City of Tucson

July 1, 2012 – June 30, 2013

EMPLOYEE & RETIREE INSURANCE HANDBOOK

CITY OF FOUNDED 1775 TUCSON

Live Well, Be Well

Overview

THE CITY OF TUCSON INSURANCE PROGRAM IS DESIGNED TO MEET THE DIVERSE NEEDS OF OUR EMPLOYEES AND THEIR FAMILIES. RETIREES, PLEASE SEE THE RETIREE SECTION TOWARD THE END OF THIS HANDBOOK, IN ADDITION TO ALL OTHER CONTENT.

The City reserves the exclusive right to terminate, amend or modify plans, coverage and premiums for all employee and retiree benefits. This guide is only a summary of your benefits. Where disparities exist between the Handbook and insurance contracts, the insurance contracts will dictate.

Benefits at a Glance

The City of Tucson's insurance program includes both City-paid and Employee-paid benefits.

Paid by the City of Tucson	Paid by You and the City of Tucson	Paid by You
▪ Basic Term Life ▪ Dependent Term Life ▪ Basic Long-Term Disability ▪ Employee Assistance Program (EAP)	▪ Medical * ▪ Dental **	▪ Vision ▪ Employee Supplemental Term Life ▪ Spouse Term Life ▪ Employee Long-Term Disability Buy-up ▪ Supplemental coverage through Colonial Life ▪ Flexible Spending Accounts: Health and Dependent Care

* *Some retirees are responsible for 100% of the medical premium. Any subsidy provided by the City will be applied only to group medical insurance sponsored by the City of Tucson; no other plans are eligible for the subsidy.*

** *Some levels are fully paid by the City with no employee contribution. Retirees are responsible for 100% of the dental premium.*

Eligibility

You are eligible to enroll in the City of Tucson's insurance program if you are:

- A permanent or appointed full-time employee
- A permanent or appointed part-time employee who works 20 hours or more each week
- A permanent probationary employee in one of the above categories
- An elected official
- A benefits-eligible retiree, as defined in Administrative Directive 3.04-6, posted at www.tucsonaz.gov/enroll

Seasonal, provisional, intermittent and/or temporary employees are not eligible. **Retirees,** please refer to the Retiree section of this Handbook for additional requirements.

Your eligible dependents include the following:

- **Spouse:** Your spouse (unless legally separated or divorced - see below for additional information)
- **Domestic Partner:** Same or opposite gender domestic partner, who is living with you indefinitely in an exclusive, committed relationship similar to marriage and who is jointly responsible with you for living expenses, at least 18 years old, not a blood relative, mentally competent to enter into the partnership, unmarried and not involved in more than one domestic partnership. See the Domestic Partner Affidavit posted at www.tucsonaz.gov/enroll for full requirements.**Retirees:** Spouses/domestic partners who are Medicare-eligible do not qualify for City medical coverage.
- **Children:** Your biological child, step-child, adopted child (including those placed for adoption), foster child or child for whom you have full permanent legal guardianship. Coverage may last until the last day of the month during which your child turns age 26. However, in the case of guardianship, coverage lasts until the earlier of the date the full permanent legal guardianship terminates or until the child reaches age 26. Most

guardianships end at at 18. A permanent guardianship of an adult (age 18+) who is not the natural, adopted or step-child of the employee/retiree is not considered a dependent even if you have permanent guardianship. Children may be married or unmarried, living with you or somewhere else, students or non-students. They do not need to be dependents on your tax return and you do not need to support them financially.

- **Disabled Children:** Coverage of children who are incapable of self-sustaining employment due to a mental or physical disability and who live with you and provide less than one-half of their own support and maintenance may be continued beyond age 26 if you report the child's incapacity to the City of Tucson Benefits Office within 31 days of the date the child's coverage would normally terminate. Coverage determination is made by the group medical insurance carrier. Coverage will continue for all plans as long as your child continues to meet the medical insurance carrier's criteria for disability. Coverage will end when your child no longer meets the criteria for disability. It is your responsibility to meet the insurance carrier's deadlines and requirements for disability determination.

  Retirees: Children who are Medicare-eligible do not qualify for City medical coverage.

