

# Open Enrollment for 2007 Benefits

UAMS Office of Human Resources (OHR), 686-5650, [www.uams.edu/ohr](http://www.uams.edu/ohr)

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## MEDICAL AND DENTAL

The University of Arkansas is having open enrollment for its medical and dental plans for the first time in two years. Take advantage, as open enrollment is not offered every year and future open enrollment periods are not guaranteed. There will be no rate increases or benefit design changes to our medical and dental plans for January 1, 2007. This open enrollment period through December 15 allows you to:

- Enroll in medical or dental coverage if you are not currently participating.....(enroll through OHR)
- Add eligible but currently not covered dependents.....(enroll through OHR)
- Change your medical plan election between Classic & Point of Service.....(enroll through OHR)

More information:

- Medical and dental are separate plans. You can enroll in one and not the other.
- Forms are available in Human Resources or at [www.uams.edu/ohr](http://www.uams.edu/ohr), 2007 Open Enrollment.
- The open enrollment period is 11/15/2006 – 12/15/2006. Changes you make are effective 1/1/2007.
- No action required on your part if you don't want to make any changes.
- **IMPORTANT!!** Once the open enrollment window closes on December 15, you cannot make future changes to your coverage unless you are within 31 days of a Qualifying Family Event. Such events include: gaining a new dependent (marriage, birth, adoption); loss of dependent (divorce, annulment, legal separation, death); and spouse losing job and therefore losing coverage.

## COVERAGE FOR CHILDREN

Children are eligible for coverage under our medical and dental plans through age 18. Children ages 19-24 can only be covered if they are unmarried, full-time students. QualChoice and Delta Dental will periodically require you to provide proof of your adult child's student status. Notify our office immediately to drop a child who is no longer eligible. [NOTE: Stepchildren are eligible to be covered only if they live with you. Parents are not eligible for coverage. Grandchildren, nieces and nephews are not eligible for coverage unless you legally adopt them, the parent of the child does not live with you, and you have a court document.]

- Be sure to add a newborn within 31 days of birth to your medical plan.....(enroll through OHR)
- Have a 2-year old? If so, now's the time to add them to your dental plan.....(enroll through OHR)

## SECTION 125 PREMIUM CONVERSION

Enjoy tax savings by paying your medical and dental premiums on a pre-tax basis. You can increase your take-home pay by paying your premiums with your earnings before the government takes out Federal, State and FICA (Social Security and Medicare) taxes.

- Change your premium elections between after-tax and pre-tax.....(enroll through OHR)
- Drop your pre-tax coverage.....(enroll through OHR)

More information:

- December 15 is the deadline. Changes you make are effective your first paycheck of 2007.
- If you are paid biweekly and you elect to drop your coverage to coincide with the end of the tax year, your coverage will end on December 16 and your last premium would be deducted on December 21.
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- The majority of employees elect to pay their medical and dental premiums on a pre-tax basis. It's a great way to reduce your taxable income and increase your take-home pay.
- There is some minimal risk with the pre-tax premium conversion. Once you "pre-tax" your premium, you are locked into that deduction for the entire calendar year. You can only change the deduction and your coverage if you are within 31 days of a "qualified event", as defined by the IRS. Qualified events are generally related to family changes, such as marriage, divorce and birth. So you should be comfortable with your coverage and premium deduction before electing pre-tax.
- Insurance premiums paid on a pre-tax basis are not eligible to be listed as itemized medical deductions when you file your taxes.

## PERSONAL HEALTH APPRAISAL (PHA)

**Have you completed your PHA online yet?** This only applies to employees and spouses who are covered under our medical plan as of October 1, 2006. December 15 is the deadline to complete the PHA. The incentive for doing so is that you get a \$100 discount off your payroll-deducted premium in February 2007, or a \$200 discount if both you and your covered spouse complete the PHA. Go to [www.uams.edu/ohr](http://www.uams.edu/ohr) and click on PHA to go to the secure QualChoice website and complete the PHA. We recommend you first have your waist measurement, blood pressure reading, cholesterol and glucose lab results on-hand.

Remember, the PHA is a risk assessment tool that will provide you with a health action plan. Participation is voluntary, but we encourage all covered employees to participate.

## FLEXIBLE SPENDING ACCOUNTS

(also known as FSA, Section 125 cafeteria plan or flex plan)

Consider enrolling in a **health care FSA** if you have out-of-pocket medical expenses like eye glasses, braces, prescription co-pays, insurance co-pays/deductible/coinsurance, or over-the-counter drugs. Sign up for a **dependent care FSA** if you have daycare expenses. It's a great way to reduce your taxable income. For example, if you're in a 30% tax bracket, it's like saving 30% on these expenses. You are encouraged to review the more detailed information on Conexis' and our websites before enrolling. While FSA's are a great benefit, you must take care to carefully and conservatively estimate how much you're going to spend over the tax calendar year, because any money not spent is forfeited.

