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To: Administrators, Maintenance Directors, Food Service Managers, Confidential Administrative Assistants, Central Office Staff, Technology Staff, and Administrative Staff partial year (non-unionized staff)
From: WWSU Central Office
Subject: Benefits changes
Date: April 14, 2017

The purpose of this memo is to let you know about the changes in benefits once we become the Harwood Unified Union School District (HUUSD) on July 1, 2017. This is the first of many notices you will receive.

Summary

Currently, each school board and the WWSU executive committee determine the benefits for their own employees. However, beginning July 1, 2017, all benefits *must* be the same for all HUUSD employees in the same employment category. The HUUSD Board has approved a uniform benefits package for non-unionized staff, which we will describe in this memo. We will describe:

- Health Insurance Plans and Contributions
- Vermont Municipal Employee Retirement System (VMERS) and Contributions
- Dental Insurance Plan and Contributions
- Life Insurance Plan
- Long-Term Disability Plan
- Employee Leave Plan

The chart on the next page summarizes the first five plans listed above, per staff group. (We summarize the leave plan separately, at the end of the memo.) Take a minute to look at the chart and keep it handy as you read through the next several pages. You will want to refer to the chart as you read about each benefit.

Included with this memo, you will find a chart comparing your current benefits to the benefits you will receive starting July 1, 2017. We are more than happy to answer your questions on the phone or in person, and we will provide contact information at the end of this letter.

Table 1. Non-Unionized Staff Benefits Effective July 1, 2017

Benefit	Group		
	Administration	Year-Round and Designated Day (Food Service Directors, Maintenance Directors, Central Office Staff, and Administrative and Technology Staff)	Designated Day (Administrative Staff)
Health Insurance	Same for all three groups: <ul style="list-style-type: none"> July 1 - December 31, 2017: Current VEHI plans stay but premium contributions will change to be the same across HUUSD: 80% District, 20% Employee January 1, 2018 forward: Employee chooses one of four new plans. Board's annual contribution is a flat dollar amount based on level of coverage: Single, 2 person, Parent/Child(ren), or Family \$1400 annually to employee if no insurance chosen, paid in two installments 		
Retirement Plan	<i>Licensed Administrators:</i> VSTRS, no change <i>Unlicensed Administrators:</i> VMERS plan will be the same as the other two groups	July 1: All employees will have two options: VMERS Group B or a defined contribution plan <ul style="list-style-type: none"> Employees currently in Group A will move into Group B, and employees in Group B or a defined contribution plan will stay the same 	
Dental	100% dental coverage for Single, 2-person, or Family		100% dental for Single only. Employee pays difference for 2-person or Family Coverage
Life Insurance	\$100,000	\$50,000	
Long-Term Disability	Same for all three groups: <ul style="list-style-type: none"> Coverage starts after 90 consecutive days of illness or injury. Insurance pays $\frac{2}{3}$ of employee's monthly wages, up to the maximum allowed by the policy 		

Health Insurance and Contributions

Now: Health insurance premium contributions for non-unionized staff vary in the WWSU. Some of you pay 0% toward your premium, some of you pay 10%, some of you pay up to 30%, and some of you are not eligible for health insurance.

What's New July 1-December 31, 2017: Everyone in the HUUSD must contribute the same to their health premiums: 20%. Therefore, some employees' contribution amounts will go up on July 1, even though our health plans stay the same through December 31. We will explain this situation on the next page.

What's New January 1, 2018: The Board has approved premium contributions and HRA or HSA contributions for each coverage level for all four VEHI plans. See Table 2.

The New Plans

Employees must choose one of four new VEHI plans by November 2017, and the new plans will take effect January 1, 2018. The four new plans to choose from are:

1. Platinum (HRA compatible)
2. Gold (HRA compatible)
3. Gold CDHP (HRA or HSA compatible)
4. Silver CDHP (HRA or HSA compatible)

Table 2 shows the annual contribution the Board will make toward health insurance premiums in all four plans *and* toward an HRA or HSA. If the employee establishes an HSA and provides necessary account information, HUUSD will make the HSA annual payment amount to the employee in two installments (January 1 and July 1, 2018).

Table 2. Board-Approved Contributions to Health Benefits Beginning 1/1/18

Level of Coverage	Board Premium Contribution	HRA or HSA Contribution	Total Annual Contribution
Single	\$5,024	\$1,700	\$6,724
2-person	\$9,434	\$3,375	\$12,809
Parent/Child(ren)	\$7,767	\$3,375	\$11,142
Family	\$13,915	\$3,375	\$17,290

Questions to Consider

What will be your cost for the new plans? Table 3 compares your plan cost for two of the four VEHI family plans, subtracts the Board contribution, and then shows your remaining portion.