If you have a court order or divorce decree requiring you to cover a child or ex-spouse, coverage is allowed. However, you must notify the Benefits Office immediately if you are required to coverage individuals who are not dependents on your federal tax return. ***Important Note:*** *In accordance with IRS regulations, the premium the City pays on behalf of your ex-spouse or your ex-spouse's children (who do not otherwise qualifying as your dependents) will be considered INCOME and will be reported to the IRS as taxable income.*

Online Dependent Verification

When you enroll in the online benefits system, you will attest that you understand the definitions for dependent eligibility and that you are enrolling only your eligible dependents.

Annual Audit of Selected Employees/Retirees

We may conduct a random sample audit requiring selected employees/retirees to provide documentation proving eligibility of their covered dependents. Those contacted will receive a list of acceptable documentation based upon the type of dependent enrolled. If sufficient documentation is not provided within the allowable 30-day period, coverage will be dropped and/or denied. Providing dependent information that is false and inaccurate can result in disciplinary action, up to and including termination of coverage and/or employment. This process is intended to confirm that you have enrolled qualifying dependents under the terms of our plans.

Special Considerations When Enrolling Domestic Partners

If you enroll a domestic partner, the Benefits Office must receive your properly completed Domestic Partner Affidavit — available at www.tucsonaz.gov/enroll — by your benefits start date. Premiums for domestic partners are deducted after-tax and the portion of the **premium that the City pays on behalf your domestic partner is reported to the IRS as income on which you must pay taxes**. Special considerations exist when enrolling a domestic partner in the HSA medical plan. For example, under most circumstances, when you enroll a domestic partner and/or domestic partner's child, the City will contribute to your HSA fund at the Employee Only level, not at the family level,. The exception would be if you are also enrolling additional qualifying children who are your biological, step- or adopted children or children for whom you have full permanent legal guardianship. Under most circumstances, you may not use funds from an HSA account to pay for expenses of your domestic partner or domestic partner's child(ren). Please contact the IRS for additional information. Please speak with the City's CIGNA representative before making this selection, so you can make an informed decision.

Enrolling for Coverage – ***New Hires***

As a new hire, your benefits begin on the first day of the pay period following 30 days of employment. You must complete your online enrollment via our online enrollment system, accessible via www.tucsonaz.gov/enroll. **Note:** The Benefits Office must receive any required supporting documentation no later than the date your benefits begin. If you fail to complete your online enrollment or to provide required documentation (if applicable) by your benefits start date, you will have only Basic Life and Basic LTD insurance coverage for the current Plan Year

(i.e., no medical, dental, dependent life, etc.). To enroll in Colonial Life voluntary benefits, you must meet with a Colonial Life representative before your benefits start date in order to enroll.

If you enroll during your initial eligibility period as a new hire, you are guaranteed Supplemental Employee Life, Spouse Life, Long-Term Disability Buy-Up and certain voluntary coverage (where applicable) such as Short-Term Disability. Pre-existing condition exclusions exist. Please refer to your plan documents for details.

If you decline coverage when first eligible but would like to enroll during a subsequent Open Enrollment, the insurance carriers require proof of good health (evidence of insurability), which may require examinations, tests or medical documentation – at your own expense. The insurance carriers have the right to accept or deny your request for coverage based on the evidence of insurability you provide.

ONLINE ENROLLMENT

The City of Tucson's online enrollment system gives you access to your insurance information 24/7:

- ☑ Enroll
- ☑ Request changes due to qualifying life events
- ☑ Add or change life insurance beneficiaries
- ☑ Print a confirmation statement of your benefits

Visit **www.tucsonaz.gov/enroll** to access the system.

You must use a PC with Internet Explorer. The system is incompatible with Macintosh computers and certain web browsers, including Firefox, Mozilla and Safari.

Enrolling for Coverage – ***Rehires***

If your employment with the City terminates and you are later rehired, your benefits begin on the first day of the pay period following 30 days of employment. If you are rehired within 30 days of the date your employment terminated, you may only reinstate elections that were in place on the date of termination, unless you had a qualifying life event - other than termination/rehire - during the time between the date of termination and your rehire. If you are rehired more than 30 days after your date of termination, you may make new elections, subject to IRS regulations and the provisions of the insurance contracts in effect at the time of your termination and rehire.

Making Changes to Your Coverage

Open Enrollment

Open Enrollment (held in the spring for all benefits except the Flexible Spending Accounts) is your annual opportunity to make changes to and/or elect or re-elect medical, dental and flexible spending account coverage. Most elections become effective July 1 and remain in effect until the following June 30. (**Retirees:** During Open Enrollment you may elect or re-elect the medical, dental and/or vision programs for which you qualify.) Active employees may also apply for new or additional Supplemental Employee Life, Spouse Life, Long-Term Disability Buy-Up, and supplemental voluntary coverage (such as Short-Term Disability). Your coverage under these plans is subject to plan requirements for evidence of good health and becomes effective once the carrier approves your coverage.