During this open enrollment you can:

- Enroll in a 2007 health care FSA.....(enroll at [www.conexis.org](http://www.conexis.org))
- Enroll in a 2007 dependent care (daycare) FSA.....(enroll at [www.conexis.org](http://www.conexis.org))

More information:

- The open enrollment period is 11/15/2006 – 12/15/2006. Changes you make are effective 1/1/2007.
- If you do not have access to a computer to enroll online, contact Human Resources for assistance.
- FSAs require annual re-enrollment. 2006 FSA's will automatically end on December 31, 2006.
- Human Resources will be conducting employee meetings on FSA's. Some will be directed to employees who have never contributed to an FSA before, to show how an FSA works and how it reduces their taxable income, thereby increasing their take-home pay. Other meetings will be directed to current FSA participants, to explain how the new benefit card will work. Check your e-mail and campus mail for future announcements.

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## NEW VISION PLAN

The University of Arkansas is offering a new voluntary vision insurance plan. Additional information will be sent to you from Spectera, the carrier. You must enroll through Spectera. The open enrollment period is 11/15/2006 – 12/15/2006. Coverage would take effect on 1/1/2007.

- Enroll in vision plan.....(enroll at [www.spectera.com](http://www.spectera.com))

### Plan highlights:

- Comprehensive vision exam once every 12 months from Spectera provider costs you \$10 co-pay. [Please keep in mind that this is separate from the annual eye exam covered under your medical plan, where you would pay a \$20 co-pay. You could have the exam covered by Spectera or QualChoice, but not both.]
- Materials (eyeglasses or contacts) cost you a \$20 co-pay.
- Covers a pair of standard single vision, lined bifocal, lined trifocal, or standard lenticular lenses through a Spectera provider once every 12 months. No-line bifocals and other options may be available at a discount.
- Covers frames from a Spectera provider once every 24 months. \$130 allowance if purchase at retail chain provider.
- Contact lenses in lieu of eyeglasses from a Spectera provider (once every 12 months)
- Search for Spectera providers in your area at [www.spectera.com](http://www.spectera.com).
- Low monthly premiums, pre-taxed
- Annual open enrollment. Coverage and premiums are good for the calendar year. No mid-year changes allowed.
- There are restrictions on covered benefits. Make sure you carefully review the additional information that Spectera will send to you.

## CRITICAL ILLNESS INSURANCE

You should have already received information from our office and from MetLife about the new critical illness plan. There are 3 ways to enroll: (1) fill out form provided by MetLife in their mailing and send back to them in the provided envelope, (2) enroll online at [www.metlife.com/mybenefits](http://www.metlife.com/mybenefits) by clicking on Apply Now and entering UAS (for University of Arkansas System) as your employer, or (3) call MetLife at 1-800-438-6388. The open enrollment period is 10/16/2006 – 12/15/2006. Coverage would take effect 1/1/2007.

- Enroll in critical illness plan.....(enroll through MetLife)

Payroll deduction for the current Transamerica cancer insurance will end 12/31/2006. Transamerica will offer direct home bill options in early 2007 to employees who wish to keep this coverage.

## LONG TERM CARE INSURANCE

Current Long Term Care insurance policy holders will have the opportunity to increase their current daily benefit, change plans to the “automatic benefit increase plan” (called ABI), or remain with their current benefit. Additionally, employees who wish to enroll for the first time may do so now. All enrollments take place through the carrier, CNA. Additional information regarding the policy upgrade and open enrollment will be sent to you directly from CNA. If you have questions, you can contact CNA at 1-877-

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777-9072. Or check out their interactive web site designed specifically for the University of Arkansas at [www.ltcbenefits.com](http://www.ltcbenefits.com) (the password is UALTC).

The open enrollment period is 11/15/2006 – 12/15/2006. Coverage would take effect 1/1/2007.

- Enroll in long term care plan for first time.....(enroll through CNA)
- Increase daily benefit under current policy.....(enroll through CNA)
- Add automatic benefit increase (ABI) feature to current policy.....(enroll through CNA)

## LONG TERM DISABILTY (LTD) INSURANCE

The following changes to the LTD plan are effective 1/1/2007:

- Optional LTD rates (payroll deducted) increase by 3.5%.
- Mental and nervous disability claims will be reduced from “date of disability to age 65” to “24 months.”
- The surviving spouse benefit will be reduced from 24 months to 12 months.
- Neither of these changes will affect current claimants.

LTD is a benefit that replaces 60% of your income if you are disabled for more than 6 months. You are automatically covered up to \$20,000 of your salary through the Basic LTD plan that UAMS provides to you at no cost. Optional LTD coverage is available to employees who make over \$20,000; it expands your benefit to cover up to \$100,000 of salary. [NOTE: This does not apply to FGP Members and Residents/Housestaff who have other carve-out LTD benefits.] Visit [www.uams.edu/ohr](http://www.uams.edu/ohr), Benefits, LTD to learn more.

