



SEPTEMBER 2009

Welcome to the third quarter 2009 edition of *Benefit News*, brought to you by the DAS Benefits Team, providing you with the most up-to-date information about the state of Iowa's employee benefits.

CONTENTS

2010 Enrollment and Change.....	1
2010 Enrollment and Change Period.....	1
What's New in 2010?.....	2
Dental Open Enrollment	2
Increase in Supplemental Term Life Insurance.....	2
Health and Dental Insurance Double Coverage.....	3
Retirement Investors' Club (RIC).....	3
RIC News	3
Web Update	3
Savings Spotlight.....	4
Did you know	4
Pharmacy.....	4
Save Money. Buy Generics.	4
Wellness	5
Visiting Nurse Services of Iowa	5
Benefit Education On-Demand Recording of <i>Immunization Update</i> Webcast	5
Other Benefits.....	5
Flexible Spending Accounts.....	5
DAS-Sponsored Benefit Education	6

2010 ENROLLMENT AND CHANGE

2010 ENROLLMENT AND CHANGE PERIOD

The 2010 enrollment and change period will be from **October 23, 2009**, through **November 23, 2009**.

During the enrollment and change period, you can:

- Enroll in a health insurance plan.
- Change the health insurance plan you are currently enrolled in.

-
- Add or remove eligible family members from your health insurance plan.
 - Enroll in dental insurance if you are not currently and/or add eligible dependents if they are not currently enrolled. (See the article *Dental Open Enrollment* below.)
 - Enroll in one or both of the Flexible Spending Accounts. (For more information about Flexible Spending Accounts, see the article in *Other Benefits* below.)
 - Apply to increase or decrease supplemental term life insurance.
 - Change your pre-tax premium conversion selection.

More information about the 2010 enrollment and change period will be available from your Personnel Assistant and the DAS Benefits Web site in October. Stay tuned!

WHAT'S NEW IN 2010?

New for 2010 is the “freeze” on employee-required premiums for family health insurance coverage during the first six months of the year (pending Executive Council approval for Non-Contract employees). If you are enrolled in Deductible 3 Plus, Iowa Select or Program 3 Plus, your health insurance premiums for family coverage will be no more expensive than they are in 2009 for the first six months of 2010. (Blue Access and Blue Advantage family coverage does not require an employee’s contribution.) Beginning with the pay warrant dated June 18, 2010, the premiums for family coverage will “unfreeze” and increase to the 2010 premium level. Make your health insurance election carefully because you will not be able to change health insurance when the premiums “unfreeze.” You will not be able to change health insurance plans until the next enrollment and change period unless you experience a qualified life event and the benefit change you request is consistent with the event. This premium “freeze” only applies to health insurance not dental insurance.



Plus, there will be an **open dental enrollment** during the 2010 enrollment and change period.

A benefit enhancement in 2010 for AFSCME-covered, Non-Contract (pending Executive Council approval) and PPME-covered employees is the opportunity to increase the maximum amount of supplemental term life insurance from a current maximum of \$50,000 to \$100,000. (See the article *Increase in Supplemental Term Life Insurance* below.) The basic term life insurance coverage remains \$20,000 for benefit-eligible employees in 2010.

DENTAL OPEN ENROLLMENT

The 2010 enrollment and change period is an **open dental enrollment** period. Employees not previously enrolled in dental insurance may enroll in single or family coverage. Employees currently enrolled may add their spouse or eligible dependents. Coverage will be effective January 1, 2010.



INCREASE IN SUPPLEMENTAL TERM LIFE INSURANCE

A benefit enhancement in 2010 for AFSCME-covered, Non-Contract (pending Executive Council approval) and PPME-covered employees is the opportunity to increase the maximum amount of supplemental term life insurance from a current maximum of \$50,000 to **\$100,000**. The Hartford is **not requiring evidence of insurability** if you are currently enrolled in supplemental term life insurance and eligible to increase your coverage amount beyond \$50,000. You can increase your coverage without undergoing medical underwriting. This benefit enhancement is a great opportunity if you want to provide your family additional financial protection at an affordable price!

More information about how to elect additional supplemental life insurance will be available during the 2010 enrollment and change period.

HEALTH AND DENTAL INSURANCE DOUBLE COVERAGE

A provision regarding double coverage in the state's health and dental insurance plans was recently clarified and will go into effect January 1, 2010. If your spouse is also a state employee, you cannot be covered as both an employee and a dependent under the state's health and dental insurance plans.

This change regarding double coverage does not affect the double spouse premium provision. If your spouse does not work for the state, you will not be impacted by this change.