Unlike our other insurance benefits, the City's Flexible Spending Account program runs on a calendar year (January 1 – December 31). Open Enrollment for the FSAs occurs annually each fall.

During the Plan Year

Once you have enrolled, you may not make changes during the Plan Year unless you experience a qualifying "life event." If you experience a qualifying life event, you must complete your request for changes via the City's online enrollment system **and** the Benefits Office must also receive your required supporting documentation within **31 days** of the date of your life event (60 days for birth/adoption or if you lose eligibility for state Medicaid or Children's Health Insurance Program – CHIP – coverage, or if you become eligible for assistance with group health premium payment under a state Medicaid or CHIP plan). Your changes will take effect the first of the month following the date of the event for any event, except:

- If the event is birth/adoption, your changes take effect on the date of the birth/adoption
- If the event occurs on the first day of the month, your changes take effect on the date of the event; if the event occurs on the second or later day of the month, your changes take effect on the first day of the following month

If you miss the deadline for submitting your change request and/or for providing required supporting documents, your next opportunity to make a change will be during Open Enrollment, with most changes taking effect on July 1 following Open Enrollment.

Here are some important details you should know about making life event changes:

- Any changes you request to your medical, dental, vision and flexible spending account coverage must be consistent with the life event
- You may request spouse life and dependent life coverage for newly eligible dependents mid-year, provided you follow the proper procedure and meet the deadline for making your request
- Requests for new or increased spouse life and dependent life for existing dependents will be honored only during Open Enrollment
- You may apply for new or increased supplemental employee life, long-term disability and Colonial Life coverage only during Open Enrollment
- You may drop supplemental employee/spouse life and LTD Buy-Up the first of any month; requests must be completed via the online enrollment system prior to the end of the prior month

IMPORTANT RETIREMENT REMINDERS!

- You may not change insurance plans when you retire unless you experience a qualifying life event (such as moving out of the HMO service area or getting married). Retirement itself is not considered a qualifying life event.
- HSA Plan Participants: **The City stops contributing money to your HSA fund upon retirement.** The deductible and other cost-sharing under the HSA medical plan remain unchanged, but the City will no longer provide you with money toward out-of-pocket costs.
- **The HSA medical plan is not considered Creditable Coverage for Medicare drug plans.** Because City coverage ends for retirees age 65+ and for Medicare-eligible dependents of retirees, please keep this in mind when choosing your medical plan. You may pay a higher cost for Medicare drug coverage if you don't have Creditable Coverage. Questions? Call Medicare at 1-800-MEDICARE (1-800-633-4227) or see the Non-Creditable Coverage Notice on our website at www.tucsonaz.gov/enroll.

- You may drop **post-tax** voluntary Colonial Life coverage at any time by contacting Colonial Life directly. Pre-tax Colonial Life coverage may be dropped only during Open Enrollment
- Employees may change their personal HSA contribution monthly. Your request must be received by the Benefits Office by the 15th of the month to be effective the 1st of the following month. Please contact the Benefits Office for details and procedures.
- For additional information about qualifying life events, please refer to the City's Section 125 Plan Document posted at www.tucsonaz.gov/enroll.

Life events include the following:

Events that allow you to ADD coverage mid-year	Events that allow you to DROP coverage mid-year
You gain a dependent (marriage, birth, adoption, court order reflecting full guardianship or required coverage of a dependent).	You lose a dependent (divorce, legal separation, death). You may also drop coverage in the event of birth, adoption or court order reflecting full permanent legal guardianship or that someone else must cover your dependent *if you can provide acceptable documentation proving that your dependents have joined coverage elsewhere.*
You or your dependents lose group or other creditable insurance elsewhere (for example, due to a change in employment or a different open enrollment period/plan year).	You or your dependent(s) become newly eligible for or gain group or other creditable insurance coverage elsewhere (for example, due to a change in employment or a different open enrollment period/plan year). *Those dropping must join coverage elsewhere in order to drop with the City.*

Your dependent gains eligibility under the City's eligibility criteria.	Your dependent loses eligibility under the City's eligibility criteria.
You are not enrolled in the City's medical plan and you lose Medicaid or Children's Health Insurance Program (CHIP) coverage or you become eligible for the premium assistance subsidy. **Note:** You have 60 days in which to notify the City of this life event.	You or your dependents become eligible for Medicaid or the Children's Health Insurance Program (CHIP).
You may also make qualifying changes to certain plans if you or a dependent moves out of the plan's service area (example: you move to an area where the medical/dental HMO does not have providers or guesting privileges).	

