



# New Employee Benefits Guide

## PLAN YEAR 2020

September 1, 2019 - August 31, 2020

For state agency employees

## A message from ERS Executive Director Porter Wilson



Congratulations on your new job! Let me be among the first to welcome you to public service as an employee of the State of Texas.

As a State of Texas employee, you earn benefits that are comprehensive and, on average, make up about one-third of total compensation. The benefits offered to you are designed to enhance your health and secure your future.

The decisions you make—some of which must be made during your first few weeks on the job—will affect your health care, retirement security and take-home pay. Take time to read about your options in this guide, so that you can make informed choices in your first 31 to 60 days of employment. Then, make the most of your benefits to improve your health, your financial wellbeing and your peace of mind.

At the Employees Retirement System of Texas, we're proud to support excellence in public service by administering health insurance, retirement and other benefits to state agency employees and their families. We're committed to supporting you as you serve your fellow citizens.

This New Employee Benefits Guide provides the information you need to make the most of your State of Texas retirement, insurance and related benefits. For more information, visit the ERS website at [www.ers.texas.gov](http://www.ers.texas.gov).

Sincerely,

*Porter Wilson*  
*Executive Director*  
*Employees Retirement System of Texas*

*The New Employee Benefits Guide for Plan Year 2020 highlights benefits that are effective at the time of publication. ERS benefits are subject to change without notice and depend on funding from the state.*

## Employees Retirement System of Texas

Always available online at [www.ers.texas.gov](http://www.ers.texas.gov)

24/7 access to automated information on your insurance and retirement benefits:  
(877) 275-4377, TDD: 711. Talk to a representative 7:30 a.m. to 5:30 p.m. CT, Monday through Friday.  
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## Go Online

For a quick overview of your new employee benefits, visit  
[www.ers.texas.gov/Employees/New-Employee/Overview/](http://www.ers.texas.gov/Employees/New-Employee/Overview/)

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ERS offers competitive benefits to enhance the lives of its members.

# Getting started: Signing up for your benefits

## As a State of Texas employee, you will automatically be enrolled in:

- **HealthSelect of Texas<sup>®</sup>**, a point-of-service health plan, which includes prescription drug coverage.
- **\$5,000 Basic Term Life and accidental death & dismemberment (AD&D) insurance.** This comes automatically with your health insurance at no cost to you if you are a full-time employee (part-time employees pay half the cost of their Basic Term Life and AD&D insurance).
- **State of Texas Retirement.** You will contribute 9.5% of your salary, an amount set by the Texas Legislature, to your State of Texas Retirement account. You cannot opt out of this contribution, which is taken from your monthly paycheck before taxes. The state makes a contribution equal to 9.5% of your salary, and the agency you work for contributes another 0.5%. See page 24 to learn more about your State of Texas Retirement account.
- **TexaSaver<sup>SM</sup> 401(k) / 457 Program.** If you are a first-time state employee or are returning after a break in state employment, you will contribute 1% of your monthly salary to an individual 401(k) invested in the Target Date Fund with the target date closest to the year you turn 65. The contribution is deducted from your monthly paycheck before taxes. You can opt out of the TexaSaver account. You can also open a 457 account, instead of or in addition to a 401(k), and choose the amount you want deducted from your paycheck. If you have directly transferred from another state agency or are a return-to-work retiree, you can enroll in a TexaSaver 401(k) and/or 457 account and choose the contribution amount you want deducted from your paycheck. In both the 401(k) and 457, you can increase your contribution and/or make other changes to your account or investments at any time. See page 27 to learn more about TexaSaver, how to make changes, and how it can help you have a more secure retirement

### A note to full-time employees

Unless you opt out of health coverage or select another plan, ERS will enroll you in HealthSelect of Texas. You will have 31 days to sign up for optional benefits. If you fail to do so, you will have to wait until the annual Summer Enrollment period to sign up or until you experience a qualifying life event (QLE). If you wait, coverage in some plans is not guaranteed.

## You have a choice

If you don't want to enroll in HealthSelect of Texas, you may choose one of the following health insurance plans:

- Consumer Directed HealthSelect, a high-deductible health plan paired with a tax-free health savings account (HSA) with a monthly contribution from the State of Texas or
- a health maintenance organization (HMO), if you live or work in one of the counties they serve. See page 12 for a list of counties served by an HMO.

## You can also enroll in the following optional benefits:

- one of two dental insurance plans;
- State of Texas Vision insurance plan;
- additional life insurance for yourself and/or for your eligible dependents;
- Accidental Death & Dismemberment Insurance;
- short-term and long-term disability coverage through the Texas Income Protection Plan<sup>SM</sup> (TIPP) and
- TexFlex flexible and/or commuter spending accounts.

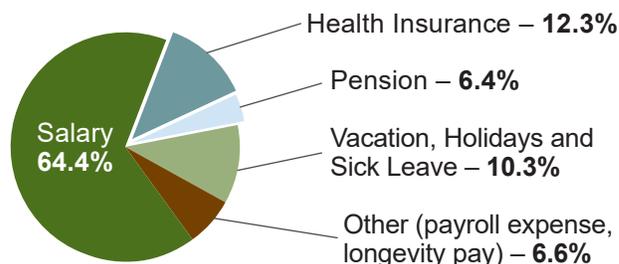
## What are your benefits worth?

For the average state employee, the State of Texas benefits package makes up more than one-third of his or her total compensation.

**Average state employee total compensation = \$72,205**

- \$46,475 in salary
- \$25,730 in benefits

Employers and employees say that the benefits are a major draw to state employment.



Source: [Texas State Auditor's Office, A Report on State Employee Benefits as a Percentage of Total Compensation, April 2018](#)

# Benefits checklist

## Within 31 days of your hire

Enroll yourself and your eligible dependents in optional coverage. You cannot enroll your dependents in any coverage that you're not enrolled in.

### Dental insurance – coverage for you and your family

- DeltaCare® USA dental health maintenance organization (DHMO) or
- State of Texas Dental Choice Plan<sup>SM</sup> preferred provider organization (PPO)

### Vision insurance – coverage for you and your family

- State of Texas Vision<sup>SM</sup>

### Optional Term Life Insurance – coverage for yourself

- Coverage at 1 or 2 times your annual salary
- Coverage of 3 or 4 times your annual salary, through evidence of insurability (EOI)

### Voluntary Accidental Death & Dismemberment (AD&D) Insurance – coverage for you and your family

- \$10,000 - \$200,000 for yourself
- Eligible dependents enrolled at a percentage of your covered amount

### Dependent Term Life Insurance – coverage for your family

- Coverage for eligible dependents

### Texas Income Protection Plan (TIPP) – coverage for yourself

- Short-term disability insurance
- Long-term disability insurance

### Certain TexFlex accounts

For information on health-related flexible spending accounts, please see the TexFlex entry under “Within 60 days of your hire.”

- Dependent day care flexible spending account  
**Note:** Your dependent does not need to be enrolled in your health insurance for you to set up this account and submit claims.
- Commuter spending accounts for mass transit and/or parking expenses associated with your commute to work.

## Within 60 days of your hire

### Health insurance

Change your health insurance from HealthSelect of Texas to another plan, if you are a full-time employee subject to a health insurance waiting period. Enroll your eligible dependents in coverage. Enroll yourself and your eligible dependents, if you are a part-time employee.

- HealthSelect of Texas (dependents and part-time employees are not automatically enrolled) or
- Consumer Directed HealthSelect<sup>SM</sup> or
- An HMO, if you live or work in an eligible county or
- Opt out of health coverage if you have other group health insurance that is comparable to the Texas Employees Group Benefits Program (GBP) health insurance  
**Note:** If you opt out, you can get a Health Insurance Opt-Out Credit to apply toward premiums for dental, vision, and/or AD&D insurance.
- Waive health coverage
- Enroll eligible dependents.
- Complete dependent child certification and begin dependent verification. You and your dependents must be enrolled in the same plan.
- Certify tobacco-use status for yourself and any covered dependents.

### TexFlex flexible spending accounts for health-related expenses

- Health care flexible spending account (not available to Consumer Directed HealthSelect participants)
- Limited flexible spending account (available only to Consumer Directed HealthSelect participants)

## At any time

### TexaSaver voluntary retirement savings account(s)

- Enroll in a 457 plan
- Increase or change your 401(k) and/or 457 plan savings contribution
- Opt out of your 401(k) account

### Add and update beneficiaries for:

- Life insurance
- TexaSaver
- ERS Retirement



**Please Note:** After your first 31 or 60 days of employment, you can make benefits changes only during Summer Enrollment unless you have a qualifying life event (QLE) — for example, you get married or divorced or you have a child. However, you must make benefit changes within 31 days of that QLE.



**IMPORTANT: No questions asked for 31 days**

If you want optional life insurance coverage and disability insurance, now is the best time to sign up. If you sign up within your first month of employment, you will not need to provide evidence of insurability (EOI). EOI (also known as proof of good health) is an application process during which you must provide information about your or your dependents' health. If you wait, you run the risk of not qualifying for these benefits based on those EOI results. Don't miss your 31-day window of opportunity! (Please note that optional life insurance at three or four times your annual salary always requires EOI, even in your first month of employment.)

## Dependent coverage and eligibility



Your spouse and other eligible dependents can get health insurance and other coverage for an additional premium. However, you must enroll in a plan before you can enroll your dependents in that plan.

Your dependents must meet certain criteria to be eligible. Please see the dependent eligibility chart on page 6. You can also go online at <https://ers.texas.gov/Benefits-at-a-Glance/GBP-Eligibility> to learn more about who qualifies for insurance coverage.

### Certifying dependent children

If you enroll a child or children through your ERS OnLine account, you will have to certify each one before you submit your enrollment elections.

If you enroll your children with help from your benefits coordinator/human resources department or the HHS Employee Service Center, you must fill out, sign and return the Dependent Child Certification form. Get the form from:

- your benefits coordinator/HR department or the HHS Employee Service Center or
- <https://ers.texas.gov/Active-Employees/Forms/>. Scroll down until you see the link to the Dependent Child Certification form. You can fill it out online and print it, or you can print it and write the information in ink.

Whether you certify your children online or with a paper form, the certification is legally binding. If you submit false information, you could lose your benefits and so could your dependents. If you intentionally provide false information, you may face criminal penalties.

### Verifying all dependents enrolled in health insurance

Once ERS processes your dependents' enrollment in health coverage, a third-party administrator called Alight Solutions will contact you. ERS works with Alight Solutions to verify that dependents are eligible to participate in GBP plans. Alight Solutions will mail you a letter that outlines the steps in the verification process. The letter will list the names of the dependents being verified, the documents needed to do so and your deadline for sending those documents.

**Important: If you get a letter from Alight Solutions, open it right away!** Be sure to carefully review all the information and **keep the deadline** in mind. If you don't send the right documents or send documents after the deadline, your dependents may be found ineligible and dropped from all coverage. However, you will have another opportunity to prove your dependent's eligibility by providing documents to ERS during Summer Enrollment. You should get your Summer Enrollment guide in your mailbox in June or July.

If you have questions about verifying your dependents, call Alight Solutions toll-free at (800) 987-6605 (TTY: 711).

**Please note:** If both you and your spouse work for the State of Texas and enroll in separate GBP health plans, each of you will have a separate total out-of-pocket maximum, and if applicable to your plan, a separate annual deductible. Consider enrolling your dependents in coverage under the member who is more likely to meet the total out-of-pocket maximums. For more information on out-of-pocket maximums and deductibles, see pages 30 and 31.

## Dependent eligibility chart

Make sure your dependents are eligible for insurance and that you have the appropriate documentation to show eligibility before you enroll them in any coverage. If you are unable to supply the documents listed below, please contact Alight Solutions Customer Service.

**NOTE:** You must provide a birth certificate to enroll a newborn child. Alight Solutions will accept a hospital-issued birth certificate for a child age three months or younger.

Dependent of the Participant (employee, retiree or other individual enrolled in program as recognized by Texas law)	Eligibility	Examples of Supporting Documents (these documents are required)
<b>Spouse</b>	Spouse as recognized by law	<ul style="list-style-type: none"> <li>• Government-issued marriage certificate AND</li> <li>• Current federal tax return OR</li> <li>• Proof of joint ownership** issued within last six months OR</li> <li>• Government-issued marriage certificate only (if married in the last 12 months)</li> </ul>
<b>Common Law Spouse</b>	Spouse as recognized by law	<ul style="list-style-type: none"> <li>• Declaration of informal marriage with the county courthouse AND</li> <li>• Current federal tax return OR</li> <li>• Proof of joint ownership** issued within last six months</li> </ul>
<b>Biological Child*</b>	Natural-born child	<ul style="list-style-type: none"> <li>• Government-issued birth certificate (see note above)</li> </ul>
<b>Adopted Child*</b>	Child is eligible at time of placement.	<ul style="list-style-type: none"> <li>• Adoption certificate OR</li> <li>• Adoption placement agreement AND</li> <li>• Petition for adoption</li> </ul>
<b>Stepchild*</b>	Child is not required to live in participant's household.	<ul style="list-style-type: none"> <li>• Government-issued marriage certificate OR</li> <li>• Declaration of informal marriage with the county courthouse AND</li> <li>• Child's government-issued birth certificate AND</li> <li>• Current federal tax return OR</li> <li>• Proof of joint ownership** issued within last six months</li> </ul>
<b>Child of Managing Conservator*</b>	Child is identified in the managing conservatorship granted to the participant.	<ul style="list-style-type: none"> <li>• Managing conservatorship court document signed by judge</li> </ul>
<b>Foster Child*</b>	Child must not have other governmental insurance.	<ul style="list-style-type: none"> <li>• Placement order AND</li> <li>• Affidavit of foster child</li> </ul>
<b>Legal Ward Child*</b>	Child is under the protection or in the custody of the participant.	<ul style="list-style-type: none"> <li>• Court order signed by a judge appointing participant as the child's guardian (documentation of legal custody) AND</li> <li>• Government-issued birth certificate</li> </ul>
<b>Other Child*</b>	<p>Child is related to participant by blood or marriage, was claimed as dependent on participant's federal income tax return for previous tax year, and will continue to be claimed on participant's federal income tax return for every calendar year the child is covered.</p> <p>A child who is acquired or born in the current calendar year will be claimed and continue to be claimed on participant's federal income tax return for every calendar year the child is covered.</p>	<ul style="list-style-type: none"> <li>• Government-issued birth certificate (see note above) OR</li> <li>• Government-issued marriage license to prove family relationship AND</li> <li>• Current federal tax return OR</li> <li>• Affidavit of good cause</li> </ul>

\*Child must be under age 26 for health insurance, and can be married or unmarried. Child must be under age 26 and unmarried for dental coverage, State of Texas Vision and Dependent Term Life Insurance. Disabled dependent children age 26 and over may be eligible for insurance. For more information, visit <https://www.ers.texas.gov/Active-Employees/Life-Changes/Children/Disabled-Dependent-Child>.

\*\*See the Documentation Requirements in the communications Alight Solutions sends you for examples of Joint Ownership documents. False information could lead to expulsion from the GBP and/or criminal prosecution.

# Understand your health plan options

Choosing the right health insurance for yourself and your family is an important decision. You have a responsibility to understand how the benefits you select could affect your family's health and finances.

