To: All District Employees & Retirees From: Shawn M.Yde, Director of Business,

Mark S. Kapocius, Director of Human Resources

Re: Health Insurance for the 2012-13 School Year

Date: May 8, 2012



We would like to thank the large number of employees who provided feedback on the Health Insurance options that were considered. It was very clear from the feedback employees heavily favored options three (3) and four (4). All of the documents related to our health insurance bidding process and plan design options and can be found on the District's <u>Human Resources website</u>.

Ultimately, within Act 10's provisions, the District has the duty and responsibility of selecting the group health insurance. However, the District believes the feedback you have provided has allowed for a better decision to be made.

The plan we have chosen to provide is WEA Trust Alternative Four (4). Please note this choice will modify benefits as outlined in the plan design outline in the attachment. Please click here to see the document. The primary reason for selecting option 4 over option 3 was that option 3 would eliminate waiver of premium immediately. The elimination of this benefit would require our most needy employees to start paying the <u>full</u> health insurance premium (regular employees are paying 8%) while they are out on long term disability with significant health issues. The impact to those employees would be devastating ...on top of what they are already dealing with.

We are providing this information now so that you may adjust your Section 125 plan (Flexible Spending Account) amounts accordingly. This plan allows employees to use pre-tax dollars to cover deductibles or other out of pocket costs.

As you know retirees remain a part of the group health insurance until age 65. This letter will also inform them of the plan design change starting on July 1, 2012. As a result of this change you will be receiving information from WEA and new insurance cards.