

| Children’s Mercy Hospital: Hospital Hill | Truman Medical Center: Hospital Hill | Olathe Medical Center |
| Children’s Mercy Hospital: South | Truman Medical Center: Lakewood | Shawnee Mission Medical Center |
| Liberty Hospital | North Kansas City Hospital | University of Kansas Hospital (KU) |

Out-of-network: Benefits are available at a higher cost to the plan member.

Prescription Drug Reminders

Prescription drug costs are anticipated to increase significantly and represent 25% of the District’s health insurance claims. If you and your covered dependents participate in the following pharmacy benefits, then these programs can help reduce your out-of-pocket costs and plan claims expense. This in turn helps to reduce overall premium rate increases.

Claims may be denied and/or plan costs may be higher for HMO and PPO Plan members who choose NOT to utilize these programs. These changes also impact members enrolled in the BlueKC Disease Management programs. For more information contact Express Scripts at: 888-218-2579 or visit: www.mybluekc.com.

Select Step Therapy - When prescribed a brand name medication, ask your doctor about generic alternatives.

Select Home Delivery Incentive - This program provides a financial incentive for HMO and PPO Base and Buy-up Plan members to obtain maintenance medications through Express Scripts mail order. HDHP members benefit from the convenience of home delivery and will receive a 3 month supply at a 2 month cost upon satisfying the plan year deductible. NOTE: Controlled substances are NOT considered maintenance medications.

For more information regarding prescription drug savings, refer to the flyers BlueKC Pharmacy Updates and Rx Savings Solutions included in this packet.
Health Savings Account (HSA) with United Missouri Bank (UMB)

HSA Employer Contribution – if eligible and qualified

The employer contribution is applicable to eligible and qualified employees who elect the HSA and enroll in either the BlueSaver HDHP or the BlueSelect Plus HDHP during EACH Annual Enrollment period.

- BlueSaver HDHP employer contribution will increase to $99.78 per month ($1,197.36 / year)
- BlueSelect Plus HDHP employer contribution will increase to $144.30 per month ($1,731.60 / year)

If you do not set-up your HSA through UMB when you first elect the HSA, then you may establish the account at any time thereafter. NO retroactive employee or employer contributions will be made to your HSA account.

During 2017, you can enroll in or make change to your contribution elections by contacting the Blue Valley Enrollment Call Center at: (888) 275-5737. The contribution election/changes are effective the first of the following month.

You are responsible for determining eligibility and continued eligibility for the HSA. See Benefits Enrollment Worksheet for more information or the questionnaire included on the Benefits Enrollment website available during Annual Enrollment.

NOTE: If you are ineligible for a HSA in 2017, then you will NOT receive the HSA employer contribution, even if you select the BlueSaver or the BlueSelect Plus HDHPs.

Annual Contribution Limits / Reimbursement - The 2017 combined contribution limits (employer + employee + spouse’s separate plan contribution amounts) are: $3,400 for an individual and $6,750 for a family. A covered plan member who is between the ages of 55 and 65 may be able to make a “catch-up” contribution, which is $1,000. For tax purposes, the HSA payroll deductions/contributions will begin in January or your benefits effective date, if later, and will end in December. You can claim monies that are in the HSA account at the time of reimbursement.

You MUST RE-ENROLL in the HSA (if eligible) EACH YEAR during Annual Enrollment. Otherwise, EMPLOYER & EMPLOYEE contributions to this account will DISCONTINUE.

Flexible Spending Accounts (FSA) with Tri-Star Systems

Annual Contribution Limits

- Unreimbursed medical expense account—$2,550.
- Dependent child care expense account - $5,000 or Combined $5,000 if married filing jointly or $2,500 if married filing single
- “Limited FSA” - $2,550. Available ONLY to BlueSaver or BlueSelect Plus HDHP members who elect a HSA. Expenses are limited to qualified dental & vision benefits.

For tax purposes, FSA accounts will have deductions beginning in January, or your benefits effective date if later, and end in December. Claim reimbursement for qualified expenses incurred between January 1 and December 31, 2017 must be submitted to Tri-Star on or before March 31, 2018.

Reimbursements for all FSA accounts are processed via direct deposit to your bank account. New account members will need to complete Tri-Star’s Direct Deposit Request available online at: www.tri-starsystems.com. You can also make changes to your direct deposit online.