If you and your spouse are both state employees, you have four coverage choices under the health and dental plans:

1. You and your spouse may enroll separately in single coverage.
2. You or your spouse may elect single coverage and the other spouse may enroll themselves and dependents in family coverage. The spouse selecting single coverage may not be listed as a dependent on the family plan.
3. One spouse may elect to waive coverage and the other spouse may enroll both spouses and dependents in family coverage.
4. The couple may elect family coverage for themselves and their dependent(s) under double-spouse family coverage. One spouse would be designated as the contract holder and make the election for family coverage and the other spouse would be designated as the contributing spouse.

If you and your spouse have children together, only one of you can enroll the eligible children under your insurance plans.

With the 2010 enrollment and change period beginning next month, make any necessary changes to your family's enrollment in health and dental coverage. In early 2010, the DAS benefit staff will review and confirm that no double coverage enrollment exists and make any necessary changes.

RETIREMENT INVESTORS' CLUB (RIC)



RIC NEWS

The Retirement Investors' Club (RIC) is a supplemental retirement savings program offered by the state of Iowa to help you save for your retirement. As a participant, you contribute through payroll deduction to your 457 account and the state makes contributions to your 401a match account on your behalf. You are fully vested in both accounts from day one.

Winning Investment Provider Offerings

Interested investment providers recently participated in the RIC competitive bid. **Hartford, ING, Security Benefit, TIAA-CREF, and VALIC won the bid and will offer investment services to the RIC plans beginning January 2010.** Participants contributing to these providers will receive information from their providers explaining any changes for 2010 and how they may affect their accounts. Most participants need not do anything to continue saving as they have. Don't hesitate to call your provider if the information you receive is not clear to you.

Employer Match

The first **\$75** you contribute to your RIC 457 account each month will be matched 100% by the state. (SPOC-covered employees continue to receive a \$1 match contribution (up to \$75/month) for every \$2 they contribute). The maximum match benefit of \$75/month will be paid to your 401a match account. Call RIC toll-free at 866-460-4692 if you want to enroll or increase your monthly investment amount.

WEB UPDATE

The RIC Web site (<http://ric.iowa.gov>) now provides access to educational opportunities regarding the RIC program (see <http://ric.iowa.gov/basics/index.html> and <http://ric.iowa.gov/distributions/index.html>). You may register to attend an online session, view and listen to a previously recorded session and/or download

the content used in the sessions at anytime.

SAVINGS SPOTLIGHT

How long would it take to double your money? The Rule of 72 states that if you divide 72 by the percentage of return you expect to receive from your investment, the result is the number of years it will take to double your money at that rate. Example: Assuming a 6% average earnings rate - 72 divided by 6 = 12 years. Assuming 8% average earnings rate- 72 divided by 8 = 9 years, and so on.

Ask your agent to help you calculate future value for you at different savings amounts, assuming different earnings and inflation rates. When you see the different results of each scenario, you may wish to discuss alternative investment strategies for your savings dollars. Each time you ask questions, you may discover options that you never knew you had.

DID YOU KNOW ...

In investing, the terms *bull* market and *bear* market describe upward and downward movements respectively, in either the market as a whole or specific sectors and securities (stocks). Financial markets are commonly believed to have market trends. These trends are thought to occur in regular cycles. Market trends are described as constant movements in market prices over a period of time.

Usually, "bullish" and "bearish" are terms based on adequate evidence of market movement. If someone is bullish about the market, it means that they believe that the value of the market will rise. If someone is bearish, they believe that the value of the market will drop.

PHARMACY

SAVE MONEY. BUY GENERICS.

The next time you need a prescription filled, ask your doctor or pharmacist if it is available in generic. You can save on your out-of-pocket costs by choosing generic medications when available and appropriate.

While generic drugs continue to gain in popularity, many people remain skeptical. Wellmark answers some of the commonly asked questions about generic drugs.

What are generic drugs?

A generic drug is a copy that is the same as a brand-name drug in dosage, safety, strength, how it is taken, quality, performance and intended use.

Are generic drugs as safe as brand-name drugs?

Yes. The Food and Drug Administration (FDA) regulates and monitors the quality of all drugs, both brand name and generic. The generic manufacturer must provide evidence that the drug has the same active ingredients and works the same way in the body as the original brand-name product.

Why are generic drugs less expensive?

Generic drugs are less expensive because generic manufacturers don't have the investment costs of the developer of a new drug.

I hear the terms generic equivalent and generic alternative or therapeutic alternative. What is the difference between these?

A generic equivalent has the same active ingredients as the brand name drug. Examples of generic equivalents for cholesterol drugs are simvastatin for Zocor, lovastatin for Mevacor, and pravastatin for Pravachol. A generic alternative or therapeutic alternative is in the same drug category or chemical family as the brand-name drug. For example, the cholesterol drugs Crestor, Lescol/Lescol XL, and Lipitor currently do



not have generic equivalents. But possible generic alternatives or therapeutic alternatives for these drugs are simvastatin, lovastatin, and pravastatin.

