

# UWNC-UW Employment Transition

## Introduction to UW Benefits

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# UW Medicine

As you move towards University of Washington (UW) employment (by January 1, 2021), we want to help you understand how this transition affects your current UW Neighborhood Clinic (UWNC) benefits as well as provide information about the array of benefit options at the UW.

While the information below is general, in fall/winter 2020 you will receive personalized information about these benefits.

*Please note: The University and UWNC will be meeting with SEIU 1199 prior to the transition to discuss impact bargaining and meet bargaining obligations.*

## **HEALTHCARE AND OTHER INSURANCE ELIGIBILITY**

UW healthcare, dental, life, long-term disability and other insurance eligibility is defined by the legislature and state Health Care Authority (HCA). The Public Employees Benefits Board (PEBB) oversees the medical, dental, life and long-term disability benefits offered to UW employees. Those benefits available to UW employees include a variety of medical and dental plans, a wellness program (SmartHealth), and cafeteria plan benefits (Dependent Care Assistance Program and Medical Flexible Spending Account).

State law governs eligibility for the above-mentioned benefits. In general, an employee is eligible if they are regularly scheduled to work an average of at least eighty hours per month and are expected to continue for more than six consecutive months. Eligible employees can enroll dependents, which include the following:

- Spouse or state-registered domestic partner
- Children, stepchildren or children of the employee's state-registered domestic partner up to age 26
- Extended dependent children (demonstrated by legal custody or legal guardianship)
- Children of any age with a developmental/physical disability, if the condition occurred before age 26

To enroll eligible dependents you will need to provide documentation to verify your dependent's status. You will find a list of the required dependent documentation on the [PEBB website](#).

### UWNC Claims

Your UWNC medical, dental and vision plans end December 31, 2020. Claims incurred by you and your eligible dependents while the plan was active during 2020 can be submitted to Premiera for up to 15-months after December 31, 2020.

# UW Medicine

## Provider Networks

PEBB health plans offer some of the largest networks of healthcare providers and dentists in the state. Depending on where you live, there are up to 10 PEBB medical plans, and three dental plans available to you. If there is a plan you are considering enrolling in and you want to know if your current provider is in-network, it is best to ask your provider directly if they accept the plan you are considering.

## Pre-Existing Conditions

PEBB health plans have no pre-existing condition exclusions. If you have a pre-existing condition (e.g., pregnancy) during the coming year, speak in advance with your health care providers to prepare for continued care as you transition to PEBB benefits.

## Medical & Dental Premiums

PEBB medical premiums for 2021 (which include vision coverage as part of the medical plans) will be available in the fall of 2020. In the interim, you may view [2020 medical premiums](#) to get an idea on costs. There are no employee or dependent premiums for any of the PEBB dental plans.

## **RETIREMENT**

### Key Retirement Terms

As you navigate the UW retirement options, the following are important terms to know:

- **Eligibility to retire**

Retiring from the UW means retiring under the age and years of service rules of their plan. Eligibility varies by plan.

- **Service Credit**

Service credit is the time that state employees participate in their UW retirement plan and, depending on the plan, plays a key role in how retirement benefit vesting is calculated. A UWNC employee's current UWNC retirement plan service cannot be transferred or grandfathered into UW or state retirement plans, according to state laws.

- **Vesting**

Vesting is when an employee has earned the right to a future retirement benefit. A participant must be vested to be eligible to retire under the rules of their retirement plan. Each plan has a definition for how long it takes to vest.

# UW Medicine

## UWNC Retirement Accounts

Retirement plan eligibility begins the first day of UW employment. Later this year you will be notified of your options to move your existing account balance. Options include the full range available under IRS rules:

- Rollover your savings into the UW Voluntary Investment Program 403(b) program
- Rollover your savings into an Individual Retirement Account (IRA)
- Receive cash distribution of your retirement savings (tax implications and an early withdrawal penalty may apply)

To help you choose and carry out your options, Kibble & Prentice (the Record Keeper for UWNC plans) will offer individual, on-site assistance beginning in fall 2020. *(Update 5/19/2020: Due to COVID-19, help resources may only be available online.)*

## Eligibility

The UW is a public employer operating under state laws, and these laws define an employee's mandatory retirement plan eligibility.

Retirement plan eligibility at the UW is determined by a combination of UW job class, position type (professional staff or classified staff), the Full-time Equivalent (FTE or percentage of position), the expected length of the position (on-going, temporary, project, etc.) and any prior state or public employment.