You MUST RE-ENROLL in the FSA EACH YEAR during Annual Enrollment. Otherwise, EMPLOYEE contributions to this account will DISCONTINUE. There are NO employer contributions to the FSA in 2017.
**NEW!** Identity Theft Protection with INFOARMOR

For plan information, refer to the attached Annual Enrollment materials:

- **Your Identity belongs to You, Protect It Today**
- **InfoArmor – Identity Protection Experts – Frequently Asked Questions**
- **Premium rates** (12 mo employees):
  - Individual Coverage: $4.98 per pay period
  - Family Coverage (includes spouse and dependent children): $8.98 per pay period

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**Short-Term Disability, Dental & Vision**

No recommended changes to plan designs. Premium rates are as follows:

- Short-term Disability—Lincoln Financial* - No change
- Dental—Delta Dental of Kansas* - 2% increase
- Vision—Surency Vision - 7% increase

* Evidence of Insurability (EOI) and/or pre-existing conditions may apply.

For more information, go to: My BV Benefits [http://www5/bluevalleyk12.org/cbiz/](http://www5/bluevalleyk12.org/cbiz/)

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**Group Term Life Insurance**

**Kansas Public Employees Retirement System (KPERS) & Lincoln Financial**

**KPERS** – Provides life insurance to active plan members equal to 1½ times eligible salary.

**Lincoln Financial** – Offers additional voluntary group term life Insurance. NO change to age-rated premiums (based upon age as of January 1, 2017) for employee and spouse and a flat dollar amount for child(ren). Eligible enrollees are grandfathered at current level and may apply for additional insurance, based on the following provisions:

- Benefits eligible employees may elect to add/increase life insurance volumes **WITHOUT having to prove Evidence of Insurability (EOI)** as follows: **$10,000 in employee** and **$5,000 in spousal life** insurance volume up to the maximum amount available under the terms of the Plan provisions and provided that you or your spouse have not been previously declined for coverage. If you or your spouse have previously been declined for coverage, withdrew a request, or failed to complete the EOI process, the annual increase(s) will not occur until new EOI is submitted to and approved by the Lincoln Financial Group.

- Members may be able to **apply for additional Lincoln Financial life insurance according to the terms of the group plan provisions during the Annual Enrollment Period, subject to EOI**. The EOI form is provided on the benefits enrollment website: [www.cbizesc.com/bluevalley](http://www.cbizesc.com/bluevalley). Click on “HELP” and follow the login instructions.

- **Benefit reductions** apply **starting at age 65** and each five years thereafter.

**Imputed Income** – The term applied by the Internal Revenue Service (IRS) to value any benefit or service that should be considered income for the purposes of calculating federal taxes. The value of employer-provided life insurance coverage greater than $50,000 is considered imputed income (Section 79 of the Internal Revenue Code).

- **KPERS life insurance premiums for up to $50,000 in volume, not subject to imputed income.**
- **KPERS life insurance premiums that exceed $50,000 in volume, subject to imputed income.**
- **Lincoln Financial life premiums are deducted on an after-tax basis, not subject to imputed income.**
2017 Wellbeing Activities & Benchmarks / 2018 Incentives

Resources and tools will be communicated via district email and the BV Buzz to help employees and their covered spouses engage in wellbeing programs and activities which will help achieve or improve towards the 2017 targeted measures in order to avoid different 2018 payroll deductions.

- The incentive design is $12 per month, per targeted measurement, per participant. The measurements are included under the 2017 Wellbeing Targets to the right.
- The payroll deduction is waived based upon achievement of each goal, or targeted improvement from one category up to the next, for each goal, including an alternative means. Targeted improvements are provided to the right.

If Bravo has the results from your last screening, your improvement will be automatically considered. If Bravo does not have prior results, you will be provided the information you need to request an alternative goal in your results letter. All alternatives for nicotine use must be requested by contacting Bravo and are not automatically distributed.

2017 Wellbeing Targets

Improvement category levels are not intended to identify risk or medical appropriateness. Always consult with your medical doctor before starting any new exercise or nutrition program.

<table>
<thead>
<tr>
<th>BLOOD GLUCOSE (mg/dL)</th>
<th>Goal: ≤ 100</th>
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<tbody>
<tr>
<td>Desirable</td>
<td>Below 100</td>
</tr>
<tr>
<td>Elevated I</td>
<td>100—110</td>
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<tr>
<td>Elevated II</td>
<td>111—125</td>
</tr>
<tr>
<td>Elevated III</td>
<td>126 or Higher</td>
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</tbody>
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<table>
<thead>
<tr>
<th>BLOOD PRESSURE (mmHg)</th>
<th>Goal: ≤ 130/85</th>
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</thead>
<tbody>
<tr>
<td>Systolic</td>
<td>Diastolic</td>
</tr>
<tr>
<td>Desirable</td>
<td>Below 120</td>
</tr>
<tr>
<td>Elevated I</td>
<td>120—135</td>
</tr>
<tr>
<td>Elevated II</td>
<td>136—139</td>
</tr>
<tr>
<td>Elevated III</td>
<td>140—159</td>
</tr>
<tr>
<td>Elevated IV</td>
<td>160 or Higher</td>
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<tr>
<th>BODY MASS INDEX (kg/m)</th>
<th>Goal: ≤ 30; OR WAIST CIRCUMFERENCE (inches)</th>
<th>Goal: ≤ 40 Men / ≤ 35 Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desirable</td>
<td></td>
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<tr>
<td>Elevated I</td>
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<td>Elevated II</td>
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<td>Elevated III</td>
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<tr>
<td>Elevated IV</td>
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10% Weight loss since last screening (as long as it was 6+ mos. ago)

