If a retiree or a retiree's insurance-eligible spouse becomes eligible for Medicare due to disability, the retiree or the retiree's spouse qualifies for Medicare supplemental coverage reimbursement. Eligibility ends when the retiree or spouse reaches age 65.
Determine Your Eligibility

To enroll in one of the Oregon School Boards Association (OSBA)/Regence BlueCross BlueShield of Oregon (Regence BCBSO) Health Plans for the first time, you must complete the enrollment form and submit it to the Employee Benefits Office (EBO) within 31 days of becoming eligible.

IF YOU ARE ALREADY ENROLLED, look over the pre-printed enrollment form to make sure it is accurate. If it is, you do not need to resubmit it. If it is not, make corrections and submit it to the EBO no later than September 14, 2007.

Change of status during the year? Submit an updated form to the EBO within 31 days of the change.

Are You Eligible?

To take advantage of the District’s benefits program you must have an insurance enrollment form on file at the Employee Benefits Office (EBO). To enroll in one of the OSBA/Regence BCBSO plans, follow the steps outlined in The Enrollment Process (page 1-4).

As an administrative employee you are:

• Eligible for medical, dental, vision, basic and supplemental life insurance and long-term disability insurance if you routinely work 20 or more hours per week (.5 FTE).
• Not eligible for any benefits if you work less than 20 hours per week (less than .5 FTE).

When Do My Insurance Benefits Begin?

Your insurance is effective your first day of active work in an insurance-eligible position, with the exceptions of long-term disability and life insurance, which become effective the first of the following month.

Refer to the Administrative Active Employees rate sheet for payroll deduction information for OSBA/Regence BCBSO plans.

Active Employees on Leave

OSBA/Regence BCBSO allows only 3 months of active enrollment for members while on leave. When eligibility ends, the member becomes eligible for COBRA coverage for 18 months. The effect is that a person on leave will no longer be able to remain on the District insurance plan for the entire duration of a 2-year leave.
What About Coverage for Dependents?

Dependents are eligible at the same time you are. Dependent coverage is available at no additional monthly cost for:

- Spouses
- Domestic partners* (subject to imputed tax values)
- Children
- Handicapped adult children (refer to the OSBA/Regence BCBSO Member Handbook for more information)
- Grandchild (employees must provide proof that they have legal guardianship)

To ensure that your dependents are covered and claim payments are timely, complete an Enrollment Form for them as soon as they become eligible. This form is available from the EBO.

Documentation is required within 31 days** of the qualifying event for these changes in coverage:

- To add dependents, a birth, marriage, domestic partnership or adoption certificate must be submitted to the EBO with the Enrollment Form.
- To remove a former spouse or domestic partner, a divorce decree or Statement of Termination of Domestic Partnership form*** must be submitted to the EBO with the Enrollment Form.

Who Is a Dependent?

Dependents include the employee’s:

- Spouse (legally married)
- Domestic partner*
- Children who are financially dependent for at least 50% of their support under the age of 26 (including stepchildren of a legal marriage or domestic partnership)
- Children age 26 or over incapable of self-support because of a physical handicap or mental retardation (refer to the OSBA/Regence BCBSO Member Handbook for additional information)
- Grandchild (employees must provide proof that they have legal guardianship)

For more information about coverage when you or family members are traveling or for dependent children who live outside the area of service or who are away at school, review the How to File Out-of-Area Claims chart (page 7*5), call OSBA/Regence BCBSO at 1-800-365-3155 or refer to your OSBA/Regence BCBSO Member Handbook.

* For information about domestic partner eligibility or to receive a Domestic Partner Information Packet, contact the Employee Benefits Office (EBO) at 687-3491.

** You must notify the EBO within 31 days of the qualifying event in order to make changes to your coverage. If you experience delays in attaining the supporting documents, be sure to submit at least the Enrollment Form and discuss the delay with the EBO.

*** Statement of Termination of Domestic Partnership form (Form 3698OSB) is available on the Regence web site (www.or.regence.com) or from the EBO.
The Tax Shelter Plan

How Does the Tax Shelter Plan Work?

The Tax Shelter Plan allows you to pay monthly contributions toward insurance premiums before state, federal and FICA taxes are deducted. By paying your premium with pre-tax dollars, the insurance deduction takes up a smaller percentage of your paycheck than if it were paid after taxes were deducted. The result is more money in your pocket each pay period. The charts below illustrate how the plan works. They are based on a hypothetical example of an employee who receives $3,000 per month with approximately 30% deducted for taxes.