If an employee participated in any UW or Washington state public retirement plan in the past, it may affect the retirement plan in which they participate at the UW. The UW will work with the Department of Retirement Systems (DRS) to ensure that these employees are offered the correct retirement plan based on their prior plan participation. There is no need for transitioning employees to contact DRS at this time.

## Employee & Employer Contributions

All the basic retirement plans at the UW require both an employee and an employer contribution. The rate of the contributions is defined by the plan or by the legislature. As employees learn about the different plans, they will see how the contributions are used to fund future retirement benefits.

# UW Medicine

## Identifying a Retirement Plan

Based on eligibility, plan options at UW fall within the Public Employees' Retirement System (PERS) and/or the UW Retirement Plan (UWRP):

- **Union positions** transitioning to the UW that are currently represented by SEIU and work a scheduled FTE of .5 or above at UW may likely be classified as **"UW classified staff."** UW classified staff positions, which are anticipated to normally work 70 or more hours per month in five out of 12 months, are generally eligible to elect either PERS Plan 2 or 3.
- **Non-union positions** transitioning to UW of .5 FTE or greater may likely be placed into either the **"UW professional staff" or "UW classified non-union"** category. UW professional staff positions of 50% or greater and six or more months in length are generally eligible to elect between the UWRP 403(b) and PERS 3. UW classified non-union positions of 50% or greater and six or more months in length are generally eligible to elect between PERS 2 and PERS 3.

This fall, employees transitioning to UW will receive formal notice of their retirement options (if applicable) and the deadline by which they must make a plan election. Plan choice elections are permanent, so it is important to learn about the plans and make an election by the deadline.

## Voluntary Retirement Savings Plans

The UW Voluntary Investment Program (VIP) 403(b) and the state of Washington Deferred Compensation Program (DCP) 457(b) are unmatched optional retirement savings programs, which can provide even more opportunities to save. The UW VIP, with a strong selection of low-cost investments as well as low administrative fees, accepts rollovers.

More information will be provided in future updates, and you may learn more about [optional retirement plans](#) on UW's website.

## Post-Retirement Benefits for UW Retirees

There are some great retiree benefits available to those who establish eligibility, vest and retire from one of the plans available at the UW:

- PEBB Retiree Medical & Dental
- Sick leave 25% cash out into a tax-free VEBA Medical Spending Account
- Retiree Husky Card
- Free Retiree parking on UW Seattle campus (limitations apply)
- UW Retirement Association (UWRA) membership (first year free)

# UW Medicine

- UW Husky discounts
- PERS 2 and 3 retirees have a built-in cost-of-living adjustment (COLA) each July 1 of up to 3%

## EXPLORE YOUR UW BENEFIT OPTIONS

Later in the year, the UW will provide benefits orientations about the full UW benefits package; presentations by UW retirement vendors will also be available. *(Update 5/19/2020: Due to COVID-19, help resources may only be available online.)* In the meantime, we will continue to provide additional information about your benefits throughout 2020. You can also explore the UW Benefits website by starting with the UW Benefits Summary document that best aligns to your anticipated UW employee group:

### UW Benefits

- [UW Professional Staff Benefits Summary](#)
- [UW Classified Staff Benefits Summary](#)

### UW Retirement Plans

- PERS 2/3 Plan Choice Booklet: [Choose Your Retirement Plan](#)
- PERS 2/3 Plan Choice Video: [Welcome to Plan 2 or Plan 3](#)
- UWRP [Plan Summary](#)

## QUESTIONS?

We are unable to answer specific questions about transitioning your personal benefits at this time. However, we can provide general information to help you understand and plan for impacts to your benefits. Please send questions about employment transition impacts on your future staff benefits to [uwnc2uw@uw.edu](mailto:uwnc2uw@uw.edu), and we will do our best to help.

*Disclaimer: This letter is for informational purposes only and does not constitute an implied or express contract, guarantee or assurance of UW employment or any right to an employment-related benefit or procedure. The UW reserves the right to change or modify employee benefits as permitted by law. Every attempt has been made to ensure the accuracy of this information. However, if there is any discrepancy between this overview and the official Plan Documents, RCW (Revised Code of Washington (state law)) or WAC (Washington Administrative Code), the Plan Documents, RCW, or WAC will always govern.*