As a State of Texas agency employee not enrolled in Medicare, you have options when it comes to health insurance. You can choose HealthSelect of Texas or Consumer Directed HealthSelect. Depending on what county you live or work in, you may decide to enroll in one of the health maintenance organizations (HMOs): Community First Health Plans in the San Antonio area and Scott and White Health Plan in central Texas.

All the health plans are network-based. This means you'll save money—sometimes a lot of money—if you go to doctors and other providers in the plan's network. The two HealthSelect plans have a large network of more than 50,000 primary care providers (PCPs), specialists, hospitals and other providers. The HMOs have smaller networks that are limited to certain counties.

All plans require cost-sharing. You and the State of Texas, as your employer, both pay for coverage and care. The state pays 100% of the monthly premium for eligible full-time employees and 50% of the premium for their eligible dependents. The state pays 50% of the premium for eligible part-time employees and 25% of the premium for their eligible dependents.

You may also pay out of pocket for some of your care—through copays, coinsurance, deductibles for prescriptions, and in some cases, deductibles for medical care. How much you pay out of pocket depends on the plan you choose and, once you're enrolled, the providers you see. With the Consumer Directed HealthSelect high-deductible plan, you could have much higher upfront, out-of-pocket costs. However, this plan also gives you the chance to save money tax-free in a health savings account (HSA) for health care costs and includes a monthly contribution from the state to your HSA for eligible employees. The HSA is portable, meaning you keep the account and all the funds in it if you leave state employment. In addition, you don't have to use the money during the plan year—you can save it as long as you want and use it when you decide to.

Which plan is best for you and your family? The table on the next page shows features of each plan. You can also use the online decision tool at <https://healthselect.bcbstx.com/content/healthselect-plans/index>. Part-time premium information is on page 30.



## Set up an ERS OnLine account

With an ERS OnLine account, you can check your coverage, update contact information and do other benefits-related activities at any time of the day or night, without having to call or visit ERS. Follow these steps to set up an account:

1. Go to <https://www.ers.texas.gov/account-login>.
2. Click on Register Now.
3. Enter your information and create a username and password.

Because you are a new employee, your benefits coordinator will likely enroll you and your dependents in the coverage you choose. However, with your ERS OnLine account, you will be able to update your elections on your own during the next Summer Enrollment period.

Don't forget to update your ERS OnLine account if you move or have other life changes.

In addition to creating your account, you can sign up for ERS news and updates at <https://www.ers.texas.gov/subscribe>.



## Health insurance plan features

	Point-of-service plan	High-deductible plan with HSA	HMOs	
	HealthSelect of Texas	Consumer Directed HealthSelect	Community First Health Plans	Scott and White Health Plan
<b>Key advantage(s)</b>	<ul style="list-style-type: none"> <li>• Low out-of-pocket costs for in-network care</li> <li>• Copays for certain in-network services, like PCP office visits</li> <li>• Large, statewide network (large, nationwide network for those who live or work outside Texas)</li> </ul>	<ul style="list-style-type: none"> <li>• Health savings account (HSA), with monthly contributions from the state to help pay for current or future health costs</li> <li>• Can reduce your taxable income by contributing funds pre-tax to your HSA</li> <li>• Large statewide network (large nationwide network for those who live or work outside Texas)</li> <li>• Referrals not required</li> </ul>	<ul style="list-style-type: none"> <li>• Low out-of-pocket costs for in-network care</li> <li>• Lower monthly premiums for dependents and part-time employees</li> </ul>	
<b>In-network preventive care covered at 100%</b>	Yes	Yes	Yes	
<b>Prescription drug coverage</b>	Yes	Yes	Yes	
<b>Key downside(s)</b>	<ul style="list-style-type: none"> <li>• Referrals needed for most specialty care (unless your address on file with ERS is outside Texas)</li> <li>• Higher monthly premiums for dependents and part-time employees</li> </ul>	<ul style="list-style-type: none"> <li>• The plan pays nothing until the deductible is met</li> <li>• Must meet IRS guidelines to participate in the HSA</li> </ul>	<ul style="list-style-type: none"> <li>• Limited regional network</li> <li>• Plan pays nothing for out-of-network care (except emergencies)</li> </ul>	
<b>Might be good for people who ...</b>	<ul style="list-style-type: none"> <li>• Want to keep their out-of-pocket costs low</li> <li>• Don't mind getting referrals for specialty care</li> <li>• Are willing to pay higher dependent or part-time employee premiums</li> </ul>	<ul style="list-style-type: none"> <li>• Usually have low (or very high) health expenses</li> <li>• Can afford to pay for medical and pharmacy expenses out of pocket until the deductible is met</li> <li>• Want the state's tax-free HSA contribution</li> <li>• Don't want to get referrals for specialty care</li> </ul>	<ul style="list-style-type: none"> <li>• Want to keep their out-of-pocket costs low</li> <li>• Don't mind getting all non-emergency care from a small, regional network</li> <li>• Want to pay lower dependent or part-time employee premiums</li> </ul>	

### What is the GBP?

Employees of State of Texas agencies and many higher education institutions can participate in the Texas Employees Group Benefits Program (GBP). Created by the 72nd Legislature, the GBP offers insurance and other related benefits that help State of Texas employees and their families live healthy, financially secure lives.

### You are a member of the GBP while you're employed at:

- a state agency,
- a Texas public institution of higher education that is not part of the University of Texas or Texas A&M University systems,
- Community Supervision and Corrections Department (CSCD),
- Teacher Retirement System of Texas (TRS),
- Windham School District,
- Texas Municipal Retirement System (TMRS) or
- Texas County and District Retirement System (TCDRS).

# HealthSelect of Texas and Consumer Directed HealthSelect

No matter where you live, you can choose between HealthSelect of Texas and Consumer Directed HealthSelect. With both plans, you have access to a provider network of more than 50,000 providers. Both plans include a comprehensive prescription drug program administered by OptumRx.

## HealthSelect<sup>of Texas</sup>

### Key features of HealthSelect of Texas:

- You do not have to meet an annual medical deductible if your provider is in the HealthSelect network. If you get care outside the network, you will have to meet a \$500 annual deductible per person, with a maximum annual deductible of \$1,500 per family.
- You have prescription drug coverage through a plan administered by OptumRx. You will have to meet a \$50 per person deductible before the plan begins to pay for prescription drugs. This deductible resets at the beginning of each calendar year. (The plan year for health benefits and premiums follows the state's fiscal year calendar – September through August.)
- You are responsible for copays and/or coinsurance for doctor and hospital visits and other medical services, such as outpatient surgery and high-tech radiology.
- To keep your costs as low as possible, you need to choose a primary care provider (PCP) on file with BCBSTX and get referrals from your PCP to see in-network specialists. If you do not have a referral from your PCP on file with BCBSTX before you get treatment from a specialist, you could pay more for your treatment, even if the provider is in the HealthSelect network.

### You do not need a referral for:

- eye exams (both routine and diagnostic),
- OB-GYN visits,
- mental health counseling,
- chiropractic visits,
- occupational therapy, speech therapy and physical therapy,
- virtual visits\* for medical or mental health care and
- urgent care centers and convenience care clinics.

\*Virtual visits for medical care are covered at no cost for HealthSelect of Texas participants. Virtual visits for mental health care have the same benefit as an in-network mental health office visit—a \$25 copay.



### Jennica Preston Benefits Coordinator

#### Seeing results with Real Appeal

When Jennica Preston joined Real Appeal two years ago, she wanted to lose the weight she had gained while pregnant with her now 10-year-old son. Preston, a human resources specialist

at the Railroad Commission of Texas (RRC), wasn't happy with the woman she saw in her mirror.

"I'd always been petite and small," says Preston, who

was enthusiastic about the Real Appeal approach from the beginning. "Real Appeal motivated me to make the right choices," she said. "Right off the bat, I went cold turkey and stopped eating fast food and sodas. I started using my husband's workout equipment to get exercise at home. A few times each week, I walked the twelve flights of stairs to my office."

Preston's commitment paid off. In less than six months, she lost 32 pounds. Today, she is 64 pounds lighter and delighted with the results of her lifestyle change. "I'm thrilled to be getting back to the person I really am."

Preston is also eager to help others as they seek to become healthier—and happier. She recently agreed to become the new wellness coordinator at the Texas RRC and is excited to "have an opportunity to help my colleagues by sharing the benefits of getting and staying fit."

Consumer Directed HealthSelect is a high-deductible health plan paired with a tax-free health savings account (HSA). The high deductible means you could have higher out-of-pocket costs before your health plan begins to pay for prescription drugs or any care, except preventive care. This plan is available only to those not enrolled in Medicare.

### Key features of Consumer Directed HealthSelect:

- You do not need to designate a PCP or get referrals to specialists.
- The monthly dependent premium is lower than HealthSelect of Texas, but you pay the full cost of doctor visits, prescriptions, hospital stays and any other non-preventive health services or products until you have reached the annual deductible. (See deductible amounts below.)
- You get a monthly health savings account (HSA) contribution from the state to help pay for eligible medical costs. (See information on HSAs on page 10.)
- You have prescription drug coverage through a plan administered by OptumRx.
- After you meet the deductible, you pay coinsurance (20% in network, 40% out of network) for medical services and prescriptions, rather than a copay.
- Your deductible and total out-of-pocket maximums for individual and family coverage reset on January 1. (The plan year for premiums and health benefits follows the state’s fiscal year calendar – September through August.)

2019 and 2020 Deductible (includes prescriptions)	Individual Coverage	Family Coverage
NOTE: Deductibles are based on the calendar year and reset on January 1.		
In-network	\$2,100	\$4,200
Out-of-network	\$4,200	\$8,400



Up close

### Eileen Eiden Understanding this newer health plan option

When Eileen Eiden joined Austin Community College in 2014, a high-deductible health plan (HDHP) wasn’t among her health plan options. “I was surprised, and I kept asking when ERS would offer a high-deductible plan,” Eiden recalled.

Two years later, when ERS began offering Consumer Directed HealthSelect, Eiden promptly signed up and found this HDHP with a Health Savings Account (HSA) to be a good fit for her.

An HDHP “is perfect for healthy adults, especially if you see a doctor only once a year. Your in-network preventive care is fully covered, with no copay or coinsurance,” Eiden explained. Then, there is the HSA. “It’s like a 401(k), but for health.”

The State of Texas contributes money to the HSA every month, when a Consumer Directed HealthSelect member opens an HSA with Optum Bank. Plus, members can contribute pre-tax money. HSA funds are tax-free when spent on eligible health care expenses (even in retirement).

And, if you should leave your job or retire, the money in your account—even the portion contributed by the state—is yours to keep. In time, the funds in an HSA can accumulate with contributions, earned interest and investment earnings. None of this growth is taxed when spent on eligible health care expenses.

Eiden acknowledged that plans like Consumer Directed HealthSelect might be risky for people who don’t have enough cash to cover the plan’s annual high deductible, which includes both covered pharmacy and medical costs. After the deductible is met, the member pays 20% coinsurance (not copays) for in-network health care services and prescription drugs. If you haven’t saved enough in your HSA to meet the deductible, you could be faced with a financial challenge.

“What scared me the most was the possibility that I wouldn’t be able to pay for my medical care,” Eiden stated. “Once I started adding money to my HSA, that was no longer an issue.”

# Health savings account (HSA)

## Available only with Consumer Directed HealthSelect

An HSA allows you to set money aside, tax-free, and use the funds to pay for eligible out-of-pocket health expenses anytime, even in retirement.

- You can use your HSA funds for qualified medical expenses for yourself, your spouse and eligible dependents – even if they're not covered under your health insurance. The Internal Revenue Service (IRS) defines qualified medical expenses. Visit <http://www.hsacenter.com/what-is-an-hsa/qualified-medical-expenses/> for more information.
- To help cover your out-of-pocket health costs, the state makes a monthly contribution to the HSA of every eligible member enrolled in Consumer Directed HealthSelect. You are not eligible to make or receive any contributions to an HSA if you are enrolled in Medicare. Contributions—both from the state and a member's paycheck (optional)—are typically deposited between the 7th and the 10th business day of the month. To learn more about HSA eligibility, visit <https://www.optumbank.com/all-products/hsa/hsa-eligibility.html>
- You can make pre-tax contributions to your HSA through payroll deductions. The IRS sets the maximum contribution amount each year. See the table below for maximum contributions.
- All the money in your HSA carries over from one year to the next—there is no use-it-or-lose-it rule—and you can keep the funds if you change health plans or even leave state employment.

## Contribute yearly for TRIPLE TAX SAVINGS



1. Contribute money into the account (tax-free).
2. Pay for medical expenses (tax-free).
3. Earn interest yearly on the account (tax-free).

## HSA contributions and maximums\*

	Calendar Year 2019 January 1 – December 31, 2019		Calendar Year 2020 January 1 – December 31, 2020	
	Individual Account	Family Account**	Individual Account	Family Account**
<b>Annual total contribution allowed from all sources***</b>	\$3,500	\$7,000	\$3,550	\$7,100
<b>Annual state contribution</b>	\$540 (\$45 monthly)	\$1,080 (\$90 monthly)	\$540 (\$45 monthly)	\$1,080 (\$90 monthly)
<b>Annual maximum participant contribution</b>	\$2,960	\$5,920	\$3,010	\$6,020

\*HSA contributions and limits may change from year to year. They may also change based on eligibility requirements and the participant's age. Maximums are set by the IRS and include both pre-tax and post-tax contributions to an HSA. Contributions are based on the calendar year, and maximums reset on January 1.

\*\*A family account includes the member plus any number of dependents enrolled in Consumer Directed HealthSelect.

\*\*\* An additional \$1,000 annual "catch-up" contribution is allowed for an accountholder who is age 55 or older by the end of the calendar year.



## Go online

Enrolling in Consumer Directed HealthSelect? Decide if you want to make payroll deductions, then open your HSA ASAP!

If you enroll in Consumer Directed HealthSelect and want to contribute to your HSA via payroll deduction, you must elect your payroll deductions through your ERS Online account – or your agency’s benefits coordinator can do it for you. (You don’t have to contribute to your HSA with payroll deductions, but it’s a convenient and consistent way to make pre-tax contributions.)

Open your HSA as soon as possible so the state’s monthly contributions and any other funds can be deposited into your account. Deposits are funded monthly, around the 15th of the month. Optum Bank manages the ERS HSA program. Even if you don’t plan to make pre-tax HSA contributions, you must open an Optum Bank HSA in order to get the state’s contributions. You can go to <http://optumbank.com/texasers> to open an account, or to get an application mailed to you, call Optum Bank toll-free at (800) 791-9361, (TTY: 711). Once you open the account, Optum Bank will send you a debit card to pay for eligible health expenses. You will have access only to the amount of money that has accumulated in your HSA, not any funds that you have pledged to deposit.



## Please note!

You can opt out of health insurance coverage—and get credit.

If you can certify that you already have health insurance that is equal to or better than that offered through ERS, you can sign up for a monthly Health Insurance Opt-Out Credit of up to \$60 for full-time employees and \$30 for part-time employees.

- The credit helps pay your dental, vision and/or Voluntary Accidental Death & Dismemberment insurance premiums.
- The credit is not available if your only other insurance is Medicare, you have health insurance coverage through ERS as a dependent or you get a state contribution for other insurance coverage.