Table 3. Comparison of Your Cost for Two Different VEHI Family Plans

	VEHI Platinum Member Cost for a Family Plan	VEHI Gold CDHP Member Cost for a Family Plan
Plan Cost for One Year	\$22,322.28 (1860.19 * 12)	\$17,394.12 (1449.51 * 12)
Board Contribution	<u>-\$13,915.00</u>	<u>-\$13,915.00</u>
Your Portion per Year	\$8407.28 (or \$700.00 / month)	\$3,479.12 (or \$289.93 / month)

IMPORTANT NOTE: Remember, the Board has approved an HRA/HSA contribution of \$3,375.00, which you can use toward qualified medical expenses, such as deductibles, co-insurance, co-payments, and other services not covered by your health plan.

You can find the complete VEHI health plans chart, explanations of HRAs and HSAs, and more at vehi.org/benefits/. We encourage you to visit the site and view the presentations for employees so that you can choose the best plan for you. We have also included the VEHI chart on page 9 of this memo.

How do you know if your health plan contribution will go up starting July 1? If you currently pay less than 20% of your health insurance premium, your cost will go up. *Eight of you fall into this category.* We recognize that this new requirement may be a significant change. Therefore, the Board has approved a temporary salary adjustment to help offset the new costs. Here is what will happen:

- **If you currently contribute 0%:** From July 1, 2017-June 30, 2018, the Board will adjust your salary so that your portion of the health plan premium is 6%; the following year, your portion will be 13%; and in the third year, your portion will be 20%.
- **If you currently contribute 10%:** From July 1, 2017-June 30, 2018, the Board will adjust your salary so that your portion of the health plan premium is 15%; in the second year, your portion will be 20%.

We hope the chart we have included with this memo will help clarify your specific situation.

VMERS

Now: Non-unionized WWSU employees can choose to participate in one of three VMERS retirement plans:

1. Group A (Fayston, Warren, and Central Office employees)
2. Group B (Harwood, Moretown, Waterbury-Duxbury, and Waitsfield employees)
3. A defined contribution plan (everyone)

What's New: Effective July 1, the only options will be Group B or a defined contribution plan. Employees currently enrolled in Group A will move to Group B. Employees currently enrolled in Group B or a defined contribution plan will stay the same. Table 4 highlights some of the main differences between Group A and Group B. You can see the complete VMERS Group Comparison chart here:

<http://www.vermonttreasurer.gov/sites/treasurer/files/VMERS/PDF/VMERS%20Group%20Plan%20Comparison.pdf>

Table 4. VMERS Group Highlights

	Group A (not available July 1)	Group B
Employee Contributions	2.5% of gross salary	4.875% of gross salary
Employer Contributions	4% of gross salary	5.5% of gross salary
Average Final Compensation	Highest 5 consecutive years	Highest 3 consecutive years
Normal Retirement (no reduction)	Age 65 with 5 years of service or 55 with 35 years of service	Age 62 with 5 years of service or 55 with 30 years of service

Dental

Now: Dental insurance premium contributions and plans for non-unionized staff vary in the WWSU. Some of you pay 0% toward your premium, some of you pay 100%, and some of you are not eligible for dental insurance.

What's New: Everyone in the HUUSD will have the same plan starting July 1, and this plan is outlined on the next page. Two of the groups will be eligible for 100% dental coverage for single, 2-person, or family, but partial-year Administrative Assistants will only be eligible for a single plan.

Delta Dental PPO plus Premier Network

Group Number: 7777-1201 to 7777-1207

Read Your Policy Carefully—This Outline of Coverage provides a very brief description of the important features of your policy. This is not the insurance contract, and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and your insurance company. It is therefore important that you READ YOUR POLICY CAREFULLY! Not all time limitations and exclusions are shown herein. Benefit percentages shown are based on the actual charges submitted up to the Maximum Allowable Charge for participating dentists, or Delta Dental's allowance for non-participating dentists.

Diagnostic / Preventive (Coverage A)	Basic Restorative (Coverage B)	Major Restorative (Coverage C)
No Deductible	Contract Year Deductible per Person/Family: \$50/\$150	
<p>DIAGNOSTIC: Oral evaluations twice in a 12-month period, this includes periodic, limited, problem-focused, and comprehensive evaluations X-rays (complete series or panoramic film) once in a 5-year period Bitewing x-rays once in a 12-month period X-rays of individual teeth as necessary Brush biopsy once in a 12-month period</p> <p>PREVENTIVE: Two cleanings in a 12-month period Fluoride twice in a 12-month period to age 19 Space maintainers to age 16 Sealant application to permanent molars, once in a 3-year period per tooth, for children to age 19</p>	<p>RESTORATIVE: Amalgam (silver) fillings; Composite (white) fillings (on anterior teeth only)</p> <p>ORAL SURGERY: Surgical and routine extractions</p> <p>ENDODONTICS: Root canal therapy</p> <p>PERIODONTICS: Periodontal maintenance (cleaning) <i>Note: Cleanings are limited to two in a 12-month period; these may be routine (Coverage A) or periodontal (Coverage B), or a combination of both.</i> Treatment of gum disease Clinical crown lengthening once in a lifetime per site</p> <p>DENTURE REPAIR: Repair of a removable denture to its original condition</p> <p>EMERGENCY PALLIATIVE TREATMENT</p>	<p>PROSTHODONTICS: Removable and fixed partial dentures (bridge); complete dentures Rebase and reline (dentures) Crowns Onlays Implants</p>
Delta Dental Pays: 100%	Delta Dental Pays: 80%	Delta Dental Pays: 60%
<p align="center">Contract Year Maximum: \$1000 per Person (Contract Year = July 1 – June 30) Health through Oral Wellness® program included (please see reverse for details)</p>		

Life Insurance

Now: Not all WWSU non-unionized employees have life insurance.