Dual City of Tucson Coverage is Not Allowed

If you are married to/in a domestic partnership with – or the child/parent of – another City of Tucson employee or retiree, *dual coverage is not allowed.* You may each enroll independently, or you may enroll together, but you may not both cover each other. In addition, you and your spouse/DP may not each cover the same child. For example:

- You may not cover yourself for medical, dental or vision and also be covered under your spouse's/domestic partner's/parent's City of Tucson plan
- You may not cover your spouse/domestic partner/child for the Basic Dependent or Supplemental Spouse Life insurance plans
- You must CHOOSE which one of you will cover eligible children. Only ONE OF YOU may cover each eligible child for each type of insurance
- You **are** permitted to designate your spouse/DP or child as a **beneficiary** for your life insurance; AZ Community Property state rules apply

It is your responsibility to comply with these rules. Failure to do so may result in you paying premium for benefits which are not payable at the time of a claim. Please contact the Benefits Office to correct any dual enrollment situations.

If the City or you discovers dual enrollment, the Benefits Office is not able to reimburse you for premiums already deducted from your pay. Benefits Office staff will notify you – either via the phone or by email (provided contact information is available) – of changes being made to your coverage to correct dual enrollment issues.

Have a Question About Your Benefits?

Your primary and quickest resource is calling the insurance carrier directly. Contact information is at the end of this Handbook and at www.tucsonaz.gov/enroll. Our carriers' trained Member Service staff members can assist you with the following:

- Claims issues
- Coverage questions
- Ordering ID cards
- Finding or changing a doctor/dentist
- Filing a disability claim
- Checking on the status of a disability or life claim, or on your application for coverage
- Arranging for Employee Assistance Program visits

The City of Tucson's Employee Benefits Office is available to help you with questions about enrollment, what happens to your benefits when you leave the City, eligibility, mid-year changes, domestic partner tax implications and filing life insurance claims. If you would like to visit us in person, **please make an appointment**. Our contact information – as well as contact information for the insurance carriers – is at the end of this booklet.

Medical Benefits

The City of Tucson offers three medical plan choices through CIGNA:

- HMO
- Health Reimbursement Arrangement (HRA) Choice Fund Open Access Plus (formerly *The Choice Fund OAP*)
- Health Savings Account (HSA) Choice Fund Open Access Plus – *Not available to retirees*

The **HMO** offers access to a large regional network of providers throughout Arizona. You must see an in-network doctor to receive plan benefits, except in cases of emergency. **For all emergency follow-up care, you are required to coordinate with your PCP and see network providers or you will be required to pay 100% of the cost yourself.** You must select a primary care physician (PCP), who coordinates your care and provides referrals when needed. The HMO includes a deductible for inpatient, outpatient and Advanced Radiology Imaging services, as well as co-payments for doctor visits (higher for specialists than for your PCP). **Please note:** When you choose the HMO plan, make sure you are selecting a plan and not a specific provider. If your doctor leaves the HMO network, this does not qualify as a life event that allows you to change plans mid-year. Please see the benefit summary in your CIGNA enrollment packet, or visit www.tucsonaz.gov/enroll for further information.

IMPORTANT REMINDER IF YOU HAVE DEPENDENTS WHO LIVE OUTSIDE AZ

You and your covered dependents **must live inside the HMO service area (generally in Arizona) in order to have coverage** under the City of Tucson medical and dental **HMO plans**. If you have a family member who lives outside of AZ, please contact the City's dedicated CIGNA representative at 520-837-4180 to make sure full coverage for that family member will be available under the HMO plans Be sure to ask about "Guesting", a CIGNA program which may provide full coverage during temporary absences. Guesting is not available in all areas.

If you have a dependent who lives outside of AZ, you may need to enroll in the non-HMO plans in order to have full coverage.