Are all drugs available as a generic?

No. Many are still protected by patent and are sold as brand-name only. However, more than half of all brand-name drugs do have generics available. Your doctor or pharmacist can tell you if your prescription is available as a generic and if it's the right choice for you.

Where do I find a list of available generics?

Check the Wellmark Drug List under *General Pharmacy Information* at <http://www.wellmark.com>. Be sure to check often as brand-name drugs become available as generics quite often.

WELLNESS

VISITING NURSE SERVICES OF IOWA

The Department of Administrative Services, Human Resources Enterprise (DAS-HRE) recently issued a contract to the **Visiting Nurse Services of Iowa** (VNS) to be the state of Iowa's wellness services provider. VNS has the resources to provide a high level of service to state of Iowa employees. VNS will begin providing services by offering flu shots in the Des Moines/Ames metro areas. DAS-HRE anticipates that VNS will offer additional services, such as cardiovascular screening, blood chemistry profiles and health screenings later this year, and are exploring the possibility of expanding service offerings to more locations.

BENEFIT EDUCATION ON-DEMAND RECORDING OF IMMUNIZATION UPDATE WEBCAST

The *Immunization Update* webcast, presented on August 24, 2009, was recorded and is available at the DAS Benefit Education On-Demand Web site (http://benefits.iowa.gov/benefit_education/benefiteducation_on-demand.html). Terri Thornton from the Iowa Department of Public Health presented very important and timely information. As with all DAS Benefit Education On-Demand recordings, you can view the presentation at your office or at home.

OTHER BENEFITS

FLEXIBLE SPENDING ACCOUNTS

The enrollment and change period is the time to enroll in the Flexible Spending Account (FSA) program.

If you pay for health and dependent care expenses on a regular basis, FSAs provide a way to save money on these expenses on a **before-tax basis**.

The FSA program allows you to set aside pretax dollars (dollars not subject to state, federal, or FICA taxes) to reimburse yourself for eligible health or dependent care expenses. Since you are not taxed on the amount you contribute to the FSAs, **you can lower your taxes and increase your spendable income**.

You decide if you want to participate in either or both accounts.

Health FSA

Use this account for certain medical, dental, vision, and prescriptions expenses (including some over-the-counter drugs) not reimbursed by health or dental insurance. This includes your deductibles, coinsurance, copays, out-of-pocket expenses and over-the-counter drugs for medical care.

Dependent Care FSA

Use this account for qualified dependent care expenses necessary for you (or, if you are married, for you and your spouse) to work. This account is for dependent care expenses for children under the age 13 or adult disabled dependents.

To participate in either or both of the flexible spending accounts, **you must enroll each year**.



Maximum Amount You Can Contribute to FSAs

The maximum you are allowed to contribute to Health FSA is **\$3,000** a year. If your spouse is eligible to participate in a health flexible spending program, he or she may also contribute to his or her employer's plan. The Dependent Care FSA maximum contribution amounts depend on whether you are single or married and on your tax filing status. The maximum contribution amounts are:

- **\$5,000** if you are single, or married and file a joint return.
- **\$2,500** if you are married and file separate returns.
- **\$5,000** combined maximum if your spouse also contributes to a dependent care account.
- **\$3,000** if your spouse is a full-time student and you have one dependent.
- **\$5,000** if your spouse is a full-time student and you have more than one dependent.

The amount you designate for the year is divided into 24 equal amounts and held in your FSAs. When you submit receipts for eligible expenses, you draw your pretax money out of your FSA. You can choose to have payments mailed to you or deposited directly into your checking or savings account.

Claims may be incurred through March 15, 2011, and must be submitted to ASI, the administrator of the state's FSA program, by April 15, 2011.

For more information about FSAs, check out the DAS Flexible Spending Accounts Web site (<http://das.hre.iowa.gov/fsa/home.html>).

Don't forget to enroll!

DAS-SPONSORED BENEFIT EDUCATION

Employee benefits can be confusing. Benefit education is a service provided by DAS benefit staff. There is over **30** benefit education presentations scheduled during the 4th quarter of 2009 with more being added!

Following are the current number of presentations scheduled in October through December.

2010 Enrollment and Change: **12** presentations.

NEW! *Choosing the Right Health Insurance:* **4** presentations.

Continuing Benefits at Retirement: **3** presentations.

Deferred Compensations Basics: **4** presentations.

Deferred Compensation Distributions: **3** presentations.

Flexible Spending Accounts: **4** presentations.

NEW! *RIC Provider Update:* **3** presentations.



Learn to make the best use of your benefits by taking advantage of benefit education opportunities.

To find out more about benefit education, check out the DAS Benefit Education Web site (http://benefits.iowa.gov/benefit_education).