What's New: All employees will have life insurance, and the amount will be based on your employment group. The life insurance is portable; therefore, you can continue with the policy if you are no longer employed at WWSU.

Long-Term Disability

Now: School districts do not offer the same long-term disability (LTD) insurance.

What's New: All three groups are covered by the same LTD plan.

Leave Plans

Now: Leave plans vary across schools and groups in the WWSU.

What's New: Leave must be the same for each group in the HUUSD. Vacation time is based on years of service. See Table 5 on page 8.

Each new full-time, year-round employee (hired as of 7/1/08) will receive ten (10) days of vacation. For each additional year, the employee will receive one (1) additional day of vacation up to a maximum of twenty-five (25) days. For employees hired before July 1, 2008, their vacation time will be adjusted according to their employment date. Part-time, year-round employees will have this vacation time prorated according to their FTE. Full-time, year-round administrators' vacation leave will be negotiated in their individual contract.

Contacts

Name	Phone	Email/Website
Tanya Cheney (for all schools except HUHS)	802-496-2272 x 112	tcheney@wwsu.org
Susan Neill (HUHS)	802-496-2272 x 118	sneill@wwsu.org
VEHI/Blue Cross Blue Shield	802-223-5040 x 208	vehi.org/benefits
NE Delta Dental	800-832-5700	nedelta.com
VMERS	802-828-2305	vermonttreasurer.gov/content/retirement/municipal

Table 5. Non-Unionized Staff Leave Effective July 1, 2017

Leave Type	Group		
	Administration (Principals and Central Office Administrators)	Year-Round (Central Office Staff, Administrative Assistants, Maintenance Directors, Administrative and Technology Staff)	Designated Day (Administrative Assistants, Food Service Directors and Non-Union Food Service Staff, and Technology Staff)
Vacation	25 Days, or as Approved by Superintendent	10-25 Days, Depending on Years of Employment	NA
Sick	20 Days / Year, Cumulative to 90		10 Days / Year, Cumulative to 90
Personal	4 Days		3 Days
Holidays	11 Days		5 Days

Health Plans	VEHI Platinum Member Cost Share	VEHI Gold Member Cost Share	VEHI Gold CDHP Member Cost Share	VEHI Silver CDHP Member Cost Share
HRA or HSA Compatible	HRA	HRA	HRA/HSA	HRA/HSA
Medical Deductible	\$500/\$1,000	\$1,200/\$2,400	\$1,800/\$3,600 (aggregate)	\$3,000/\$6,000
Medical Out of Pocket Maximum	\$1,500/\$3,000	\$1,800/\$3,600	\$2,500/\$5,000 (aggregate)	\$4,000/\$8,000
Prescription Deductible	\$0	\$0	Included in medical deductible	Included in medical deductible
Prescription Out of Pocket Maximum	\$1,300/\$2,600	\$1,300/\$2,600	\$1,300/\$2,600 (aggregate) (included in Medical OOPM)	\$1,300/\$2,600 (aggregate) (included in Medical OOPM)
Total Out of Pocket Exposure (Medical and Rx)	\$2,800/\$5,600	\$3,100/\$6,200	\$2,500/\$5,000 (aggregate)	\$4,000/\$8,000
Preventive PCP Visit	\$0	\$0	\$0	\$0
Primary Care Physician / Mental Health or Substance Abuse Visit	\$25	\$25	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Specialist Visit	\$35	\$35	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Urgent Care Facility	\$75	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Emergency Room	\$250	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Inpatient, Outpatient, Radiology, DME, Ambulance, etc.	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Generic tier 1 / tier 2 / Brand / NP Brand	\$4 / \$10 /\$20 / 50%	\$4 / \$10 /\$20 / 50%	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Wellness Prescriptions	\$4 / \$10 /\$20 / 50%	\$4 / \$10 /\$20 / 50%	No member cost	No member cost
Monthly Rates FY 18	Platinum	Gold	Gold CDHP	Silver CDHP
Single	\$657.55	\$622.94	\$523.29	\$456.34
Two Person (Two Adults)	\$1,315.10	\$1,245.88	\$982.75	\$912.69
Parent/Child(ren)	\$1,099.51	\$1,042.53	\$809.02	\$769.27
Family	\$1,860.19	\$1,763.38	\$1,449.51	\$1,298.60