**Important:** If you opt out of an ERS health plan, you give up your prescription drug coverage and will no longer have Basic Term Life Insurance that includes AD&D coverage.

If you lose your other coverage, you can enroll in one of the health insurance plans offered through ERS. Losing coverage is a qualifying life event, and you will have 31 days after losing your other plan to enroll in an ERS health plan.



## You must certify—whether you use tobacco or not

If you enroll in GBP health insurance, you must certify your and any covered dependent’s status as tobacco users or non-users. A tobacco user is a person who has used any tobacco product five or more times within the past three consecutive months. If you or any of your dependents use tobacco and enroll in an ERS health plan, you will have to pay a higher premium.

**Note:** You need to certify your status only once, unless your status changes. This online certification is legally binding. If you and your dependents don’t certify your status, you will be charged a monthly tobacco-user premium, whether you use tobacco or not.

## Ready to quit?

All health plans offered through ERS cover programs and prescription drugs that will help you quit. If you remain tobacco-free for three consecutive months, you can re-certify as a tobacco non-user and you will no longer have to pay the higher premiums.

## Alternative to paying the Tobacco User Premium

If you are a tobacco user, you may qualify for an alternative to the Tobacco User Premium, if it complies with your doctor’s recommendations. For more information, see the ERS tobacco policy on ERS website at <https://ers.texas.gov/About-ERS/Policies/Tobacco-Policy-and-Certification> or contact ERS toll-free at (877) 275-4377.

## Improve your health and lifestyle!

The tobacco cessation program is only one of the programs and tools your state benefits package offers to help you get healthier. Visit your health plan’s website to find out more about the wellness programs available to you.

# Health maintenance organizations (HMOs)



If you live or work in an eligible county, you may decide to enroll in an HMO. These regional plans have smaller networks than the HealthSelect plans, but they cover most of the same care and services as the HealthSelect plans and have different dependent premiums.

- You must use providers (such as doctors and hospitals) in the HMO network for your services to be covered, unless the HMO has authorized out-of-network treatment. Only emergency care services are covered outside the network without authorization.
- HMOs have their own prescription drug coverage. The annual \$50-per-person drug deductible and out-of-pocket maximums reset on September 1.

HMO Plan	Service Area	Counties
<b>Community First Health Plans</b>	San Antonio area	Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina and Wilson
<b>Scott and White Health Plan</b>	Central Texas	Austin, Bastrop, Bell, Bosque, Brazos, Burleson, Burnet, Coryell, Falls, Freestone, Grimes, Hamilton, Hill, Lampasas, Lee, Leon, Limestone, Llano, Madison, McLennan, Menard, Milam, Mills, Robertson, San Saba, Somervell, Travis, Walker, Waller, Washington and Williamson



## Please note:

- You must select a primary care provider (PCP) if you enroll in HealthSelect of Texas or the Community First Health Plans HMO. If you don't choose a PCP, you may end up paying more—possibly a lot more—for services.
- You do not need to designate a PCP if you enroll in Consumer Directed HealthSelect or Scott and White Health Plan, or if you're enrolled in HealthSelect of Texas and your address on file with ERS is outside Texas.
- If you are in HealthSelect of Texas and need to see a specialist (that is, someone other than your PCP,) you will need to have a referral from your PCP to the specialist on file with BCBSTX to receive in-network benefits.

## Prescription drug coverage

Your health insurance plan includes coverage for prescription drugs. If you are enrolled in HealthSelect of Texas or Consumer Directed HealthSelect, you will get separate ID cards for medical (Blue Cross and Blue Shield of Texas) and prescription drug (OptumRx) coverage. HMOs have their own prescription plans and will send just one ID card for both medical and prescription coverage. You may need to present your card when filling a prescription.

Prescription drugs fall into three categories, called tiers, with different copays for each tier.

- Tier 1 prescriptions are usually inexpensive medications, such as generic drugs.
- Tier 2 prescriptions are usually lower-cost preferred brand-name drugs.
- Tier 3 prescriptions are non-preferred brand-name drugs with a high cost.

To find out which pharmacies you can use under each plan, visit the plan website.

## Prescription drug coverage comparison chart

	HealthSelect of Texas	Consumer Directed HealthSelect	HMOs
<b>Deductible</b>	\$50 for each covered individual. (January 1 - December 31)	\$2,100 per individual \$4,200 per family (combined medical and pharmacy expenses) using in-network pharmacies. (January 1 - December 31)	\$50 for each covered individual. (September 1 - August 31)
<b>Copays: In-network</b>	Up to a 30-day supply of <b>Non-maintenance medications:</b> Tier 1: \$10, Tier 2: \$35, Tier 3: \$60 <b>Maintenance medications*:</b> Tier 1: \$10, Tier 2: \$45, Tier 3: \$75	20% coinsurance after the annual deductible is met.	Up to a 30-day supply of <b>Non-maintenance medications:</b> Tier 1: \$10, Tier 2: \$35, Tier 3: \$60 <b>Maintenance medications*:</b> Tier 1: \$10, Tier 2: \$45, Tier 3: \$75
<b>Extended Days Supply (EDS)** In-Network</b>	<b>90-day supply:</b> Tier 1: \$30, Tier 2: \$105, Tier 3: \$180	20% coinsurance after the annual deductible is met.	<b>90-day supply:</b> Tier 1: \$30, Tier 2: \$105, Tier 3: \$180
<b>Copays: Out-of-network</b>	Copay plus 40% coinsurance for all three tiers.	40% coinsurance after the annual out-of-network deductible is met.	There is no out-of-network pharmacy coverage for HMOs
<b>Mail order</b>	Yes	Yes	Yes
<b>Brand-name drug penalty</b>	If a generic drug is available and you choose the brand-name drug, you will pay the Tier 1 copay or coinsurance, as applicable, plus the difference in cost to the plan between the brand-name drug and the generic drug.		

\*There is a retail maintenance fee - an additional charge - for filling a 30-day supply or less of maintenance medications, which are prescriptions you take regularly.

\*\*An Extended Days Supply (EDS) means a pharmacy can dispense up to a 90-day supply of maintenance prescription drugs at one time.

## Additional information

### Total out-of-pocket maximums

To help protect you from extremely high health costs, all GBP health plans have in-network out-of-pocket maximums. This is the maximum amount you or your family will pay in one year for in-network copays, coinsurance and deductibles (as applicable) for covered medical and prescription drugs. If you reach this maximum, the plan will pay 100% of covered in-network health and pharmacy expenses for the rest of the year. (There is no out-of-pocket maximum for out-of-network services in any of the health plans.)

The total out-of-pocket maximums for HealthSelect plans reset every calendar year (January 1), while the HMOs reset every plan year (September 1). The chart to the right lists the total out-of-pocket maximums for the health plans.

In-network Out-of-pocket Maximums All Plans	
<b>2019</b>	
HMOs: through Aug. 31, 2019	\$6,650 individual
HealthSelect: through Dec. 31, 2019	\$13,300 family*
<b>2020</b>	
HMOs: Sept. 1, 2019 – Aug. 31, 2020	\$6,750 individual
HealthSelect: Jan. 1 – Dec. 31, 2020	\$13,500 family*

\*Family includes the member plus one or more covered family member(s).



### Please Note:

If you are a return-to-work retiree, you can switch between retiree and active benefits by contacting your agency's benefits coordinator or human resources office. If you are a Health and Human Services Enterprise employee, please contact the HHS Enterprise Employee Service Center.



## The Texas Employees Group Benefits Program (GBP) offers a full menu of scientifically based health and wellness programs for state employees, retirees and their families:

- Health assessments
- Diabetes management
- Exercise
- Heart health
- Nutrition
- Tobacco cessation
- Weight management
- Stress management
- Disease management
- Healthy pregnancy

### Get physical!

Did you know that even moderate exercise helps prevent or delay disease and disabilities? Be sure to warm up before exercising. Stretch your muscles slowly. Try a little slow walking and light arm pumping. When doing endurance activities that make you sweat, drink plenty of liquids, especially water or drinks that contain electrolytes. Avoid holding your breath while exercising.

Source: [www.seniors.gov](http://www.seniors.gov)

## Programs for a healthy life

# HealthSelect<sup>®</sup> of Texas<sup>®</sup>

### Participants can:

- Get support for managing chronic conditions like diabetes, heart failure, coronary artery disease (CAD), asthma and chronic obstructive pulmonary disease (COPD).
- Enroll in health coaching programs for physical activity, stress, nutrition, weight management and tobacco cessation.
- Get clinical support making informed choices about treatment options or services related to coronary disease, chronic back pain, hip or knee replacement, benign prostate disease, prostate and breast cancer, benign uterine condition, endometriosis and fibroids.
- Enroll in one of two online weight management programs, Naturally Slim and Real Appeal. Both programs feature interactive components and user-friendly resources.

natura)(y)slim<sup>®</sup>

Real Appeal<sup>®</sup>

### Online health and wellness tools

Go to [healthselectoftexas.com](http://healthselectoftexas.com) and click the Log In button to go to your personal Blue Access for Members<sup>SM</sup> account. On Blue Access for Members, you can do any or all of the following to help improve or maintain your healthy habits:

- Take the online health assessment to identify your personal health needs and learn healthy habits. Then take your personal health report to your PCP.
- Use wellness trackers to help you stay on target with your goals. Trackers are available for stress management, tobacco usage, nutrition and more.
- Sync your fitness device such as a Fitbit or Jawbone and see activity minutes, miles traveled and calories burned on the dashboard.
- Learn about our wellness incentive program called BluePoints<sup>SM</sup> and begin earning points by engaging in healthy activities to purchase merchandise from the online shopping mall.
- Use interactive tools like the symptom checker.
- Get telephone coaching support.
- Download mobile apps like the BCBSTX app, Centered and AlwaysOn<sup>SM</sup>.
- View your and your family's claims history.
- Chat with a Personal Health Assistant.

### Health and wellness discounts

Save money on health and wellness products and services from top retailers that are not covered by insurance. There are no claims to file and no referrals or prior authorizations required. Visit [healthselectoftexas.com](http://healthselectoftexas.com) and click Health and Wellness/Incentives, then click Blue 365.



## When do my insurance benefits start?

### First day of employment

Coverage for your optional benefits—dental, vision, optional life insurance elections 1 and 2, dependent life, AD&D, TIPP disability insurance, and TexFlex dependent care flexible spending account and/or commuter spending account—could begin right away if you enroll on your first day.

### First of the month following your date of hire

If you don't enroll in optional benefits on your first day, but within 31 days of your hire date, coverage begins on the first day of the month after you added the coverage.

Important note: For optional life insurance elections 3 and 4, coverage begins when you are approved through evidence of insurability (EOI). Learn more about EOI on page 19.

### First of the month after 60 days of employment

Health insurance coverage, prescription drug coverage and, if you elect it, a TexFlex health or limited flexible spending account become active on the first day of the month following your 60th day of employment. If your 60th day of employment falls on the first of the month, the coverage begins on that day. For example, if you are hired on March 2, your 60th day will be May 1. Your health coverage, prescription drug coverage and TexFlex health or limited flexible spending account become active on May 1—you don't have to wait until June 1.

This waiting period does not apply to your medical coverage, prescription drug coverage and TexFlex health care or limited account if you:

- transferred from one GBP agency or higher education institution to another GBP agency or institution without a break in GBP health coverage,
- transferred from the University of Texas or Texas A&M University system without a break in health coverage,
- are a return-to-work retiree enrolled in GBP health coverage as a retiree,
- are enrolled in GBP health coverage as a dependent on the date of hire or rehire,
- are enrolled in GBP health coverage in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) on the date of hire or rehire or
- were rehired on or after September 1, 2015 and returned to employment at the same state agency within 90 days of leaving active military duty.

If you are in one of the categories above, please notify your HR department within 31 days to start receiving your health benefits. For those starting mid-month, coverage under your new employer begins the first of the next month.

If you do not have a waiting period, you will have 31 days to make health coverage changes. Those changes will begin the first day of the next month. However, if you transferred as an employee from one GBP entity to another with no break in service, start your job on the first day of the month and change your health coverage that day, the change takes place immediately.

# Dental insurance



For an additional premium, you may enroll in one of the following two dental plans.

You must enroll in a dental plan before you can add dependents, and your dependents must be enrolled in the same plan as you.

## State of Texas Dental Choice Plan<sup>SM</sup>

This is a preferred provider organization (PPO) dental insurance plan. You can see any provider, but you will pay less if you go to a dentist in one of the two Delta Dental networks:

- Delta Dental PPO
- Delta Premier

Dentists of both the Delta Premier and Delta Dental PPO are in-network providers.

You will get the same coverage in either network, but you may pay less for covered services in the Delta Dental PPO network. Delta Premier dentists can charge higher rates for the same coverage.

Benefits are available in the United States, Canada and Mexico if you live in the United States.



## DeltaCare USA dental HMO

This is a dental health maintenance organization (DHMO) dental insurance plan.

- Coverage applies only to dentists in the Texas service area. Before you enroll, make sure there is a DHMO network dentist in your area who is accepting new patients. For a list of providers, visit <https://www.ERSdentalplans.com> or call at (888) 818-7925 (TTY: 711).
- You must choose a primary care dentist (PCD) from a list of approved providers. You and your enrolled dependents can choose different PCDs.
- Services from participating specialty dentists cost 25% less than the dentists' usual charge.

DeltaCare<sup>®</sup> USA



### Go online

Find a list of providers for the State of Texas Dental Choice Plan or DeltaCare<sup>®</sup> USA DMHO at <https://www.ERSdentalplans.com> or by calling Delta Dental, toll-free, at (888) 818-7925 (TTY: 711), Monday – Friday from 8 a.m. to 7 p.m. CT.

## Dental plans comparison chart

	DeltaCare USA DHMO	State of Texas Dental Choice Plan <sup>SM</sup> PPO	
<b>Dentists</b>	You must select a primary care dentist (PCD). NOTE: Not all participating dentists accept new patients. Dentists are not required to stay on the plan for the entire year.	In-network / participating dentist	Out-of-network / non-participating dentist <sup>1</sup>
<b>Deductibles</b>	None	Preventive: Individual-\$0; Family-\$0 Combined Basic/Major: Individual-\$50; Family-\$150 Orthodontic services: no deductible	Preventive: Individual-\$50; Family-\$150 Combined Basic/Major: Individual-\$100; Family-\$300 Orthodontic services: no deductible
<b>Copays/ coinsurance</b>	PCD: Copays vary according to service and are listed in the "Schedule of Dental Benefits" booklet. Specialty dentistry: 75% of the dentist's usual and customary fee. DHMO pays nothing <sup>2</sup>	Preventive and Diagnostic Services: No charge. Basic Services: 10% coinsurance after meeting the Basic Services deductible. Major Services: 50% coinsurance after meeting the Major Services deductible. There is no charge for anything over the allowed amount. Once the Maximum Calendar Year Benefit is reached, the participant pays 60% until January 1.	Preventive and Diagnostic Services: 10% coinsurance after meeting the Preventive and Diagnostic deductible. Basic Services: 30% coinsurance after meeting the Basic Services deductible. Major Services: 60% coinsurance after meeting the Major Services deductible. Participants may be required to pay the difference between the allowed amount and billed charges. Once the Maximum Calendar Year Benefit is reached, the participant pays 100% until January 1.
<b>Maximum calendar year benefits</b>	Unlimited	\$2,000 per covered individual (includes orthodontic extractions)	\$2,000 per covered individual (includes orthodontic extractions)
<b>Maximum lifetime benefit</b>	Unlimited	\$2,000 per covered individual for orthodontic services	\$2,000 per covered individual for orthodontic services
<b>Average cost of cleaning / oral exams</b>	Vary according to service and are listed in the "Schedule of Dental Benefits" booklet. Up to two cleaning/oral exams per calendar year allowed.	No charge. Up to two cleaning/oral exams per calendar year allowed.	10% of the allowed amount after deductible is met. Up to two cleaning/oral exams per calendar year allowed.
<b>Orthodontic coverage</b>	Orthodontic services performed by a general dentist listed in the directory with an "0" treatment code: child - \$1,800; adult- \$2,100. Orthodontic services performed by specialist: 75% of the usual fee. DHMO pays nothing.	50% of the allowed amount.	50% of the allowed amount. Participants may be required to pay the difference between the allowed amount and billed charges.

