

# Memo

**To:** Non-Union Employees  
**CC:** Susan K. Tyer, Superintendent, Lorra Ordiway  
**From:** Camie Hansen, Director of Finance  
**Date:** 10/16/2017  
**RE:** Open Enrollment and Beginning of the Year Forms/Notices

This year we are providing all employees with their open enrollment information via the district website. To help facilitate the open enrollment process, you will find a brief summary listed below describing the forms and notices.

**A reminder**, you will not find a MESSA Open Enrollment Statement. MESSA is no longer providing Open Enrollment Statements, but rather MESSA members are now required to review their benefits and/or make changes through MESSA's online benefits website.

**The due date for forms and online changes is October 31, 2017.** Late forms and online changes will not be accepted, as the insurer(s) require changes be made during the approved open enrollment period. If changes are not submitted by the due date, any desired changes cannot be processed until the next open enrollment period of October 2018 (unless, a qualifying life event occurs).

**The attached forms need to be reviewed, signed and returned – with or without changes.**

## Online Benefits

### **MESSA Open Enrollment Online:**

MESSA Open Enrollment is now being provided online. This is your opportunity to make changes to your insurance coverage without first having experienced a qualifying life event, i.e., change in marital status, employment status, dependents, etc. You can review your statement by visiting MESSA's website at [www.messa.org](http://www.messa.org). **If any changes are made, they will be effective January 1, 2018.**

**If you currently are not registered with MESSA, please do the following:**

1. On the home page, near the right, click the [Register Now](#) link.
2. You will be prompted to enter some information about yourself.
3. Once that is complete, you will be taken to the MESSA Secure Member Portal, where there will be a "Select Your Benefits" button to select your benefits.
4. Click the button and you will be automatically redirected to our benefit enrollment portal where you can make your benefit elections.

We ask that each employee take the time to review their online benefits even if changes are not required. If you have any questions or need help logging into the website, **please contact MESSA Member Services at 1-800-336-0013.**

## Attached Forms

### **Summary of Benefits and Insurance Options:**

The district's Summary of Benefits and Insurance Option form must be completed on an annual basis. Please note your election option, on this form, must be the same as your Open Enrollment option for MESSA. **This form must be completed, and returned even if changes are not desired.**

### **BASIC – Flex Medical Reimbursement Account/Dependent Care Account:**

As noted last year, BASIC is once again the district's third party administrator (TPA) for FLEX (medical reimbursement accounts) and Dependent Care accounts (Section 125-IRS governed). For detail information about BASIC's Section 125 accounts, please refer to their brochure titled "You're Going to Need a Bigger Bank." Please keep in mind, enrollment/changes will become effective January 1, 2018.

If you're interested in enrolling in a Section 125 plan, there's some important information you need to know as it pertains to enrollment limitations. If you are currently enrolled in a high deductible medical plan, such as MESSA's ABC plan - Health Savings Account (HSA), you are limited as to your participation in a "full" FLEX plan. Both HSA's and FLEX plans are governed by the IRS, and per the IRS it's not permissible to simultaneously be enrolled in both a full FLEX plan and an HSA. On the other hand, if you have an HSA you are eligible to participate in what's referred to as a Limited Purpose (modified) FLEX plan. In short, a modified FLEX plan limits what's considered an allowable reimbursement. A modified FLEX plan prohibits the submission of medical claim reimbursements, but rather allows for specific dental and/or vision claim reimbursements and other post deductible expenses. If you're interested in enrolling in a modified FLEX plan, we ask that you contact BASIC as to ensure compliance with the IRS. 1-800-444-1922

Regarding Dependent Care, there are no changes to report but as a reminder there's a maximum contribution amount of **\$5,000.00 per calendar year** – 2018. Participants will need to keep that in mind when enrolling and setting up payroll deductions.

**If you are interested** in enrolling in either a FLEX and/or Dependent Care Account(s), please complete the enrollment form located on the last page of BASIC's brochure.

**If you're not participating** in any of BASIC's accounts, PLEASE indicate so by completing the enrollment form and mark "I elect NOT to participate." For compliance purposes, we must validate that every employee was given an opportunity to enroll in a BASIC account.