The HRA and HSA Choice Fund OAP plans are high-deductible health plans that offer access to a broad national network of doctors and other health care providers. You can see any doctor or other health care professional you choose, whether or not he or she participates in a CIGNA HealthCare network. However, you will generally pay less when you see an in-network provider. The City contributes money toward your expenses*. For those enrolled in the HSA Choice Fund, the City stops contributing to the HSA fund and paying the applicable bank fees if you leave employment or discontinue participation in the plan. Any remaining money in your HSA account is yours and may be used for investment income accumulation and to pay COBRA and Medicare premiums when you leave employment (subject to IRS regulations and banking rules).

- For the HSA, you are responsible for all tax consequences and reporting, including the filing of Form 8889 with your personal tax return
- You may **not** participate in the Health Care FSA if you enroll in the Medical HSA plan
- You may **not** enroll in the HSA medical plan if your spouse is enrolled in a Health Care FSA, unless it is a limited use FSA that reimburses only dental and vision expenses
- You may **not** enroll in the HSA medical plan if you have medical coverage elsewhere, including but not limited to other group/individual insurance, Tricare, Medicare or state-assisted medical coverage
- For the purpose of Medicare drug coverage, the HSA prescription drug coverage is **not** considered creditable coverage; for information about what this means to you, please call Medicare at 1-800-MEDICARE (1-800-633-4227)

** If you enroll in the HSA plan and fail to open your HSA bank account within five months after the beginning of the Plan Year (i.e., by December 1) and the City is therefore unable to deposit funds, you will forfeit all City-provided funds accrued on your behalf to date and for the remainder of the Plan Year. For any personal contributions withheld from your paycheck, the City will refund you via payroll, and the money will become taxable income to you. This will not qualify as a life event that allows you to change medical plans mid-year.*

Below are some features of the plans:

Plan Features	HMO	HRA Choice Fund OAP	HSA Choice Fund OAP
Lower premiums		•	•
Higher premiums	•		
You receive money funded into the City's HRA to cover eligible medical expenses. HRA funds are available when you are an employee, continuing coverage under COBRA, or a retiree.		•	
You receive money deposited into YOUR personal HSA account to cover your eligible medical expenses. You may also contribute to this account through pre-tax payroll deductions. If you leave employment, these funds are still available to you for investment income accumulation and can be used to pay COBRA or Medicare premiums. However, per IRS regulations, the City ceases to contribute additional funds after you leave, and you pay all banking fees.			•
Comprehensive medical coverage is available through the national CIGNA network		•	•
You select a PCP who coordinates and manages your care	•		
You have the flexibility to see any in-network or out-of-network doctor you choose at any time; however, you'll generally receive higher cost savings if you visit Cigna-contracted providers		•	•
Routine preventive care is covered 100% if you visit a network provider (no deductible)	•	•	•
Some services are subject to a deductible	•	•	•
CIGNA automatically processes in-network claims	•	•	•
You file claims for out-of-network services		•	•

A Snapshot of the How HRA and HSA Work

- You pay nothing for routine preventive care received from in-network providers. **Preventive care received out-of-network is covered at 70% of allowable charges, after you meet the plan's deductible, and out-of-network preventive care benefits are limited to $500.**
- The City provides funds to pay half of your deductible while you are employed:
  - **HRA:** You have funds available on your first day of plan coverage to cover half of your deductible. If you leave the City, the City will continue to pay its share of your deductible, provided you continue the coverage either as a retiree or under COBRA
  - **HSA:** If you enroll during Open Enrollment, the City contributes $500 to your HSA account approximately two weeks after the first payroll of the plan year (pro-rated for new hires). You accrue the remainder of the City's contribution over the remaining pay periods of the year ($20 per pay period for Employee Only coverage, $60 per pay period for all other coverage tiers*). If you leave the City, the City no longer contributes to your account, and you pay applicable bank fees
    - If you choose to contribute money to your HSA bank account, you have options:
      - ▶ When you enroll online, you can elect the amount you would like to contribute via payroll deduction
      - ▶ You can deposit money into your HSA account in a lump sum at any time (not available via payroll deduction)

** The City will contribute at the Employee Only level for employees enrolling domestic partners and children of domestic partners, unless the employee also enrolls other qualifying children who are the employee's biological, step or adopted children or children for whom the employee has full permanent legal guardianship.*

- After your funds are depleted, you pay 100% of the expenses until you reach the plan's annual deductible of $2,000 for *Employee Only* and $4,000 for all other coverage tiers
- After you reach the annual deductible, most in-network services are covered 90%, and out-of-network services are covered at 70% of allowable charges until you reach your annual out-of-pocket maximum. You are fully responsible for out-of-network non-allowable charges
- After you reach your out-of-pocket maximum, most in-network charges are covered at 100%. Out-of-network charges are covered at 100**%** of allowable charges. You are fully responsible for out-of-network non-allowable charges

Medical Preventive Reminder:

When you see the doctor for your annual wellness visit, if you also need treatment for a health condition, the provider has the right to bill your visit as **diagnostic** and **not preventive**, and you will be responsible for the office visit charges.

