University of Washington Life & Long-term Disability Overview for Integration

The information in this document applies to Northwest Hospital (NWH) staff, UW Physicians (UWP) staff, UWP faculty in the UWNC and NWH departments and NWH-employed providers transitioning to University of Washington (UW) employment as part of the integration on January 1, 2020.

- LIFE INSURANCE AND ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)
- LONG-TERM DISABILITY (LTD)
- PRE-TAX SPENDING ACCOUNTS
- MEDICAL FLEXIBLE SPENDING ARRANGEMENT (FSA)
- HEALTH SAVINGS ACCOUNT (HSA)
- DEPENDENT CARE ASSISTANCE PROGRAM (DCAP)
- MORE PEBB BENEFITS

While medical and dental are the cornerstone of the UW package of PEBB benefits, what follows are additional programs—such as life insurance, long-term disability—that can add protections for you and your loved ones as well as pre-tax savings programs that provide significant savings.

LIFE INSURANCE AND ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)

Basic life insurance of $35,000 and basic AD&D insurance of $5,000 are automatically provided to each PEBB-eligible UW employee. Basic life insurance covers the employee and pays the designated beneficiaries in the event of death. AD&D provides additional coverage for certain injuries or death resulting from a covered accident.

Employees can purchase additional optional coverage, including some “guaranteed issue” coverage during the initial eligibility period. (Guaranteed issue is the amount of coverage an employee may select when initially eligible within the required deadlines, without submitting a statement of health for carrier approval.)

- Optional life insurance (for purchase):
  - Employee: available in $10,000 increments up to $1,000,000
  - Spouse or state-registered domestic partner (SRDP): available in $5,000 increments up to $500,000; coverage cannot exceed 50% of the employee’s optional life insurance
  - Children (14 days up to 26 years): see details in the PEBB Enrollment Guide
Keep beneficiaries updated whenever there is a life event. PEBB members can find information about updating a beneficiary online at the PEBB MetLife PEBB portal. PEBB life insurance details are available online at [hca.wa.gov/employee-retiree-benefits/public-employees/life-insurance](hca.wa.gov/employee-retiree-benefits/public-employees/life-insurance).

*Sign up for “guaranteed issue” life and/or AD&D insurance during the pre-enrollment period, and the coverage can be in place on January 1, 2020.*

**LONG-TERM DISABILITY (LTD)**

LTD insurance pays eligible employees a portion of their monthly earnings if they become disabled. Each PEBB-eligible UW employee is provided (at no additional cost) basic employer-provided PEBB LTD insurance with a 90 day waiting period and maximum benefit of $240 per month.

**PEBB Optional LTD** can be purchased by eligible PEBB members to provide a benefit (combined with the basic LTD) of 60% of the first $10,000 of pre-disability earnings, reduced by any deductible income (such as Social Security disability). Optional LTD provides a range of waiting periods from 90 to 360 days. If Optional LTD is selected during the UW pre-enrollment period, “evidence of insurability” (documentation of good health) is not required. Most LTD insurance, including PEBB, has some limitations on coverage during the first year. The PEBB Optional LTD includes a 12-month exclusion period and a pre-existing condition exclusion.

*Sign up for PEBB Optional LTD during the pre-enrollment period, and the coverage can be in place on January 1, 2020.*

**UWP Providers at NWH and UWNC:** UW faculty providers with a UW Physicians appointment should contact the UWP Benefits Office to learn more about a specialized LTD program available to providers.


**PRE-TAX SPENDING ACCOUNTS**

The UW offers a range of pre-tax spending accounts that help employees save money by using pre-tax dollars to pay for eligible expenses. These programs are regulated by the IRS, and it is important to understand both the advantages and limitations before enrolling, because penalties can apply if they are not used properly.
MEDICAL FLEXIBLE SPENDING ARRANGEMENT (FSA)
A medical FSA is a savings tool that allows pre-tax money to be deducted from UW pay and deposited into an account to pay for eligible out-of-pocket health care costs like deductibles, copays, coinsurance, dental, and vision. A medical FSA can pay health care expenses for the employee, spouse and qualified tax dependents, even if they are not enrolled on the employee’s medical or dental plan.

After the initial eligibility period, enrollment or contribution changes are restricted to qualifying events as defined under IRS rules. A medical FSA does not renew each year; annual enrollment is required. FSA’s are not available if a PEBB Consumer-Driven Health Plan (CDHP) (a high-deductible health plan with health savings account) is selected.

PEBB FSA details are available online at hca.wa.gov/employee-retiree-benefits/public-employees/medical-flexible-spending-arrangement-fsa.

HEALTH SAVINGS ACCOUNT (HSA)
An HSA is only available to those enrolled in a PEBB CDHP. A CDHP is a high-deductible health plan that offers lower premiums with a higher medical deductible, and a higher medical out-of-pocket limit than most traditional health plans.

If a CDHP is selected, the HSA is automatically established for the participant. HSA’s are regulated by the IRS, and restrictions apply to both eligibility and contributions. When a CDHP with HSA is selected, a Flexible Spending Account (FSA) cannot be used.

HSA’s include a variety of investment options within the account, and the savings continue to be available year over year (i.e., they do not expire). Employee contributions are available via payroll deduction, and the UW contributes to the HSA based on medical plan enrollment:
- Employee-only: $58.34 per month (max $700.08 per year)
- Employee & family: $116.67 per month ($1,400.04 per year)

Learn more about HSA’s at hca.wa.gov/employee-retiree-benefits/public-employees/health-plans-health-savings-accounts-hsas.

DEPENDENT CARE ASSISTANCE PROGRAM (DCAP)
DCAP allows PEBB-eligible employees to set aside pre-tax money from their paycheck to help pay for qualifying childcare or eldercare expenses. Enrollment in DCAP requires that the employee have a qualifying dependent:
- Age 12 or younger and living with the employee, or
UW PEBB Life, Long Term Disability, & Pre-tax Savings Accounts

- Age 13 or older, physically or mentally incapable of self-care, and regularly spends at least eight hours each day in the employee’s household

DCAP contribution limits are set by the IRS. Annual enrollment is required (it will not automatically renew each year). Enroll during the pre-enrollment for the 2020 plan year.

Learn more about DCAP at hca.wa.gov/employee-retiree-benefits/public-employees/dependent-care-assistance-program-dcap.

MORE PEBB BENEFITS
Explore additional PEBB medical plan benefits such as auto/home insurance, fitness programs, smoking cessation and employee discounts: hca.wa.gov/employee-retiree-benefits/public-employees/additional-benefits.

QUESTIONS?
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