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<thead>
<tr>
<th>LDL CHOLESTEROL (mg/dL)</th>
<th>Goal: ≤ 130</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desirable</td>
<td>Below 100</td>
</tr>
<tr>
<td>Elevated I</td>
<td>100—110</td>
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<td>Elevated II</td>
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<td>Elevated III</td>
<td>126 or Higher</td>
</tr>
</tbody>
</table>

TOBACCO / NICOTINE

Goal: Tobacco Free

If you do not achieve the tobacco/nicotine goal, an alternative goal is available. Contact Bravo to request information and enroll in the cessation program alternative through QuitLogix.
Federal Reporting and Benefits

In order to be compliant with federal reporting requirements, the district will rely on the accuracy of covered members Social Security numbers as you have reported them through the district’s benefits enrollment website.

Review these each year to avoid personal tax/penalties. The district assumes no responsibility for incorrect information.

Employees and dependents are encouraged to shop for medical plan benefits available in the individual and/or federal marketplace. The Federal Marketplace enrollment period starts in November. For more information, go to: www.healthcare.gov. Federal Marketplace enrollment qualifies as a Life Changing Event which opens a 30-day window for you to apply to make changes to your district health plan benefits. Marketplace insurance premiums are paid for with after-tax dollars. Consult with a tax advisor if you have questions.

Important Notices are provided on the District’s Benefits Website: http://www5.bluevalleyk12.org/cbiz/. On the home page, click on the top tab Health then click on Important Notices in the drop-down menu. If you are unable to access this information through a work computer, contact the Blue Valley Benefits Department to request a copy of these notices.

403(B) Plan and 457(B) Plan
Transamerica Retirement Solutions (trsretire.com)

2016 limits for each Plan are $18,000 if less than age 50 or $24,000 if age 50+. 2017 Plan limits have not been published at this time. These plans are voluntary retirement savings and you may enroll in these plans throughout the year. Refer to the enclosed Benefits Enrollment Worksheet for instructions on how to enroll in or make changes.

Kansas Public Employees Retirement System

Your most recent KPERS statement is available online at the KPERS website: www.kpers.org. Follow the login instructions provided on the home page. If you need assistance, contact KPERS at: (888) 275-5737.
Changes in law effective July 1, 2016 through June 30, 2020

You must be retired from KPERS for 60 days before you can discuss or apply for any positions with a KPERS participating agency, including Blue Valley.

According to Kansas law you cannot make pre-arrangements to return to work with any KPERS participating employer. If you do, penalties will apply. The penalty is suspension of retirement benefits starting the month you return to work and ending six months after you end employment. You will also repay any KPERS benefits paid to you while you were working after retirement.

KPERS Working After Retirement Rules for Most All Positions:

- A “statutory rate” may reduce compensation earned from a KPERS participating employer. The “statutory” rate is 10.81% as of 7/1/2016 and is subject to change each year.

AND

- A $25,000 earnings limitation effective after you return to work with a participating agency through the end of the first calendar year and starting over effective January 1st. For example: If you retire 6/1/2016 and return to employment on 10/15/2016, then the $25,000 earnings limit would apply 10/15/2016 through 12/31/2016 and would start over January 1, 2017.

  ◊ If the earnings limitation is exceeded, then KPERS monthly retirement payments will discontinue until you stop working, or until the start of the next calendar year, whichever comes first.

Different KPERS Working After Retirement Rules May Apply if:

You retired with KPERS benefits prior to 5/1/2015 (grandfathered or great-grandfathered); OR if you occupy an exempt position which may include:

1. Licensed Special Education (SPED) classroom teachers;

2. Hardship position—defined as a position that becomes vacant due to an unexpected emergency or when an employer has been unsuccessful in efforts to fill the position;

3. A Hard-to-Fill position - defined by the Kansas Department of Education. Hard-to-fill positions for the 2016-17 school year include:
   - Secondary English Language and Literature
   - Secondary Science
   - Elementary Classroom Teacher
   - Secondary Mathematics
   - Fine Arts

Contact KPERS for more information – (888) 275-5737 or visit the website: www.kpers.org