## LIFE INSURANCE

There are no changes to Basic Life, Optional Life, or Dependent Life insurance benefits. The Basic Life rates are increasing by a little over 8%, but this will not affect employees. Basic Life coverage is paid for by UAMS. Visit [www.uams.edu/ohr](http://www.uams.edu/ohr), Benefits, Life Insurance to learn more. You can change your beneficiary at any time through Human Resources.

## AD&D INSURANCE

There are no changes to the benefits or rates for Accidental Death and Dismemberment insurance. This is a benefit you can add, change or drop at any time. Visit [www.uams.edu/ohr](http://www.uams.edu/ohr), Benefits, AD&D to learn more. Forms are available in Human Resources to enroll, change coverage, or update your beneficiary.

## HOME/AUTO INSURANCE

You can enroll for home and/or auto insurance any time of the year by contacting the carrier, Liberty Mutual, at 1-800-524-9400 or on the web at [www.libertymutual.com/lm/arkempl](http://www.libertymutual.com/lm/arkempl). Enjoy the convenience of payroll deduction and group discounted rates.

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## SAVING FOR RETIREMENT

*The following information only applies to employees who are eligible for UAMS contributions to the UA Retirement Plan, which excludes Residents, Housestaff, and employees enrolled in alternative retirement plans APERS and ATRS.*

The UA Retirement Plan is a combination 403(b) and 457(b) plan. Your contributions first go into your 403(b) plan. If and when you reach the maximum in the 403(b), your contributions then automatically flow into your 457(b) plan. The UAMS "match" always goes into your 403(b) plan. TIAA-CREF and Fidelity are our two fund sponsors. You may choose to invest in either or both fund sponsors.

UAMS contributes a minimum 5% per pay period for every eligible employee. You are not required to make a personal contribution. However, if you contribute over 5%, UAMS will match it, dollar for dollar, up to 10% (up to the \$22,000 maximum this year, \$22,500 in 2007).

**If you currently contribute less than 10%, please consider increasing your contribution to 10% so you get the full match.** By getting the full match, right away you double your retirement savings.

Did you know that by saving an extra \$50 a month for 20 years, earning 6%, will give you approximately an extra \$45,000 at retirement? (You would have put in \$12,000, matched by UAMS.) An extra \$100 a month for 20 years, earning 8%, will give you approximately an extra \$114,000 at retirement. (You would have put in \$24,000, matched by UAMS.)

The percent you currently contribute from your paycheck will continue to be deducted in 2007 and future years, unless you fill out a new Salary Reduction/Deduction Agreement form to change it. This form is available at [www.uams.edu/ohr](http://www.uams.edu/ohr), Benefits, Retirement.

You can make these changes at any time:

- Change the percent deducted from your check.....(enroll through OHR)
- Change your fund sponsor between TIAA-CREF and/or Fidelity.....(enroll through OHR)
- Change your beneficiary.....(enroll through TIAA-CREF or Fidelity)

Most employees elect to contribute on a tax-deferred basis. The IRS tax-deferral limits for 2007 are:

\$15,500	403(b) plan	
<u>\$15,500</u>	457(b) plan	
<b>\$31,000</b>	=	<b>total amount you can contribute on a tax-deferred basis</b>

If you are age 50, you can contribute an additional \$5,000 to each of the plans, raising your total tax-deferred contribution limit to **\$41,000**.

If you make pre-tax contributions to another employer plan such as the VA, it is your personal responsibility to monitor your combined contributions against these limits. Contact Human Resources-Employee Services if you need assistance. We have forms and a process to help you avoid an excess deferral.

If you plan to retire in the next year or two, please schedule an appointment with your fund sponsor, TIAA-CREF and/or Fidelity. A schedule of their campus visits is posted at [www.uams.edu/ohr](http://www.uams.edu/ohr).

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You can visit the TIAA-CREF or Fidelity websites and use their retirement planning calculators to help you determine if you are saving enough for retirement: [www.fidelity.com](http://www.fidelity.com) and [www.tiaa-cref.org/uams](http://www.tiaa-cref.org/uams). You can also update your beneficiaries and change your investment portfolio at these web sites.

## TUITION DISCOUNT

University of Arkansas Tuition Discount Forms are available at [www.uams.edu/ohr](http://www.uams.edu/ohr), Benefits, Tuition. Forms are now being accepted for the Spring 2007 Semester. Be sure to remit forms at least two weeks prior to last day of registration.

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Thank you very much for your attention and cooperation as we communicate these changes and opportunities to you. Again, additional enrollment information will be coming to you via campus mail.

Please also check out our website at [www.uams.edu/ohr](http://www.uams.edu/ohr). Click on 2007 Open Enrollment to review the communications, as well as print off forms. You can even view the same benefit presentation made to new employees at Orientation.

We wish you and your family a Happy Thanksgiving, a Merry Christmas and a Joyous New Year!

UAMS Human Resources  
(501) 686-5650

P.S.

We anticipate moving out of the Annex Building sometime in early December, to allow for construction of the new hospital. If you need to visit our Employee Services "front desk" after the move, come see us at either of these two new locations:

- First floor of the Barton Research Building, room 1R/10
- The house at 117 S. Cedar (behind Burger King)