If you do not use all of the money in your account, the balance is rolled over for you to use the next year. Please see supplemental information posted at www.tucsonaz.gov/enroll for important information about coverage, restrictions and tax implications. Choose wisely, and be informed when enrolling. **Please see domestic partner information in this Handbook and the HSA Terms and Conditions for important restrictions.**

Medical Opt-Out Program

The City offers a medical opt-out incentive of $36.92 per pay period to those employees who waive City medical coverage via the online enrollment system and obtain medical coverage through sources other than the City. To participate, you must be an active, benefit-eligible employee of the City and provide proof of other medical coverage that is NOT under any City of Tucson plan. The Benefits Office must receive your opt-out form and proof of non-City medical coverage by the date your benefits begin or, if during Open Enrollment, by the end of Open Enrollment. For more information about the opt-out program, contact the Benefits Office. *You will not receive retroactive Medical Opt-Out credit if your paperwork is received late; however, you will receive the credit starting the pay period in which the Benefits Office receives your properly completed paperwork.*

Your Benefits at a Glance

	HMO Plan	Health Reimbursement Account Open Access Plus Plan		Health Savings Account Open Access Plus Plan	
Benefits	**In-Network**	**In-Network**	**Out-of-Network**	**In-Network**	**Out-of-Network**
City contribution	N/A	$1,000 – Employee $2,000 – Family		$1,000 – Employee $2,000 – Family *The City will contribute $500 at the beginning of the Plan Year. You accrue the remainder during the remaining pay periods of the year.*	
Lifetime maximum	Unlimited	Unlimited		Unlimited	
Annual deductible	$500/Individual $1,000/Family *Deductible applies for inpatient hospital services, outpatient hospital facility services and Advanced Radiology Imaging services*	$2,000/Individual[1] $4,000/Family	$2,000/Individual[1] $4,000/Family	$2,000/Individual[1] $4,000/Family	$2,000/Individual[1] $4,000/Family
Out-of-pocket maximum	N/A	$3,000/Individual[2] $6,000/Family	$5,000/Individual[2] $10,000/Family	$3,000/Individual[2] $6,000/Family	$5,000/Individual[2] $10,000/Family
PCP Office Visit	$25 co-pay	10% coinsurance*	30% coinsurance**	10% coinsurance*	30% coinsurance**
Specialist Office Visit	$40 co-pay	10% coinsurance*	30% coinsurance**	10% coinsurance*	30% coinsurance**
Routine Preventive Exam **Well Woman Exam**	No charge – If you receive non-preventive services, copay/deductible will apply	No charge – If you receive non-preventive services, copay/deductible will apply	30% coinsurance** $500 maximum per contract year	No charge – However, if you receive non-preventive services, copay/deductible will apply	30% coinsurance** $500 maximum per contract year
Urgent care	$75 co-pay *(Waived if admitted)*	10% coinsurance*	10% coinsurance* *(unless not a true emergency, then 30%**)*	10% coinsurance*	10% coinsurance* *(unless not a true emergency, then 30%**)*
Emergency room	$200 co-pay *(Waived if admitted)*	10% coinsurance*	10% coinsurance* *(unless not a true emergency, then 30%**)*	10% coinsurance*	10% coinsurance* *(unless not a true emergency, then 30%**)*
Inpatient and outpatient hospital	No charge after plan deductible	10% coinsurance*	30% coinsurance** **Precertification required for inpatient**	10% coinsurance*	30% coinsurance** **Precertification required for inpatient**
Inpatient mental health and substance abuse	No charge after plan deductible	10% coinsurance*	30% coinsurance* **Precertification required**	10% coinsurance*	30% coinsurance* **Precertification required**
Outpatient mental health	$0 co-pay	10% coinsurance*	30% coinsurance**	10% coinsurance*	30% coinsurance**
Outpatient substance abuse	$0 co-pay				