### **Employee Information Form:**

To assist our office in maintaining up-to-date personnel records, you'll need to complete an annual informational form.

## **Annual Notices - Updates**

### **Notice to Plan Participants of Privacy Practices and other Compliance Notices:**

Attached you will find updated privacy notices as it pertains to your protected health insurance information - HIPPA/HI-TECH - and other compliance notices. The notices are in compliance with Health Care Reform's HIPPA/HI-Tech requirements and other regulatory requirements.

### **403(b) and/or 457 Annual Eligibility Notice:**

We are required to distribute 403(b) and 457 (TSA's) Eligibility Notice/Booklet on an annual basis to all current employees (and to new employees) not participating in a 403(b) and/or 457 plan. The notice/booklet explains the steps and regulations as it pertains to 403(b) and 457 contributions. For calendar year 2018 you'll receive your notice and/or booklet around mid-January 2018. If you are currently contributing to a 403(b) and/or 457 plan, you may disregard the notice/booklet upon receipt, or you may take this opportunity to re-examine the district's approved TSA vendor list.

During the month of October, you will receive the district's 403(b)/457 Plan Document (referenced in the Eligibility Notice) via electronic mail. It's being sent in this manner due to the volume of the document – 50+ pages. If it's your desire to receive it in hard copy form, please contact the Administrative Office.

### **MESSA Summary of Benefits and Coverage:**

Per the Affordable Care Act (ACA), employers are required to provide employees with a Summary of Benefits and Coverage (SBC). The SBC's are available on the district's main website under Departments, Central Office, Business Office Forms and Information, MESSA.

### **Section 125 Cafeteria Plan – SUMMARY PLAN DESCRIPTION :**

Houghton Lake Community Schools (employer) sponsors an employee benefit program known as a Section 125 Cafeteria Plan. This plan provides employees with an opportunity to choose from several different benefit programs according to individual needs, and allows for the reduction in pay (for most benefits/mandatory insurance co-pays) on a pre-tax/pre-FICA basis.

BASIC, the district's Section 125 Third Party Administrator (TPA), will prepare a **"Summary Plan Description (SPD)"** detailing the district's Section 125 Cafeteria Plan. As an employer of a Section 125 Cafeteria Plan, we are required to "annually" provide employees with an updated SPD. BASIC will provide us with an updated 2017/18 SPD that will be ready for distribution during the month of January 2018. Like the 403(b)/457 Plan Document, the SPD is very large in size; thus, will also be sent to employees via electronic mail. If you prefer to receive the SPD in hard copy form, please contact the Administrative Center.

### **Health Savings Account (HSA) Funding for Calendar Year 2018:**

In December 2017, you'll receive an individual contract for MESSA's ABC Plan/HealthEquity for the first 6-months of your HSA advancement (for calendar year 2018), and then again in May 2018 for the last 6-months. Health Savings Accounts are governed by the IRS, and for calendar year 2018 the IRS minimum deductible requirements will be \$1,350 for singles and \$2,700 for 2-parties/full families.

The HSA contract will allow employees to elect six (6) months of HSA funding, a reduced amount or opt out of HSA funding altogether. Employees have expressed interest in taking a reduced HSA amount and/or opting out for various reasons, but primarily because they have remaining funds from prior calendar years. In light of this, a Hardship Bank (per group) has been established based upon the number of employees who opt out of (or take a reduction) receiving HSA funding. This Hardship Bank will be made available (advance funding provided) to employees who have exhausted their HSA funding. Employees will be advanced the remaining deductible/HSA funding if needed upon presentation of evidence such as their HSA statement, prior to July 1 on a first come first serve basis up to the amount of money in the Hardship Bank. Before funding is provided, an employee will need to present their HSA statement to the appointed individual at the Administrative Center. Your statement will remain in a locked file cabinet, and will not be accessible and/or viewed by any other employee of the district.

Thank you for your cooperation, and if you have any questions and/or concerns feel free to contact the office.