**NOTE:** The comparison chart is a summary of the benefits offered by the two dental insurance plans. See plan booklet for actual coverage and limitations. Prior to starting treatment, discuss with your dentist the treatment plan and all charges.

<sup>1</sup>In the State of Texas Dental Choice Plan PPO, deductibles and annual maximums are per calendar year. Non-participating dentists can bill for charges above the amount covered by Delta Dental. Visit a participating dentist to ensure you do not receive additional charges.

<sup>2</sup>This comparison chart reflects participant responsibility for services received from participating primary care dentists only. Services from participating specialty dentists are 25% less than the dentist's usual charge.

### Smart benefits

The days of physical ID cards have given way to the smartphone. To save on administrative costs, active employees who enroll in dental insurance will not get ID cards from the plan. Instead, you can download a digital card to your smartphone.

Dentists who participate in the Delta Dental networks should not require ID cards. If you want a card, however, you can download and print a paper copy of your dental insurance information from your Delta Dental online account.

If you don't have a smartphone or a means of printing your information, call Delta Dental toll-free at (888) 818-7925 (TTY: 711), Monday – Friday from 8 a.m. to 7 p.m. CT and they will mail a card to you.

# Vision Plan



Your health plan covers some vision and eye health services, including an annual eye exam and treatment for eye diseases.

Most GBP health plans do not cover the cost for eyeglasses or contact lenses. If you need that kind of coverage, you and your eligible dependents can enroll in State of Texas Vision for an additional monthly premium. For a set copay amount, State of Texas Vision offers an eye exam, contact lens fitting and other options (such as single-vision lenses or ultraviolet coating). State of Texas Vision offers an allowance on the cost of eyeglasses or contact lenses, as well as discounts for LASIK. For a complete list of plan benefits and a list of providers, visit <https://www.stateoftexasvision.com>.

## Vision coverage comparison chart

	State of Texas Vision	HealthSelect of Texas	Consumer Directed HealthSelect	Community First HMO	Scott & White HMO
<b>Routine eye exam</b>	\$15 copay	\$40 copay <sup>1</sup>	20% coinsurance <sup>2</sup>	\$40 copay	\$40 copay
<b>Frames</b>	\$150 retail allowance	Not covered	Not covered	\$125 retail allowance <sup>3</sup>	Not covered
<b>Standard contact lens fitting</b>	\$25 copay	Not covered	Not covered	\$125 allowance <sup>4</sup>	Not covered
<b>Specialty contact lens fitting</b>	\$35 copay	Not covered	Not covered	Not covered	Not covered
<b>Single-vision lenses</b>	\$10 copay	Not covered	Not covered	100% covered	Not covered
<b>Bifocal lenses</b>	\$15 copay	Not covered	Not covered	100% covered	Not covered
<b>Trifocal lenses</b>	\$20 copay	Not covered	Not covered	100% covered	Not covered
<b>Progressives</b>	\$70 copay	Not covered	Not covered	Not covered	Not covered
<b>Polycarbonate</b>	\$50 copay	Not covered	Not covered	Not covered	Not covered
<b>Scratch coat</b> (factory, single sided)	\$20 copay	Not covered	Not covered	Not covered	Not covered
<b>Ultraviolet coating</b>	\$10 copay	Not covered	Not covered	Not covered	Not covered
<b>Tint</b>	\$10 copay	Not covered	Not covered	Not covered	Not covered
<b>Standard anti-reflective coating</b>	\$40 copay	Not covered	Not covered	Not covered	Not covered
<b>Contact lenses<sup>4</sup></b>	\$150 allowance	Not covered	Not covered	\$125 allowance	Not covered

All benefits listed are available annually, unless indicated, using network providers.

<sup>1</sup>This is for providers only in the HealthSelect of Texas network. Benefits differ for non-network providers and the HealthSelect Secondary plan. See your health plan materials for details.

<sup>2</sup>After the deductible is met, you will pay 20% coinsurance for network providers only (40% coinsurance for non-network providers).

<sup>3</sup>Cost savings when using OptiCare vision providers. Frame discounts are not available if the frame manufacturer prohibits the discount.

<sup>4</sup>Contact lenses are in lieu of eyeglass lenses and frames benefits. The \$125 allowance is reduced when it's also used toward a contact lens fitting.

All costs and allowances are retail; you are responsible for any charges in excess of the retail allowances.

**Note:** Besides the eye exam, any additional vision offerings through the health plans are value-added benefits. ERS does not guarantee the length of time that a specific value-added product will be offered.

# Life and AD&D insurance

## Optional Term Life Insurance



Your health coverage through ERS includes \$5,000 Basic Group Term Life insurance with \$5,000 of Accidental Death & Dismemberment (AD&D) coverage at no cost. You can purchase additional life insurance coverage in increments based on your annual salary. Optional Term Life Insurance, in addition to the life insurance benefit included with your health coverage, is administered by Securian.

If you choose **Optional Term Life Election 1 or 2** (one or two times your annual salary) during your first 31 days of employment, you will not have to apply through evidence of insurability (EOI). If you do not sign up as a new employee, you can apply when you have a qualifying life event or during Summer Enrollment, but you will have to apply through EOI and coverage is not guaranteed.

You can apply for **Optional Term Life Election 3 or 4** (three or four times your annual salary) up to \$400,000. You will have to apply through EOI, a process that requires you to provide information about your health. Coverage is not guaranteed; you may not be approved for benefits based on the information included in your EOI.

Each Optional Term Life election provides an equal amount of additional Accidental Death & Dismemberment (AD&D) coverage.

Securian's website at <https://web1.lifebenefits.com/sites/lbwem/ers> can help you decide how much life insurance coverage you might need.

Premiums and coverage amounts for each plan year (September 1 – August 31) will be based on the salary reported to ERS on September 1 of that plan year. Your monthly premiums for Optional Term Life Insurance will depend on your age, salary and level of coverage each plan year. Please see the fourth page of the Active Employee Benefits Summary (<https://web1.lifebenefits.com/public/lbwem/F75102-3%20Actives%20Summary%2012-5-2018.pdf>) to calculate your premiums using the easy-to-follow instructions, or see page 32 of this guide.

## Go online

### Designate your beneficiaries

Although you aren't required to do so in your first month, it's a good idea to designate your beneficiaries for your State of Texas Retirement active retirement account balance, life insurance and Texa\$aver accounts as soon as you can.

You can find instructions on how to designate your beneficiaries for each at <https://www.ers.texas.gov/About-ERS/Update-Your-Beneficiaries>.

## Dependent Term Life Insurance

For an additional premium, you can enroll your eligible dependents in term life insurance. The plan includes \$5,000 term life with \$5,000 AD&D for each covered dependent. You will get the life insurance benefit when your covered dependents die. You will get the AD&D benefit when they die or are injured in an accident. One monthly premium covers all your eligible dependents, but all eligible dependents must be named under the coverage.



If you do not sign up as a new employee, you can apply for this insurance when you have a qualifying life event (QLE) or during Summer Enrollment, but you will have to supply EOI and coverage is not guaranteed.

You can add a new spouse within 31 days after getting married or enroll a newborn child in Dependent Term Life Insurance within 31 days of birth without supplying EOI.

You can update your beneficiaries at any time. Go to <https://www.ers.texas.gov/Beneficiary-Designation> for step-by-step instructions.

## First 31 days: No questions asked

If you want additional life insurance coverage and disability insurance, now is the best time to sign up because you will not have to provide evidence of insurability (EOI) for Optional Term Life Election 1 or 2. EOI is an application process during which you must provide information about your or your dependents' health. Don't miss your 31-day window of opportunity! If you wait, you run the risk of not enrolling in these benefits based on EOI results.

## Voluntary Accidental Death & Dismemberment (AD&D) Insurance

Voluntary AD&D coverage can provide additional financial support when there is an accidental injury or death. You can choose insurance in increments of \$5,000, starting at \$10,000 up to \$200,000. You will not have to provide EOI for AD&D Insurance. Securian administers your AD&D and voluntary AD&D insurance benefit.

You can sign up for coverage for yourself only, or for yourself and your eligible dependents.

Coverage includes the following:

- If you die as the direct result of an accidental bodily injury, your beneficiaries will receive the full amount of your coverage.
- Enrolled family members are covered at partial benefit levels. Your spouse is covered at 50% of your enrolled amount. Eligible children are covered at a lower percentage, which is reduced if your spouse is alive at the time of your child's death.
- If you have an accident and suffer any of the covered injuries, such as loss of a hand, a foot or sight of one eye, you will receive a percentage of the full amount of your coverage.
- If an eligible family member loses a hand, a foot, or sight of one or both eyes in an accident, you receive a percentage of the benefit if you have coverage for that family member.



## Disability insurance

The Texas Income Protection Plan<sup>SM</sup> (TIPP) provides you with money to help pay your bills if an accident or other health-related condition makes it impossible for you to work.

- Short-term disability coverage provides a maximum benefit of 66% of your monthly salary or \$6,600 monthly, whichever is less, for up to five months (a maximum of 150 days). For example, if your monthly salary is \$4,000, the highest amount you'll get for short-term disability is \$2,640 per month.
- Long-term disability coverage provides a maximum benefit of 60% of your monthly salary or \$6,000 monthly, whichever is less, from 12 months until normal Social Security retirement age, depending on your age at the time of disability. (Note: For some mental diseases and disorders, the maximum benefit period for disability is two years.)

Pre-existing conditions are subject to certain exclusions. (see <https://reedgrouptipp.com/forms-users-guide.html> for more information).

You must use all of your sick leave (including extended sick leave, donated sick leave and sick leave pool) or complete a waiting period (30 days for short-term; 180 days for long-term), whichever option is longest, before disability payments will be paid. You are not required to use your vacation time.

TIPP coverage is not available for family members.

TIPP disability insurance coverage is administered by ReedGroup. EOI for short-and long-term disability coverage is managed by Guardian Life Insurance.

If you do not sign up as a new employee, you can apply for this insurance when you have a qualifying life event (QLE) or during Summer Enrollment, but you will have to supply EOI and coverage is not guaranteed.

If you are eligible for Workers' Compensation payments and/or State of Texas Disability Retirement, your long-term disability payments may be reduced. The minimum benefit is 10% of your monthly salary. Please review the plan documents before applying for TIPP disability insurance.

## TIPP coverage overview

Coverage Details	Short-term Disability Coverage	Long-term Disability Coverage
<b>Monthly benefits</b>	66% of your monthly salary (up to \$10,000) or \$6,600 monthly, whichever is less	60% of your monthly salary (up to \$10,000) or \$6,000 monthly, whichever is less
<b>When do benefits start?</b>	After a waiting period of 30 consecutive days or after you've used all your sick leave (whichever is longer); sick leave can be used during the 30-day waiting period	After a waiting period of 180 consecutive days or after you've used all your sick leave (whichever is longer); sick leave can be used during the 180-day waiting period
<b>How long are benefits paid?</b>	Up to five months after the completion of your waiting period	Until you are able to return to work or until you reach your Maximum Benefits Period (based on the age you become disabled) or based on the condition causing your disability

Note: TIPP benefits are reduced if you get other disability payments. The minimum benefit is 10% of your monthly salary.

### Thomas Barker-White Statewide intake supervisor

For 20 years, Thomas Barker-White has worked for the Texas Department of Family and Protective Services (DFPS), currently as a statewide intake supervisor overseeing a staff of nine.

Barker-White and his wife, Lutishia, a former state employee, value their ERS-administered health and retirement benefits.

They set aside money for retirement through Texa\$aver to prepare for their future. They believe it is a good benefit for employees who don't trust their own judgment with investments.

But five years ago, the most important benefit became short-term and long-term disability insurance.

In 2011, Lutishia became disabled due to arthritis and related injuries. Her disability insurance payments made up for a portion of the income she lost when she could no longer work.

As a result, the couple was able to manage their finances without any substantial changes.

Having both short-term and long-term disability insurance made a huge difference by providing the financial support the couple needed when one of them could no longer work, says Barker-White.

"I know people who work in the private sector who do not have access to disability insurance through their employer. They can buy it on their own, but the premium is not as reasonable as what we have as state employees."



Barker-White appreciates that the state covers the full cost of the employee's health insurance premium. It's another valuable benefit that makes working for the state attractive, he says.

"Having good insurance coverage is so important. You may never need it (and I hope you don't), but if you do, you are probably REALLY going to need it. Life can come at you quick, so it's best to cover all your bases."

# TEXFLEX<sup>SM</sup>

TexFlex flexible spending accounts (FSAs) and commuter spending account (CSAs) allow you to set aside money from your paycheck, pre-tax, to pay for eligible health, dependent day care and commuting expenses. This lowers your taxable income and helps you pay less in federal income taxes.

TexFlex contributions are automatically withdrawn from your paycheck and deposited in your account each month. Before you enroll, you may want to use the tools in the Program Resources section of the TexFlex website (<https://texflex.spendingaccounts.info/>) to figure out how much to contribute to each account.

When you set aside money from your paycheck for eligible expenses you know you will have between September 1 and August 31—such as prescription drugs, medical costs and an eligible dependent’s day care—you can save on income taxes. For example, an employee with \$50,000 in net pay who contributes \$5,000 to a dependent day care FSA could save \$1,200 in taxes (see below). FSAs are regulated by the federal Internal Revenue Service (IRS). The IRS sets deadlines for when you must use the money in your FSAs. If you don’t spend your FSA money by those deadlines, you could lose that money.

## Your Estimated Tax Savings

Without dependent day care FSA		With dependent day care FSA	
Net annual pay before tax*	\$50,000	Net annual pay before tax*	\$50,000
Federal taxes paid (24% tax rate)	\$(12,000)	Maximum annual dependent day care FSA Contribution	\$(5,000)
Net pay after tax	\$38,000	Net pay after FSA contribution	\$45,000
Annual dependent day care expenses	\$(5,000)	Federal taxes paid (24% tax rate)	\$(10,800)
Net annual pay after tax	\$33,000	Net annual pay after tax	<b>\$34,200</b>
Take home this much more with a dependent day care FSA			<b>\$1,200</b>

All figures in this table are estimates. Your salary, tax rate and dependent day care expenses, and tax savings may be different.