<table>
<thead>
<tr>
<th>Without the Tax-Free Payment Plan</th>
<th>With the Tax-Free Payment Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Determine the amount earned.</strong></td>
<td><strong>1. Determine the amount earned.</strong></td>
</tr>
<tr>
<td>$3000</td>
<td>$3000</td>
</tr>
<tr>
<td><strong>2. Deduct 30% for taxes.</strong></td>
<td><strong>2. Deduct $85 for insurance premium to determine your take-home pay.</strong></td>
</tr>
<tr>
<td>$3000x30%=$900 $2100</td>
<td>$3000–$85 $2915</td>
</tr>
<tr>
<td><strong>3. Deduct $85 for insurance premium to determine your take-home pay.</strong></td>
<td><strong>3. Deduct 30% for taxes.</strong></td>
</tr>
<tr>
<td>$2100–$85 $2015</td>
<td>$2915x30%=$874.50; $2040.50</td>
</tr>
<tr>
<td><strong>4. Calculate the % of money earned that is left in your pocket after taxes and insurance.</strong></td>
<td><strong>4. Calculate the % of money earned that is left in your pocket after taxes and insurance.</strong></td>
</tr>
<tr>
<td>67%</td>
<td>68%</td>
</tr>
<tr>
<td><strong>5. Calculate your annual savings.</strong></td>
<td><strong>5. Calculate your annual savings.</strong> (Subtract line 3 in the left-hand chart from line 3 in the right-hand chart and multiply by 12 pay periods.)</td>
</tr>
<tr>
<td>No Savings</td>
<td>$2040.50–$2015=$25.50 $25.50x12 Annual Savings</td>
</tr>
</tbody>
</table>

You’re Automatically Enrolled

In almost all cases it is to the employee’s financial advantage to tax shelter their insurance premiums (as illustrated in the example above). For this reason we automatically extend this benefit to each employee who elects medical coverage. However, in rare cases where an employee qualifies for the Earned Income Tax Credit (EITC), it may be to that employee’s financial advantage to opt out of the Tax Shelter Plan. More information about the EITC is available on the IRS web site (www.irs.gov - search for “Earned Income Tax Credit”). Please consult a tax advisor to determine if you qualify for the EITC.

Q & A About the Tax Shelter Plan*

**Q** How do I opt out of the Tax Shelter Plan?

**A** If you wish to opt out of the Tax Shelter Plan, you must sign a waiver in the presence of a Human Resources employee during a valid enrollment period. Changes are not allowed mid-plan-year, even if your eligibility for the EITC changes or if you realize you made a mistake. Choose wisely!

*Sometimes you will hear the Tax Shelter Plan referred to as a Section 125 Plan. This refers to the Internal Revenue Service code (Section 125) that allows pre-tax dollars to be applied to insurance premium payments.*
The Enrollment Process

How Do I Enroll?

Just follow the simple steps below. If you have any questions or problems, call the Employee Benefits Office (EBO) at 687-3491.

New Employees

1. Complete the group enrollment form to enroll in one of the OSBA/Regence BCBSO Health Plans.
   To waive coverage, complete a waiver form (available from the EBO).
2. Submit your enrollment form to the EBO within 31 days of employment.

Current Employees

1. Complete the group enrollment form to enroll in one of the OSBA/Regence BCBSO Health Plans.
   To waive coverage, complete a waiver form (available from the EBO). Complete a new waiver even if you waived coverage last year.
2. Submit your enrollment form to the EBO no later than September 14, 2007.
3. If you are already enrolled, look over the pre-printed enrollment form to make sure it is accurate. If it is, you do not need to resubmit it. If it is not, make corrections and submit it to the EBO by September 14, 2007.

Retired Employees

1. Complete the enrollment form. Designate which coverage you want.
2. Submit your enrollment form to the EBO no later than September 14, 2007.
3. If you are already enrolled, look over the pre-printed enrollment form to make sure it is accurate. If it is, you do not need to resubmit it. If it is not, make corrections and submit it to the EBO by September 14, 2007.

How Can I Move Between Available Plans?

At open enrollment periods:
• active employees may move freely between any offered plan.
• retirees may move only to a lower-option plan—never to a higher-option plan.

Can I Waive Dental Coverage?*

• Retirees may waive dental coverage permanently for themselves and eligible dependents (waiver is irrevocable).

* Election changes (e.g., waiving dental coverage) are only allowed during valid enrollment periods.