\*Net annual pay is pay after other tax-free payroll deductions, including 9.5% pension contribution and any health care dependent premium.

Once your health care, limited or dependent day care account is set up, you will be able to change your TexFlex contribution only during Summer Enrollment, unless you have a qualifying life event during the plan year. If you do not make a change during Summer Enrollment, your contributions will stay the same in the next plan year.

This restriction does not apply to the commuter spending accounts. You can make changes to your commuter spending account elections at any time.

The following chart shows how each type of TexFlex account can be used and the rules that apply. Please make sure you understand the uses and rules for each account before enrolling.

### How to pay with TexFlex

If you have a **TexFlex health care or limited FSA** or a parking or transit CSA, you will get a debit card that you can use to pay eligible expenses – such as a prescription, a dentist visit or bus fare – at the time of service. For the health care FSA, limited FSA and parking CSA, you

can choose not to use the debit card and instead submit a claim for reimbursement online or by mail or fax. **You must use the debit card for transit CSA expenses.**

If you have a **TexFlex dependent day care account**, you must submit a claim for reimbursement after the eligible services have been provided. **You cannot use a TexFlex debit card to pay dependent day care expenses.**

If you submit a claim for reimbursement online or by mail or fax, TexFlex will deposit the funds directly into your bank account or mail you a check.

### Keep your receipts

Because TexFlex accounts are tax-free, the IRS requires all purchases with TexFlex funds to be validated.

WageWorks, the TexFlex plan administrator, may ask you to submit proof that you used your TexFlex funds to pay for eligible expenses. Please be sure to **SAVE YOUR RECEIPTS**. If you cannot provide a receipt for eligible services paid with your TexFlex debit card, WageWorks might ask you to reimburse your account for the funds.

## FSA and CSA highlights

	Health care FSA (not available to Consumer Directed HealthSelect members)	Limited FSA (for Consumer Directed HealthSelect members only)	Dependent care FSA	Parking CSA	Transit CSA
<b>Eligible Expenses</b> (For a complete list, see the plan website.)	<ul style="list-style-type: none"> <li>Copays, coinsurance and other medically necessary charges</li> <li>Prescription drug deductible</li> </ul>	Vision and dental expenses not covered by insurance	<ul style="list-style-type: none"> <li>Day care, after-school care and summer day camp for dependent children under age 13</li> <li>Adult custodial care programs for qualifying individuals</li> </ul>	Eligible parking expenses	Eligible transit expenses
<b>Maximum contribution for Plan Year 2020</b>	\$2,700 per participant, per fiscal year	\$2,700 per participant, per fiscal year	\$5,000 per household, per fiscal year	\$265 per month	\$265 per month
<b>Funds availability</b>	All pledged funds are available after 60-day waiting period that also applies to health coverage**	All pledged funds are available after 60-day waiting period that also applies to health coverage**	Funds available monthly as contributions are made	Funds available monthly as contributions are made	
<b>Debit card (no fee)</b>	Yes	Yes	No	Yes	Yes
<b>Carryover of funds or grace period</b>	Carry over up to \$500 after end of plan year (Aug. 31)	Carry over up to \$500 after end of plan year (Aug. 31)	Grace period (extra time to incur expenses under previous plan year's account) from Sept. 1 to Nov. 15.	Funds can be used as long as the participant is actively employed. Every month, any balance greater than \$3 rolls over to the next month and is subject to the \$3 monthly administrative fee. Any amount less than \$3 is forfeited.	
<b>Runout period</b>	Submit claims incurred in the previous plan year by Dec. 31.	Submit claims incurred in the previous plan year by Dec. 31.	Submit claims incurred in the previous plan year and/or grace period by Dec. 31.	Funds can be used as long as the participant is actively employed. If participants leave state employment or retire, they have until the last day of employment to use the TexFlex debit card. Participants have 180 days from the date they incurred a parking expense to submit the claim to WageWorks	Participants must use debit card to pay transit expenses through the last date of employment, and may not submit manual claims.

Participants who contribute money to a TexFlex commuter spending account can make changes to their monthly election amount or dis-enroll at any time during the plan year. A \$3 monthly administrative fee is deducted from either a parking account, a transit account, or for both accounts combined. Transit account participants must use the debit card to access funds. Manual claims (on paper, by fax or online) are not accepted for transit expenses.

\*\*Starting September 1, 2019, new employees enrolled in the TexFlex health or limited flexible spending account must wait 60 days before both their health coverage and spending accounts become active.

### Please note:



If you enroll in Consumer Directed HealthSelect, you cannot enroll in a health care FSA. But you can enroll in a limited FSA. You can use the limited FSA for eligible out-of-pocket dental and vision expenses only. General health care expenses that are eligible under a health care FSA – such as doctor visits and prescription medicines – are NOT eligible under a limited FSA. Visit <https://texflex.spendingaccounts.info/downloads/Limited-FSA-Fact-Sheet.pdf> for more information.



## Serena Lopez Information specialist

As a benefits educator at ERS, Serena Lopez helps active employees and retirees understand which benefits options are right for them. For this mother of three, TexFlex makes sense.

“With three growing boys, I know I’m going to spend money on health and dependent care throughout the year,” she says. “TexFlex allows me to put aside money tax-free for those expenses and lowers my taxable income.”

“My kids seem to get sick like clockwork in November, just when I’m starting to make my holiday shopping list. That’s when I’m glad I have my TexFlex health care flexible spending account to pay for doctor visits and medicine. By setting aside a certain amount from my paycheck each month, I know the money will be there when I need it.”

“With the dependent care flexible spending account, I don’t have to wait for the tax benefit at the end of the year. I can set aside up to \$5,000 pre-tax each year, which is \$2,000 more than the federal child care credit. That means more money in your pocket!”

# State of Texas Retirement

As a state employee, you will contribute a portion of your salary each month into a State of Texas Retirement account that ERS manages and invests for you. Your contributions begin the month you start working for the state. The State of Texas retirement program is a **401(a) defined benefit retirement plan**.

In a defined benefit plan, employees must contribute a percentage of their salary (currently 9.5%) to the ERS retirement fund. The state currently also contributes an amount equal to 9.5% of your salary. Your agency or institution currently contributes an additional 0.5% to the fund. (The Texas Legislature decides the percentage of salary each employee is required to contribute to the ERS Retirement Trust Fund.)

Employees sometimes ask if they can opt out of or contribute less to their State of Texas Retirement. The answer is no. Defined benefit plans are designed with the understanding that all employees will participate and contribute a set amount. Employees cannot take out loans and cannot transfer or withdraw money from the ERS retirement fund while they are employed by the state.

If you leave state employment, you can keep your retirement contributions where they are or move them to another retirement account. You can also request a refund. You will receive the amount you contributed plus

interest, minus taxes. You should consult a tax advisor to learn if you might face any tax penalty for withdrawing the funds before a certain age.

Defined benefit plans are also different than 401(k)s and many other workplace retirement plans because they pay a lifetime benefit after retirement. If you do not withdraw your funds, when you become eligible to retire you will get a monthly payment (called an annuity) for the rest of your life. (Plans like 401(k)s provide a benefit only until the account runs out of money.) **Today, the average state retiree has 22 years of service and gets a lifetime monthly annuity payment of more than \$1,600.**

Your retirement eligibility and benefits depend on when you were hired, your years and months of service (service credit), and your highest average salary over the course of your state career. Your eligibility to retire also depends on your age, in years and months. If you are a part-time employee, a year of service counts the same as a year of service for a full-time employee. Retirement eligibility and benefits are different for law enforcement and custodial officers, elected state officials, district attorneys and judges.

For information about your State of Texas Retirement, including annuity calculators, your minimum retirement age and retirement benefits, go to <https://www.ers.texas.gov/Active-Employees/Retirement/State-of-Texas-Retirement>.

## Health insurance in retirement

GBP retiree insurance is currently available to retirees with at least 10 years of service at a state agency or higher education institution participating in the GBP. A retiree who meets this requirement is eligible for GBP retiree health insurance benefits at age 65 or after meeting the Rule of 80. You meet the Rule of 80 when the sum of your age and service credit – in both months and years -- equal or exceed 80.

For retirees eligible for GBP health insurance, state contribution levels vary depending on years of service. For more information on health insurance in retirement, go to <https://www.ers.texas.gov/Retirees/Health-Benefits-for-retirees>.

**As with all GBP benefits, health insurance for retirees is subject to change without notice. The Texas Legislature sets the level of funding for such benefits and has no continuing obligation to provide those benefits beyond each fiscal year.**

## State of Texas Disability Retirement for regular state employees, certified peace officers (CPOs) and custodial officers (COs)

If you become disabled, you may be eligible for retirement and insurance benefits sooner than your normal retirement age. The ERS Medical Board must certify that the disability is likely to be permanent and prevents you from continuing your state job or any other occupation offering comparable pay. ERS has two retirement eligibility plans for disability: nonoccupational and occupational. Occupational disability retirement applies to regular state employees, CPOs and COs who become injured or disabled due to a specific event\* occurring on the job, have at least one month of ERS or creditable state service, and meet certain other criteria.

If ERS approves your disability retirement, you are eligible for:

- a monthly retirement payment based on your age at retirement (reduced if you have nonoccupational disability retirement) and
- retiree health insurance through the GBP.

\*Injury must be solely from an extremely dangerous risk or severe physical or mental trauma or disease uncommon to the public, or peculiar and inherent in a dangerous duty arising from the nature and in the course of the member's state employment.

## Service credit

### Military service

After you have made your first full retirement contribution to ERS, you can purchase up to 60 months of your active duty U.S. military service without paying interest. If you wait to purchase military service after your first year of employment, you will be charged 10% interest for every year you wait.

You must have at least five years of ERS service before you can use purchased military service to determine eligibility for service retirement or non-occupational disability retirement benefits.

You cannot purchase active duty military service if you are eligible for military retirement based on 20 or more years of active military duty or if you received a dishonorable discharge from the military.

### Waiting period

State employees hired from September 1, 2003 through August 31, 2015 contributed to the ERS retirement fund after they had been working for 90 days. If you started working for the state during this period, you can buy credits for this waiting period.

### Withdrawn (refunded) ERS service credit

When you leave state employment and withdraw your ERS retirement account, you no longer have service credit for the time you worked. If you return to state employment, you may buy back withdrawn ERS service when at least six months have passed since the date of your withdrawal.

If you are a non-contributing member of ERS – meaning you have a retirement account balance with ERS, but are no longer employed by a state agency and are not getting a State of Texas Retirement annuity – you may also buy back withdrawn ERS service.

Please note: There are different retirement groups, based on hire date, with different eligibility rules and benefit levels. If your withdrawn ERS service is from before September 1, 2013, buying it back will not put you back in the ERS retirement group you were in before you withdrew the service.

### Additional Service Credit (ASC)

You can buy up to three years of additional service credit if you:

- are an active employee,
- have purchased all other service credit available to you and
- have at least 10 years of actual ERS service credit (not counting military service).

The cost of ASC is based on actuarial factors such as your age, years of service and salary. It tends to be more expensive than withdrawn and military service.

## You can purchase service credit:

- with a lump-sum payment (check or money order),
- through a rollover from your traditional Texa\$aver account that is not the self-directed brokerage account provided by Charles Schwab & Co. Inc. or
- from other fund sources such as individual retirement accounts (IRAs).

Learn more about purchasing service credit by visiting <https://www.ers.texas.gov/Active-Employees/Retirement/Service-Credit-for-State-of-Texas-Retirement/>.

## Service from other Texas retirement systems

The following Texas retirement systems are part of the Proportionate Retirement Program (PRP):

- City of Austin Employees' Retirement System
- City of Austin Police Retirement System
- El Paso City Employees' Pension Fund
- El Paso Firemen & Policemen's Pension Fund
- Employees Retirement System of Texas
- Judicial Retirement System of Texas Plan 1
- Judicial Retirement System of Texas Plan 2
- Teacher Retirement System of Texas (TRS)
- Texas County and District Retirement System (TCDRS)
- Texas Municipal Retirement System (TMRS)

As a state employee, you can purchase withdrawn service from any of these systems.

You can combine service from two or more of these systems to become eligible for retirement. When you retire, you will receive a retirement payment from each system based on your service with each system.

For example, if you have at least three years of ERS service credit, you can apply previous TRS service to become eligible for ERS retirement.

Learn more about PRP by visiting [https://www.ers.texas.gov/Active-Employees/Retirement/Service-Credit-for-State-of-Texas-Retirement/Proportionate-Retirement-Program-\(PRP\)](https://www.ers.texas.gov/Active-Employees/Retirement/Service-Credit-for-State-of-Texas-Retirement/Proportionate-Retirement-Program-(PRP))



## Jo Ann Norman

### Continued income ... and continued service

For nearly 17 years, Jo Ann Norman's day job was to guard the women serving time in the Crain Unit in Gatesville, the state women's prison. Although she retired in 1997, Norman continues to watch over and support the women who remain imprisoned at Gatesville. She has led Friday evening prayer services as a volunteer prison minister for close to 20 years.

Some 50 to 100 inmates attend services at one of four different Gatesville units every Friday night. Women of different ages and backgrounds gather in the prison prayer room for two hours of prayer and fellowship.

Her ministry has contributed to Norman's own sense of self-worth, and she tries to build the same self-confidence in the women in her care. "I try to instill in them that they need to build lives on their own."

At age 81, Norman leads an independent and active life. In addition to her ministry, she provides sensitivity training for prison staff members who interact directly with Gatesville inmates. At home, she drives her own John Deere tractor to mow the three acres of grass on her property. "Somebody forgot to tell me I'm supposed to be old!"

Norman says her ERS retirement annuity combined with Social Security have allowed her to live by herself and to avoid having to move in with her children. (She has four children, 10 or 11 grandchildren, and more great-grandchildren than she can keep track of.) She has also been able to provide financial help when a grandchild was diagnosed with cancer.

She herself has had knee surgery. The experience made her especially grateful for the health insurance and prescription drug coverage she receives as an ERS retiree. "I had one of the best knee surgeons in the state. The care I received was tremendous."

Norman acknowledges that, without the support of her ERS benefits, her rich and blessed life would not be possible.

# TexaSaver 401(k) / 457 Program<sup>SM</sup>

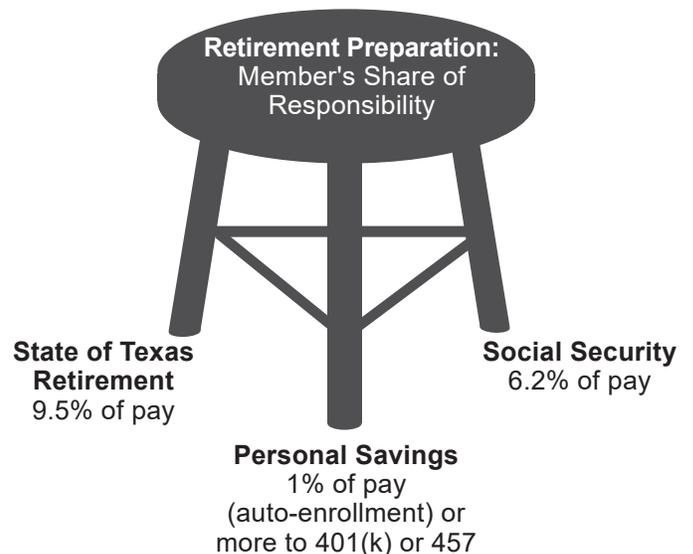
Your monthly State of Texas Retirement annuity will be an important source of income during retirement, but it probably won't replace your full salary as an active employee. In fact, for most retirees, their annuity is about half the salary they earned while working. That's why it's important for you to have other sources of retirement income, such as personal retirement savings. The TexaSaver 401(k) / 457 Program offers the chance to save for retirement through a variety of investment opportunities at lower-than-average fees.

As a new state agency employee, you will automatically be enrolled in a TexaSaver 401(k) account, contributing 1% of your monthly salary to be invested in a target date fund closest to the year you turn 65. Contributions will be deducted from your paycheck automatically—before income taxes are taken out. This reduces your taxable income while helping you save for retirement.

If you don't want to participate in TexaSaver and don't want money taken out of your first paycheck, cancel your auto-enrollment by calling Empower Retirement toll-free at (800) 634-5091 within 30 days of employment and request a refund, which will process within 90 days.

You can increase your contribution if you would like to save more. You can make other changes, including enrolling in a 457 account, stopping contributions or changing how your contributions are invested. You can make these changes at any time during the year—you do not have to wait for an enrollment period.

State employees contribute to the retirement fund while they work and earn a steady monthly benefit in retirement. It is only one part of a financially secure retirement. Because the average state retiree receives a monthly annuity of \$1,676, with no guaranteed cost-of-living adjustments (COLAs), both federal Social Security and personal savings are key components of an employee's retirement income security.



You can keep your TexaSaver account even after you no longer work for the state, and TexaSaver can help you manage your retirement income. Because TexaSaver has lower fees than many other retirements savings plans, you could save money by keeping your TexaSaver account.

Among the things you can do with your TexaSaver account are:

- Purchase state service credit
- Defer unused annual leave when you leave state employment (instead of taking a cash payout, to reduce taxes)
- Consolidate and roll over money from other qualified IRAs, 401(k) or 457 accounts.
- Roll over a payment from your State of Texas Retirement account, if you opt for a partial lump-sum payment upon retirement
- Make periodic (monthly or quarterly) withdrawals\*
- Make partial withdrawals\*
- Withdraw your entire account at once.\*

\*Withdrawals from a traditional 401(k) before age 59½ may be subject to a 10% early distribution penalty tax, above what you will owe in income tax.

## Are you a direct transfer from another state agency?

If so, you may participate in TexaSaver, but you will have to enroll in the program on your own—your contribution is not automatically deducted from your paycheck.

## What is a target date fund?

For many people, one of the hardest parts of saving for retirement is knowing how best to invest their individual account, like a Texa\$aver 401(k) or 457. With a target date fund, you get a professionally managed portfolio in a single investment option – with a mix of investments that changes based on your “target” retirement date. The mix of investments grows more conservative as you approach the target date you when you are expected to start withdrawing your money (generally assumed to be age 65). The principal value of the fund(s) is not guaranteed at any time, including at the time of the target date and/or withdrawal.

Beginning the first month of your employment, 1% of your paycheck will automatically be invested in a LifePath Target Date Fund, but you can change your Texa\$aver investment option at any time.

Depending on your age, contributing \$68 each month into a Texa\$aver account now until age 65 until can grow into a higher monthly payment to yourself in retirement.

Age at which you start contributing \$68 monthly	Gross monthly payment from age 65 to 85, assuming investments yield 6% rate of return
Age 30	\$694
Age 40	\$338
Age 50	\$142
Age 60	\$34

FOR ILLUSTRATIVE PURPOSES ONLY. This is a hypothetical illustration intended to show possible retirement income. It is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes a 6% annual rate of return in both the accumulation and withdrawal phases. Assumes the reinvestment of earnings and that the payee lives 20 years in retirement. Rates of return may vary. Payments (also known as withdrawals or distributions) from a tax-deferred retirement plan may be taxable as ordinary income. The illustration does not take into account the income taxes on payments from a 401(k) or 457 account, or any associated charges, expenses or fees. The hypothetical income shown would be reduced if these fees and/or taxes were deducted.

## Administrative fees for your Texa\$aver account

Administrative fees for new Texa\$aver accounts are waived for six months. At the end of the waiver period, a monthly fee will be deducted from your account based on your account balance.

Account Balance	Monthly Fee Per Participant, Per Account
\$1,000.00 or less	\$0.71
\$1,000.01 to \$16,000.00	\$2.41
\$16,000.01 to \$32,000.00	\$3.62
\$32,000.01 to \$48,000.00	\$4.93
\$48,000.01 to \$64,000.00	\$6.57
\$64,000.01 or more	\$8.22

## Rolling over funds from other retirement accounts to Texa\$aver

Do you have retirement savings accounts from other jobs? You can transfer, or “roll over” money from a qualified prior eligible employer’s 401(k), 401(a), 403(b), or governmental 457 plan into your Texa\$aver 401(k) or 457 account. You can also roll over money from an eligible individual retirement account (IRA). The Texa\$aver 401(k) and 457 plans accept Roth rollovers from other qualified plans as well, but you cannot roll over Roth IRAs to Texa\$aver.

You should discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitation of investment options.



Participants in the GBP are also eligible for discounts on a variety of products and services offered through the Discount Purchase Program, administered by Beneplace. There are no fees or membership requirements. Visit <https://www.ers.texas.gov/Discount-Purchase-Program> for more information.

# Learn more about your State of Texas benefits

## Our website: [www.ers.texas.gov](http://www.ers.texas.gov)

The ERS website has information and tools to help you make the best use of your benefits. Use the Search function to find detailed information on ERS insurance, retirement and related benefits.

## News About Your Benefits

This e-newsletter provides information on available programs, wellness, health care plans and other benefits. You can sign up to receive this and other news by email at [https://service.govdelivery.com/accounts/TXERS/subscriber/new?topic\\_id=TXERS\\_45](https://service.govdelivery.com/accounts/TXERS/subscriber/new?topic_id=TXERS_45).

## Your Statement of Retirement Benefits

After your birthday each year, ERS will send you a personalized statement that shows your earliest retirement date, retirement age and projected annuity. This statement provides important retirement planning information, including benefit estimates and vesting information and you should review it every year. If you are an ERS member, you can also get an estimate of your retirement annuity by signing into your account at <http://www.ers.texas.gov/account-login>.

## Your Texa\$aver quarterly statement

You will get a statement each quarter from Texa\$aver, currently administered by Empower Retirement, detailing your Texa\$aver account balance and investment choices.

## Your annual Personal Benefits Enrollment Statement

Before Summer Enrollment every year, ERS will send you a personalized statement listing your current coverage, costs and choices for the next plan year. You will have the opportunity to make changes each year during Summer Enrollment. You should review this statement even if you do not think you will make any changes.

## Your benefits coordinator

See your agency's benefits coordinator or HR representative for help signing up for and understanding insurance benefits.

## Presentations and events

ERS holds seminars, webinars, fairs and other events throughout the year.

- **Ask ERS webinar:** At certain times throughout the year, you can ask questions and get the latest news from ERS.
- **Ready, Set, Retire!:** Conducted throughout the state and as a webinar, this is a free 90-minute seminar on ERS retirement and the Texa\$aver 401(k) / 457 Program.
- **Medicare Preparation seminars:** Conducted throughout the state and as a webinar, this presentation helps those approaching Medicare eligibility understand enrollment and how Medicare works with state health insurance.
- **Health and wellness:** ERS hosts wellness events and webinars that provide you with the tools you need to take charge of your health.

To see a list of upcoming events or to register, go to <http://www.ers.texas.gov/Event-Calendars/>.

## ERS interactive voice response system

For 24/7 access to automated information on your insurance and retirement benefits, call toll free (877) 275-4377.

## Designate your beneficiaries

It's not required within your first month, but it's a good idea to designate your beneficiaries for life insurance, State of Texas Retirement active retirement account balance, and Texa\$aver account as soon as you can.

- For life insurance and State of Texas Retirement, log in to your ERS Online account. You will need to provide your beneficiaries' Social Security numbers, dates of birth and mailing addresses.
- For Texa\$aver, download a beneficiary designation form from the website at <https://texasaver.com>.

You can find instructions on how to designate your beneficiaries for each at <https://www.ers.texas.gov/About-ERS/Update-Your-Beneficiaries>.

# Monthly premiums

## Full-time employees

	Premium*	State Pays	You Pay
<b>HealthSelect of Texas®</b>			
You Only	\$ 624.82	\$ 624.82	\$ 0.00
You + Spouse	1,340.82	982.82	358.00
You + Children	1,104.22	864.52	239.70
You + Family	1,820.22	1,222.52	597.70
<b>Consumer Directed HealthSelect<sup>SM**</sup></b>			
You Only	\$ 624.82	\$ 624.82	\$ 0.00
You + Spouse	1,305.02	982.82	322.20
You + Children	1,080.24	864.52	215.72
You + Family	1,760.44	1,222.52	537.92
<b>Community First Health Plans</b>			
You Only	\$ 549.62	\$ 549.62	\$ 0.00
You + Spouse	1,179.14	864.38	314.76
You + Children	971.10	760.36	210.74
You + Family	1,600.62	1,075.12	525.50
<b>Scott and White Health Plan</b>			
You Only	\$ 621.98	\$ 621.98	\$ 0.00
You + Spouse	1,334.70	978.34	356.36
You + Children	1,099.18	860.58	238.60
You + Family	1,811.90	1,216.94	594.96

\*Includes premium for Basic Term Life Insurance

\*\*The "State Pays" amount includes a monthly contribution to the member's Optum Bank health savings account (HSA). Please see the Consumer Directed HealthSelect HSA Contribution table on the next page.

## Part-time employees, graduate students/teaching assistants, post-doctoral and adjunct faculty†

	Premium*	State Pays	You Pay
<b>HealthSelect of Texas®</b>			
You Only	\$ 624.82	\$ 312.41	\$ 312.41
You + Spouse	1,340.82	491.41	849.41
You + Children	1,104.22	432.26	671.96
You + Family	1,820.22	611.26	1,208.96
<b>Consumer Directed HealthSelect<sup>SM**</sup></b>			
You Only	\$ 624.82	\$ 312.41	\$ 312.41
You + Spouse	1,305.02	491.41	813.61
You + Children	1,080.24	432.26	647.98
You + Family	1,760.44	611.26	1,149.18
<b>Community First Health Plans</b>			
You Only	\$ 549.62	\$ 274.81	\$ 274.81
You + Spouse	1,179.14	432.19	746.95
You + Children	971.10	380.18	590.92
You + Family	1,600.62	537.56	1,063.06
<b>Scott and White Health Plan</b>			
You Only	\$ 621.98	\$ 310.99	\$ 310.99
You + Spouse	1,334.70	489.17	845.53
You + Children	1,099.18	430.29	668.89
You + Family	1,811.90	608.47	1,203.43

\*Includes premium for Basic Term Life Insurance

\*\*The "State Pays" amount includes a monthly contribution to the member's Optum Bank health savings account (HSA). Please see the Consumer Directed HealthSelect HSA Contribution table on the next page.

†The state does not contribute to the cost of health insurance for adjunct faculty.

## Consumer Directed HealthSelect health savings account (HSA) contribution

	State Pays
You Only	\$ 45 monthly (\$540 annually)
You + Spouse	90 monthly (\$1,080 annually)
You + Children	90 monthly (\$1,080 annually)
You + Family	90 monthly (\$1,080 annually)

An HSA is a tax-free savings account for qualified health expenses. You can receive the "State Pays" HSA contribution if you:

- are enrolled in Consumer Directed HealthSelect,
- are eligible for a portion of your health premium to be paid by the state,
- are not enrolled in Medicare and
- have an HSA with Optum Bank.  
(The state will not contribute to HSAs in other banks.)

## Dental insurance

DeltaCare USA DHMO	Employee/ Retiree	COBRA	COBRA Disability	Surviving Dependents	
You Only	\$ 9.59	\$ 9.78	\$ 14.39	Spouse Only	\$ 9.59
You + Spouse	19.18	19.56	28.77	Spouse + Children	23.02
You + Children	23.02	23.48	34.53	Children Only	13.43
You + Family	32.59	33.24	48.89		

State of Texas Dental Choice Plan	Employee/ Retiree	COBRA	COBRA Disability	Surviving Dependents	
You Only	\$ 27.21	\$ 27.75	\$ 40.82	Spouse Only	\$ 27.21
You + Spouse	54.42	55.51	81.63	Spouse + Children	65.30
You + Children	65.30	66.61	97.95	Children Only	38.09
You + Family	92.51	94.36	138.77		

## State of Texas Vision

	Employee/ Retiree	COBRA	COBRA Disability	Surviving Dependents	
You Only	\$ 5.12	\$ 5.22	\$ 7.68	Spouse Only	\$ 5.12
You + Spouse	10.24	10.44	15.36	Spouse + Children	11.01
You + Children	11.01	11.23	16.52	Children Only	5.89
You + Family	16.13	16.45	24.20		

## Tobacco-user Premium

If you and/or a family member enrolled in medical insurance is certified as a tobacco-user or has not certified as a non-user, you will pay an additional tobacco-user premium of \$30, \$60 or \$90 each month, depending on how many tobacco-users or non-certified family members you cover.

Tobacco-users of Any Age and Adults Who Fail to Certify	Monthly Tobacco-user Premium
Member <u>or</u> Spouse <u>or</u> Children* Only	\$30
Member + Spouse <u>or</u> Member + Children* <u>or</u> Spouse + Children*	\$60
Family (Member + Spouse + Children*)	\$90

*\*The charge for a child is the same regardless of how many children in the household use tobacco or how many covered children age 18 or over are not certified.*

If you are a tobacco user, you may be able to participate in an alternative to the tobacco-user premium, if it is right for your health status and complies with your doctor's recommendations.

Please visit [www.ers.texas.gov/About-ERS/Policies/Tobacco-Policy-and-Certification](http://www.ers.texas.gov/About-ERS/Policies/Tobacco-Policy-and-Certification) for more information.

## Optional Term Life Insurance

Optional Term Life Insurance					
<p>After the first 31 days of employment, Elections 1 and 2 require approval through evidence of insurability (EOI). Elections 3 and 4 always require EOI approval. Beginning at age 70, Optional Term Life coverage is reduced to a percentage of your annual salary as follows:</p> <p>Age 70-74      65%                      Age 75-79      40%                      Age 80-84      25%                      Age 85-89      15%                      Age 90+        10%</p>	Monthly Rate per \$1,000 of Annual Salary				
	Age	Election 1 Annual Salary x 1	Election 2 Annual Salary x 2	Election 3* Annual Salary x 3	Election 4** Annual Salary x 4
	Under 25	\$ 0.05	\$ 0.10	\$ 0.15	\$ 0.20
	25 - 29	0.05	0.10	0.15	0.20
	30 - 34	0.06	0.12	0.18	0.24
	35 - 39	0.06	0.12	0.18	0.24
	40 - 44	0.08	0.16	0.24	0.32
	45 - 49	0.12	0.24	0.36	0.48
	50 - 54	0.19	0.38	0.57	0.76
	55 - 59	0.33	0.66	0.99	1.32
	60 - 64	0.57	1.14	1.71	2.28
	65 - 69	0.93	1.86	2.79	3.72
	70 - 74	1.48	2.96	4.44	5.92
	75 - 79	2.41	4.82	7.23	9.64
80 - 84	3.92	7.84	11.76	15.68	
85 - 89	6.79	13.58	20.37	27.16	
90+	10.57	21.14	31.71	42.28	
<b>Retiree Fixed Optional Life Insurance (\$10,000 policy)</b>					
\$23.40 per month for \$10,000					
<b>Dependent Term Life Insurance</b>					
<b>Employee:</b> \$1.38 per month for \$5,000 (includes \$5,000 AD&D coverage)			<b>Retiree:</b> \$3.05 per month for \$2,500		

## Voluntary Accidental Death & Dismemberment Insurance (AD&D)\*

You may enroll in AD&D coverage according to the following table:				
Age	Minimum Coverage	Maximum Coverage	Minimum Increments	
Under 70	\$ 10,000	\$ 200,000	\$ 5,000	
70-74	6,500	130,000	3,250	
75-79	4,000	80,000	2,000	You Only
80-84	2,500	50,000	1,250	\$0.02 per \$1,000 of coverage
85-89	1,500	30,000	750	
90+	1,000	20,000	500	You + Family \$0.04 per \$1,000 of coverage

## Texas Income Protection Plan (TIPP)\*

Short-term disability	\$0.26 per \$100 of monthly salary
Long-term disability	\$0.63 per \$100 of monthly salary

\*Optional Term Life Insurance at Elections 3 and 4, AD&D, and short-term and long-term disability insurance are not available to retirees.

†Optional Term Life Insurance is limited to a maximum of \$400,000 or four times your annual salary, whichever is less.

# Understanding insurance terms

<b>Balance billing</b>	when a patient owes an out-of-network provider for the difference between amount billed by their provider and the amount paid by the plan, after the member pays any applicable deductibles, copays and/or coinsurance. You cannot be balance billed by an in-network provider.
<b>Copay</b>	a fixed amount you pay for a covered health service, usually at the time you receive the service. For example, HealthSelect of Texas has a \$25 copay per visit to your in-network primary care provider (PCP) for non-preventive care. If you see your PCP for a sore throat, you will pay \$25 before you leave the doctor's office.
<b>Coinsurance</b>	a percentage of the allowable amount for a covered service or product that you are required to pay for covered health care and prescription drug services.
<b>Deductible</b>	the amount you are required to pay for covered health care or prescription drug expenses upfront before your plan begins to pay for any services (except in-network preventive care) each year. If you have a \$500 deductible, for example, you must pay the full cost of the first \$500 of covered services and products yourself. Deductibles for the HealthSelect plans reset on January 1, while deductibles for the HMOs reset on September 1.
<b>Total out-of-pocket maximum</b>	the maximum amount you and your covered dependents must pay for in-network copays, coinsurance and deductibles within a year. These maximums help protect you from catastrophic health costs. All health plans have the same total out-of-pocket maximums for covered in-network health and prescription drug costs. The total out-of-pocket maximums reset on January 1 for HealthSelect of Texas and Consumer Directed HealthSelect. They reset on September 1 for HMOs.
<b>Out-of-pocket coinsurance maximum</b>	the most you are required to pay each year for coinsurance for covered health services. This amount does not include copays. The out-of-pocket coinsurance maximum resets on January 1 for the HealthSelect plans and September 1 for the HMOs.
<b>Evidence of insurability (EOI)</b>	proof of good health, established during an application process for certain types of insurance, such as life insurance. During the process, you provide information about your health.
<b>Monthly premiums</b>	the monthly cost of insurance.
<b>Plan year</b>	for GBP plans, the plan year is September 1 through August 31. However, certain aspects of some of the plans are based on the calendar year (January 1 – December 31).
<b>Third-party administrator (TPA)</b>	the company contracted by ERS to manage certain aspects of many of our benefit plans. For example, Blue Cross and Blue Shield of Texas is the TPA for the HealthSelect of Texas and Consumer Directed HealthSelect medical plans. As such, it manages the provider network, processes claims (ERS pays the claims) and provides customer service. By contracting with TPAs, ERS saves money in administrative costs.

# Tips for saving money in HealthSelect plans

Making the best use of your HealthSelect benefits might require a little extra effort. Learn about your coverage, confirm that providers are in the network, get referrals when needed, and opt for lower-cost drugs and procedures when appropriate. Taking those extra steps will help you save money – sometimes a lot of money – and avoid surprise bills, while getting high-quality care.

## Get care from an in-network provider

**In-network providers** have a contract to provide care at a lower rate negotiated by BCBSTX. So, they typically cost you less than an out-of-network provider. BCBSTX also makes sure they have the credentials to provide appropriate, high-quality care.

**Out-of-network providers** do not have a contract with BCBSTX to accept the lower amount. If you see an out-of-network provider, you may be responsible for the difference between what the plan usually pays (the allowable amount) and what the provider charges, as well as any applicable out-of-network deductibles, coinsurance, and copays.

Call BCBSTX or visit <https://healthselectoftexas.com/> and click on Find a Doctor/Hospital to find in-network providers in your health plan. Call Optum Rx or visit <https://healthselectrx.com> to find in-network pharmacies.

## In HealthSelect of Texas, choose a PCP and get referrals when needed

If you are in HealthSelect of Texas, you need to designate a primary care provider (PCP) on file with BCBSTX and make sure you have your PCP's referral on file with BCBSTX before you see most specialists. Otherwise, your specialist visit will be considered out of network, even if the specialist is in the HealthSelect network. You can verify that a referral is in place by calling BCBSTX or logging in to your Blue Access for Members Account at <https://healthselectoftexas.com>. (Some specialist visits don't require referrals. Find out which on the plan website or by calling BCBSTX.)

## Compare costs before you go

You can find the lowest-cost in-network providers for a number of procedures and services in your area. Get started by logging in to your Blue Access for Members account at <https://healthselectoftexas.com/>, scroll to the bottom of the page and click on the Cost Estimator to compare the

costs of care with different in-network providers. You can also save money on prescriptions by logging in to your OptumRx account at <https://healthselectRx.com/> and using the Drug Pricing Tool to compare a drug's cost across in-network pharmacies, or learn what you could save by using the mail-order pharmacy.

## For doctor visits and procedures (including lab work, surgery, radiology, and others):

- If your doctor orders lab work or imaging, confirm that the lab or imaging center is in your plan's network by calling BCBSTX or visiting the Find a Doctor/Hospital page of <https://healthselectoftexas.com/>
- Find out how much you might owe for a test before you agree to it.

## For care at a facility, surgery center or emergency room:

- If possible, confirm in advance if the facility, surgery center or emergency room is in your health plan's network. Most freestanding emergency rooms not affiliated with a hospital are not in health plans' networks.
- If possible, confirm if everyone who will provide you with services during your procedure or stay is in-network. This includes but is not limited to services for anesthesia, pathology, radiology, surgery and surgical assistants.
- If you have an actual medical emergency, call an ambulance or go to the nearest emergency room.
- If your situation is urgent but not a medical emergency, keep in mind that most urgent medical needs can be treated at an in-network urgent care facility or with a medical virtual visit at a fraction of the cost of an emergency room visit. Learn where to go for care in a variety of situations, at <https://healthselect.bcbstx.com/pdf/publications-and-forms/where-to-go-for-care.pdf>

For more tips on using your health care dollars wisely and avoiding unexpected health care costs, visit <https://www.ers.texas.gov/Avoiding-Unexpected-Health-Costs>

## Know your benefits

Call a BCBSTX Personal Health Assistant toll-free at (800) 252-8039, Monday – Friday 7 a.m. – 7 p.m. and Saturday 7 a.m. – 3 p.m. CT.

BCBSTX Personal Health Assistants are here to help you understand and use your health plan benefits. They can:

- answer questions about benefits,
- assist with prior authorizations and referrals,
- provide information about programs and benefits available to you,
- help you locate an in-network provider,
- explain health care costs and options for care,
- provide you with cost estimates for services,
- schedule or cancel doctor's appointments,
- help you use self-service tools and
- connect you to other resources.

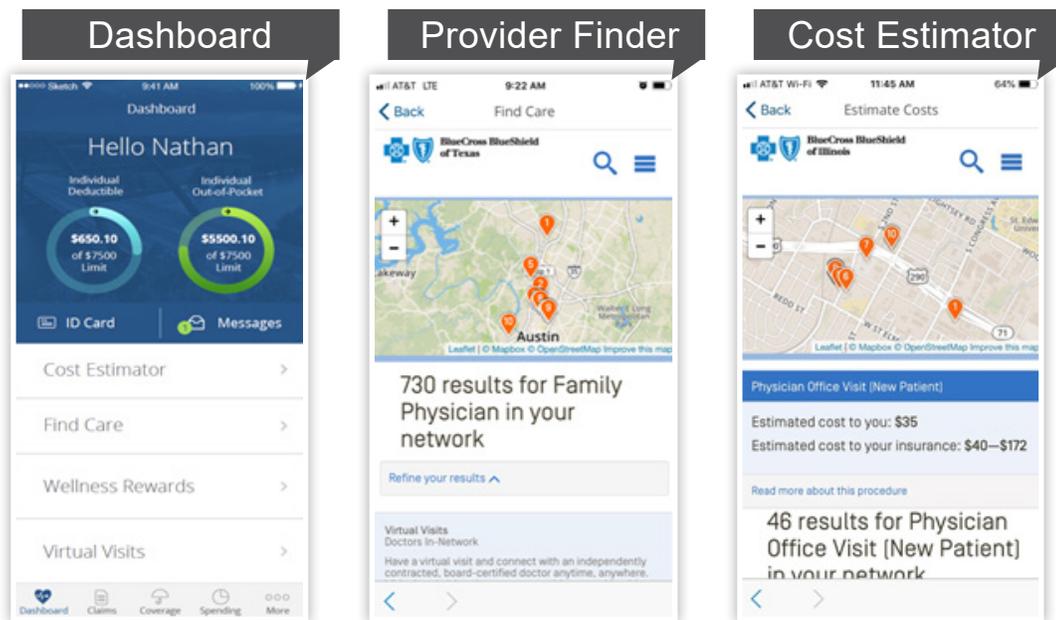
You can also visit <https://www.healthselectoftexas.com> to find out more about your HealthSelect benefits, locate an in-network provider, view claims and explanations of benefits (EOBs), and more!

## Use emergency rooms for emergencies only

Did you know that going to an emergency room costs you more than five times as much as going to urgent care? Did you also know that it can cost the plan 10 times more, sometimes higher? A procedure that costs your health plan \$100 in an urgent care facility can cost more than \$1,000 at an emergency room. Why should you care? When costs for the plan increase, premiums increase. Help keep costs low. If you have a primary care provider, you can often schedule an office visit the same day. Urgent care centers have extended hours for whenever the unexpected occurs. Save money, and save the emergency room visit for life-threatening illnesses and accidents.

## Keep plan information handy with the BCBSTX mobile app

Download the mobile app by texting BCBSTXAPP to the phone number 33633



# Your benefits plans at a glance

The following is a brief overview of the valuable insurance and retirement benefits available to you. For more details about coverage and eligibility, please read the information in this book, visit the ERS website at [www.ers.texas.gov](http://www.ers.texas.gov), or talk to your agency's benefits coordinator or human resources department.

Plan	Administrator / Insurer	Highlights
<b>Medical Plans with Prescription Drug Coverage and Basic Term Life Insurance</b>		
<b>HealthSelect of Texas®</b>	Blue Cross and Blue Shield of Texas	<ul style="list-style-type: none"> <li>• A point-of-service plan that lets you go where you want for care, but saves you money if you use in-network providers.</li> <li>• Large network</li> <li>• Requires you to designate a primary care provider (PCP) and to get referrals to see specialists</li> <li>• Has copays for certain services, like PCP and specialist office visits</li> </ul>
<b>Consumer Directed HealthSelect<sup>SM</sup></b>	Blue Cross and Blue Shield of Texas	<ul style="list-style-type: none"> <li>• High-deductible health plan paired with a tax-free health savings account (HSA, administered by Optum Bank)</li> <li>• Large network</li> <li>• Upfront payments for covered medical and prescriptions costs until deductible is met</li> <li>• Has coinsurance instead of copays for services and prescription drugs</li> <li>• No PCP or referrals needed</li> <li>• Monthly HSA contribution from the state</li> </ul>
<b>Health maintenance organizations (HMOs)</b>	<b>Scott and White Health Plan</b> in central Texas	<ul style="list-style-type: none"> <li>• Must stay in the HMO network for services to be covered (except for emergency care)</li> <li>• Lower out-of-pocket costs for in-network care</li> </ul>
	<b>Community First Health Plans</b> in the San Antonio area	
<b>Dental Plans</b>		
<b>State of Texas Dental Choice Plan<sup>SM</sup> PPO</b>	Delta Dental	<ul style="list-style-type: none"> <li>• Preferred provider organization (PPO) that lets you use any dentist, but saves you money if you use in-network providers in its two-tiered network</li> <li>• Large network</li> </ul>
<b>DeltaCare® USA dental HMO</b>	Delta Dental	<ul style="list-style-type: none"> <li>• Must stay in the DHMO network for services to be covered</li> <li>• Must select a primary care dentist (PCD)</li> </ul>
<b>Vision Plan</b>		
<b>State of Texas Vision<sup>SM</sup></b>	Superior Vision	<ul style="list-style-type: none"> <li>• Must stay in the large network for services to be covered</li> <li>• Covers certain vision services, like eye exams and contact lens fittings</li> <li>• Has allowance for cost of eyeglasses or contact lenses for each plan year (September 1 – August 31)</li> <li>• Discounts on LASIK</li> </ul>

Plan	Administrator / Insurer	Highlights
<b>Other Insurance Plans</b>		
<b>Optional Term Life Insurance</b>	Securian	<ul style="list-style-type: none"> <li>• Four coverage amounts to choose from</li> <li>• Provides equal amount of Accidental Death &amp; Dismemberment (AD&amp;D) coverage</li> <li>• Evidence of insurability (EOI) may be required</li> </ul>
<b>Dependent Term Life Insurance</b>	Securian	<ul style="list-style-type: none"> <li>• One low premium for all eligible dependents</li> <li>• Includes AD&amp;D insurance</li> <li>• May require EOI</li> </ul>
<b>Voluntary Accidental Death &amp; Dismemberment Insurance</b>	Securian	<ul style="list-style-type: none"> <li>• Coverage for you only or for you and your family</li> <li>• EOI is NOT required</li> </ul>
<b>Texas Income Protection Plan<sup>SM</sup> (TIPP) disability insurance</b>	ReedGroup	<ul style="list-style-type: none"> <li>• Pays a percentage of your salary if you're unable to work due to illness or injury <ul style="list-style-type: none"> <li>• Short-term disability: up to 66% for up to five months</li> <li>• Long-term disability: up to 60% until you can return to work</li> </ul> </li> <li>• May require EOI</li> </ul>
<b>Flexible Spending Accounts (FSAs)</b>		
<b>TexFlex health care FSA</b>	WageWorks	<ul style="list-style-type: none"> <li>• Pre-tax savings for eligible health, dental, vision and prescription drug expenses</li> <li>• Not available to Consumer Directed HealthSelect participants</li> </ul>
<b>TexFlex dependent day care FSA</b>	WageWorks	<ul style="list-style-type: none"> <li>• Pre-tax savings for day care, after-school care and summer day camp for children under age 13, or day care for dependent adults who can't care for themselves</li> </ul>
<b>TexFlex<sup>SM</sup> limited FSA</b>	WageWorks	<ul style="list-style-type: none"> <li>• Pre-tax savings for eligible dental and vision expenses only</li> <li>• Available only to Consumer Directed HealthSelect participants</li> </ul>
<b>TexFlex commuter spending account (CSA)</b>	WageWorks	<ul style="list-style-type: none"> <li>• Pre-tax savings for public transportation expenses used for your commute, and/or parking near your workplace or near public transit that you take to and from work</li> </ul>
<b>Retirement Plans</b>		
<b>Texasaver<sup>SM</sup> 401(k) / 457 Program</b>	Empower Retirement	<ul style="list-style-type: none"> <li>• If you are new to state employment, you are automatically enrolled in a 401(k) plan at 1% of your monthly salary <ul style="list-style-type: none"> <li>• opt out available with re-enrollment at any time</li> </ul> </li> <li>• Ability to increase, decrease or stop contributions, or make changes to investments at any time</li> <li>• 457 account also available</li> </ul>
<b>State of Texas Retirement</b>	ERS	<ul style="list-style-type: none"> <li>• Defined benefit plan with mandatory participation</li> <li>• Monthly pre-tax contribution, set by Texas Legislature, taken from paycheck</li> <li>• Matching contribution from state, with smaller contribution from your agency</li> <li>• Upon retirement, monthly annuity for life</li> </ul>
<b>Employee Discounts</b>		
<b>Discount Purchase Program</b>	Beneplace	<ul style="list-style-type: none"> <li>• Discounts and special services offered by various companies</li> </ul>

# Notice of creditable coverage

## Plan Year 2020

This notice applies to you if you are both:

- entitled to Medicare Part A and/or enrolled in Medicare Part B and
- enrolled in Texas Employees Group Benefits Program health insurance.

**Important notice from the Employees Retirement System of Texas (ERS) about your Texas Employees Group Benefits Program (GBP) prescription drug coverage and Medicare Prescription Drug Coverage (sometimes called Part D).**

Please read this notice carefully and keep it where you can find it. No action is required of you at this time.

Federal law requires ERS to send this notice to people who may be eligible for Medicare Prescription Drug Coverage and are enrolled in health insurance that is part of the GBP provided by the State of Texas. You have GBP prescription drug coverage through your GBP enrollment with HealthSelect of Texas®, administered by UnitedHealthcare, or one of the other health plans offered by the state.

This notice provides:

- important information about your current prescription drug coverage,
- answers that will assist you in deciding whether you should purchase Medicare Prescription Drug Coverage,
- contact numbers for more information and
- a document that you can use later to avoid a penalty for late enrollment in Medicare Prescription Drug Coverage.

### Q. What is Medicare Prescription Drug Coverage (sometimes called Part D)?

**A.** Medicare Prescription Drug Coverage is a prescription program that is available to people who qualify for Medicare Part A or Medicare Part B. Medicare Prescription Drug Coverage started on January 1, 2006.

### Q. What is creditable coverage and does GBP coverage meet this definition?

**A.** The prescription drug coverage offered by the GBP has been examined by ERS' consulting actuaries and is, on average for all plan participants, expected to pay out as much as standard Medicare Prescription Drug Coverage pays. The GBP is therefore considered to be creditable coverage.

### Q. Why is creditable coverage important to Medicare-eligible participants in the GBP?

**A.** Because you have creditable coverage under the GBP, the Social Security Administration (SSA) has said that you will not have to pay a penalty if you join a private Medicare prescription drug plan later. Each year, there is an enrollment period that allows people with Medicare to enroll in private Medicare Prescription Drug Coverage. Although you will have a chance to enroll every year, normally you would have to pay a penalty if you enrolled after your initial eligibility date. However, because you have creditable coverage under the GBP, you can choose to join a private Medicare prescription drug plan later without a penalty.

### Q. Should I enroll in private Medicare Prescription Drug Coverage?

**A.** Most Medicare-eligible participants in the GBP should NOT enroll in private Medicare Prescription Drug Coverage because, for most people, the GBP prescription drug coverage will provide better benefits at a lower cost. If you qualify for financial assistance, you could benefit from private Medicare Prescription Drug Coverage and you would get savings on premiums, copays and coinsurance.

### Q. How do I know if I qualify for financial assistance with private Medicare Prescription Drug Coverage?

**A.** Financial assistance is available to Medicare beneficiaries with incomes up to 150% of the Federal Poverty Level (FPL) and limited resources. The FPL is set each year. ERS does not make this determination or set the guidelines. To determine if you qualify for financial assistance with private Medicare Prescription Drug Coverage, you should contact the SSA toll-free at (800) 772-1213. TTY users should call toll-free at (800) 325-0778. Or visit SSA online at [www.socialsecurity.gov](http://www.socialsecurity.gov).

## Q. Is private Medicare Prescription Drug Coverage free?

**A.** No. If you enroll in private Medicare Prescription Drug Coverage, you will pay a monthly premium. The amount will likely increase each year. You will also have to pay the private Medicare Prescription Drug Coverage deductibles and copays. Currently, the deductible may be as high as \$415, and will increase to \$435 in 2020.

## Q. How does private Medicare Prescription Drug Coverage work?

**A.** Medicare Prescription Drug Coverage is offered through private prescription drug plans that have been approved by Medicare. All private Medicare prescription drug plans offer a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium. If you enroll in a private Medicare prescription drug plan, you will receive a prescription drug card that you will present to your pharmacy to cover a portion of your prescription drug costs.

## Q. Will private Medicare Prescription Drug Coverage have any effect on my medical plan under the GBP?

**A.** Yes, if the private Medicare Prescription Drug plan also includes Medicare Advantage medical coverage. Medicare rules do not allow you to be enrolled in a GBP Medicare Advantage plan (HealthSelect<sup>SM</sup> Medicare Advantage, or KelseyCare Advantage MA HMO) and a private Medicare Prescription Drug plan that includes Medicare Advantage medical coverage at the same time. If you enroll in private Medicare Prescription Drug Coverage and it has a Medicare Advantage medical plan included, your medical coverage with the GBP Medicare Advantage plan will be terminated and you will be automatically enrolled in your previous non-Medicare Advantage plan under the GBP. If you are enrolled in a non-Medicare GBP medical plan, there is no change to your medical coverage.

If you enroll in ERS' HealthSelect Medicare Advantage or KelseyCare Advantage MA HMO, and do not decline ERS' HealthSelect Medicare RX prescription drug coverage, your private Medicare Prescription Drug Coverage will be terminated.

## Q. Will private Medicare Prescription Drug Coverage have any effect on HealthSelect Medicare Rx?

**A.** Yes. Medicare rules do not allow you to be in two different Medicare prescription plans at the same time. If you enroll in a private Medicare prescription plan you will no longer be eligible for the HealthSelect<sup>SM</sup> Medicare Rx plan and will lose all prescription coverage through ERS.

## Q. Most GBP participants were encouraged not to enroll in private Medicare Prescription Drug Coverage last year. What about future years?

**A.** You do not need to sign up for private Medicare Prescription Drug Coverage for the coming plan year. However, you should know that if you drop or lose your coverage under the GBP and do not enroll in private Medicare Prescription Drug Coverage within 63 days after your current GBP coverage ends, you may be required to pay more to enroll in private Medicare Prescription Drug Coverage later.

## Q. Where can I get more information?

**A.** More detailed information about private Medicare plans that offer prescription drug coverage is available in the *Medicare & You* handbook. You may have received a copy of the handbook in the mail from Medicare. The handbook is also available at the website below. You may also be contacted directly by approved, private Medicare prescription drug plans. To get more information about private Medicare prescription drug plans:

- Visit [www.medicare.gov](http://www.medicare.gov) for personalized help.
- Call your State Health Insurance Assistance Program. (See your copy of the *Medicare & You* handbook for their telephone number.)
- Call toll-free at (800) MEDICARE (800) 633-4227. TTY users should call (877) 486-2048.

**NOTE:** *You may receive this notice at other times in the future, such as before the next period you can enroll in Medicare Prescription Drug Coverage or if this coverage changes. You may also request a copy of this notice by calling ERS toll-free at (877) 275-4377.*

# Contact information

## HEALTH INSURANCE

### HealthSelect of Texas®

#### Consumer Directed HealthSelect<sup>SM</sup>

*Administered by Blue Cross and Blue Shield of Texas*  
Group number – 238000  
Toll-free: (800) 252-8039, (TTY: 711)  
NurseLine: (800) 581-0368  
[www.healthselectoftexas.com](http://www.healthselectoftexas.com)

### Consumer Directed HealthSelect<sup>SM</sup> Health savings account (HSA)

*Administered by Optum Bank*  
Toll-free: (800) 791-9361, (TTY: 711)  
[www.optumbank.com](http://www.optumbank.com)

### HealthSelect<sup>SM</sup> Prescription Drug Program

(pharmacy benefits for HealthSelect of Texas and Consumer Directed HealthSelect)  
*Administered by OptumRx*  
Toll-free: (855) 828-9834, (TTY: 711)  
[www.HealthSelectRx.com](http://www.HealthSelectRx.com)

### Community First Health Plans

*An affiliate of the University Health System*  
Group number – 0010180000  
Toll-free: (877) 698-7032,  
(TTY: (210) 358-6080)  
Local: (210) 358-6262  
NurseLink: (210) 358-6262  
[members.cfhp.com](http://members.cfhp.com)

### Scott and White Health Plan

Group number – 012700  
Toll-free: (800) 321-7947,  
(TTY: (800) 735-2989)  
VitalCare Nurse Advice: (877) 505-7947  
<https://ers.swhp.org/>

#### Health and Human Services Enterprise employees:

DFPS, DSHS, HHSC, CPRIT

The HHS Employee Service Center acts as your benefits coordinator. Contact the Center toll-free at (888) 894-4747.

## OPTIONAL BENEFITS

### State of Texas Vision<sup>SM</sup>

*Administered by Superior Vision Services, Inc.*  
Group number – 35040  
Toll-free: (877) 396-4128 (TTY: 711)  
[www.StateofTexasVision.com](http://www.StateofTexasVision.com)

### State of Texas Dental Choice Plan<sup>SM</sup>

*Administered by Delta Dental*  
Toll-free at (888) 818-7925 (TTY: 711)  
[www.ERSdentalplans.com](http://www.ERSdentalplans.com)

### DeltaCare® USA DHMO

*Administered by Delta Dental*  
Toll-free at (888) 818-7925 (TTY: 711)  
[www.ERSdentalplans.com](http://www.ERSdentalplans.com)

### Life and Accidental Death & Dismemberment Insurance

*Insured by Securian*  
Toll-free: (877) 494-1716, (TTY: 711)  
[www.lifebenefits.com/plandesign/ers](http://www.lifebenefits.com/plandesign/ers)

### Texas Income Protection Plan<sup>SM</sup> (TIPP)

(short-term and long-term disability insurance)  
*Administered by ReedGroup*  
Toll-free: (855) 604-6230, (TTY: 711)  
[www.texasincomeprotectionplan.com](http://www.texasincomeprotectionplan.com)  
*Disability evidence of insurability is administered by Guardian Life.*

### TexFlex

*Administered by WageWorks, LLC.*  
Toll-free: (844) 884-2364, (TTY: 711)  
[www.texflexers.com](http://www.texflexers.com)

### TexaSaver<sup>SM</sup> 401(k) / 457 Program

*Administered by Empower Retirement™*  
Toll-free: (800) 634-5091, (TTY: (800) 766-4952)  
[www.texasaver.com](http://www.texasaver.com)

### Discount Purchase Program

*Administered by Beneplace*  
Toll-free: (800) 683-2886  
Local: (512) 346-3300  
[www.beneplace.com/discountprogramERS](http://www.beneplace.com/discountprogramERS)

The Employees Retirement System of Texas (ERS) complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. ERS provides free language aids and services, such as: written information in other formats (large print, audio, accessible electronic formats, and other formats), qualified interpreters, and written information in other languages.

If you need these services, call: 1-877-275-4377, TDD: 711.

If you believe that ERS has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance by mail, fax or email:

Mail: Section 1557 Coordinator Employees Retirement System of Texas

P.O. Box 13207, Austin, Texas 78711-3207. Fax: 512-867-3480.

Email: [1557coordinator@ers.texas.gov](mailto:1557coordinator@ers.texas.gov)

For more information visit: <http://www.ers.texas.gov>

You can also file a civil rights complaint with the U.S. Department of Health and Human Services online, by mail or by phone at:

Online: <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>

Complaint forms are available at: <http://www.hhs.gov/ocr/office/file/index.html>.

Mail: U.S. Department of Health and Human Services, 200 Independence Avenue, SW, Room 509F, HHH Building, Washington, D.C. 20201.

Phone: 1-800-368-1019, 800-537-7697 (TDD).

ATTENTION: Language assistance services, free of charge, are available to you.	ATENCIÓN: Si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística.
CHU Ý: Nếu bạn nói Tiếng Việt, có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn.	ध्यान दें: यदि आप हिंदी बोलते हैं तो आपके लिए मुफ्त में भाषा सहायता सेवाएं उपलब्ध हैं।
注意：如果您使用繁體中文，您可以免費獲得語言援助服務。	توجه: اگر به زبان فارسی گفتگو می کنید، تسهیلات زبانی بصورت رایگان برای شما فراهم می باشد.
주의: 한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다.	ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung.
ملحوظة: إذا كنت تتحدث اذكر اللغة، فإن خدمات المساعدة اللغوية تتوافر لك بالمجان.	સુચના: જો તમે ગુજરાતી બોલતા હો, તો નિ:શુલ્ક ભાષા સહાય સેવાઓ તમારા માટે ઉપલબ્ધ છે.
خبردار: اگر آپ اردو بولتے ہیں، تو آپ کو زبان کی مدد کی خدمات مفت میں دستیاب ہیں۔	ВНИМАНИЕ: Если вы говорите на русском языке, то вам доступны бесплатные услуги перевода.
PAUNAWA: Kung nagsasalita ka ng Tagalog, maaari kang gumamit ng mga serbisyo ng tulong sa wika nang walang bayad.	注意事項：日本語を話される場合、無料の言語支援をご利用いただけます。
ATTENTION: Si vous parlez français, des services d'aide linguistique vous sont proposés gratuitement.	ໂປດຊາບ: ຖ້າວ່າ ທ່ານເວົ້າພາສາ ລາວ, ການບໍລິການ ຊ່ວຍເຫຼືອດ້ານພາສາ, ໂດຍບໍ່ເສັຍຄ່າ, ແມ່ນມີພ້ອມໃຫ້ ທ່ານ.

1-877-275-4377