	HMO Plan	Health Reimbursement Account Open Access Plus Plan		Health Savings Account Open Access Plus Plan	
Benefits	**In-Network**	**In-Network**	**Out-of-Network**	**In-Network**	**Out-of-Network**
Prescription Drugs – Retail* **					
Generic	$15 co-pay	$15 co-pay	40%**	30%*	40%**
Brand	$40 co-pay	$40 co-pay	40%**	35%*	40%**
Non-preferred brand	$60 co-pay	$60 co-pay	40%**	40%*	40%**
Prescription Drugs – Mail Order* **					
Generic	$30 co-pay	$30 co-pay	In-network only	30%	In-network only
Brand	$80 co-pay	$80 co-pay	In-network only	35%	In-network only
Non-preferred brand	$120 co-pay	$120 co-pay	In-network only	40%	In-network only

[1] All family members contribute toward the family deductible. An individual cannot file a claim for covered services until the total family deductible has been satisfied.

[2] All family members contribute toward the family out-of-pocket maximum. Once the out-of-pocket maximum has been satisfied, benefits are covered at 100%.

* Services are subject to contract year deductible.

** Out-of-network services are subject to the contract year deductible and maximum reimbursable charge limitations. Providers may bill you for the difference between their billed charge and the maximum reimbursable charge as determined by the plan.

*** HRA pharmacy charges do not count toward satisfying your deductible or out-of-pocket maximum. There is no separate out-of-pocket maximum for pharmacy charges and **HRA funds cannot be used to pay for pharmacy charges.**

Note: HRA fund can be used to cover expenses covered under the HRA Open Access Plus medical plan only. HSA funds can be used to cover all IRS section 213D expenses.

CIGNA Extras (FREE!)

Visit www.tucsonaz.gov/enroll for important information about FREE CIGNA programs including:

- **Healthy Pregnancies, Healthy Babies:** Get the personal support you need throughout your pregnancy and receive free money when you deliver. Call 1-800-615-2906 to enroll
- **Well Aware:** You don't want your chronic health condition to control your life. Neither do we. Learn how you can better manage your chronic health condition and get one-on-one support. Call 1-866-797-5833
- **Lifestyle Management Programs:** Lose weight, manage stress, stop smoking, take control of your health! Call 1-866-417-7848 to enroll
- **24-Hour Nurse Line:** Have a medical question? Call the Nurse Line at 1-800-244-6224 or 1-800-564-8982

CIGNA Discounts (Save Money!)

Visit www.tucsonaz.gov/enroll for important information about ways you can save money including:

- Save on Urgent Care or Emergency Room costs and visit a CVS or Walgreen's clinic — open extended hours and weekends
- When possible, save by visiting a free-standing lab for your lab work instead of visiting a hospital or outpatient facility
- Get three months of prescriptions for the price of two through Mail Order. Call 1-800-TEL-DRUG (1-800-835-3784), and choose option 2
- Get Healthy Rewards Discounts on gym memberships, acupuncture, massage therapy, vision/hearing care, and more! Call 1-800-870-3470

Live Well, Be Well

Both the City and CIGNA offer wellness programs and tools to help you live a healthy lifestyle. For more information, visit www.tucsonaz.gov/enroll or CIGNA's website at www.mycigna.com.

Dental Benefits

The City offers two dental plan options administered by CIGNA Dental: CIGNA DHMO and CIGNA PPO.

The **CIGNA DHMO** plan offers comprehensive dental benefits through a network of dentists. When you need care, you must visit a dentist in the CIGNA Dental network, which is restricted mainly to AZ. There are no deductibles to pay, no annual or lifetime maximums, and no claim forms to submit. To enroll, you must live in a zip code serviced by the dental HMO.

With the **CIGNA PPO Plan**, you may see any dentist, anywhere in the world. If you visit an in-network dentist, you generally pay less. If you visit an out-of-network dentist, your coverage is limited to "reasonable and customary" charges. If you receive care from an out-of-network dentist who charges more than the amount CIGNA Dental considers reasonable and customary, you are responsible for paying the excess portion of the bill. You must meet a deductible before many plan benefits begin, and you pay coinsurance for most services you receive. The plan caps the benefit you can receive each plan year. To review plan documents of all covered services, visit www.tucsonaz.gov/enroll.

DID YOU HAVE A BABY IN THE LAST FEW YEARS?

Remember, newborns are not eligible to enroll in dental or vision at the time of birth. If you added a newborn to medical and/or dependent life coverage in the last few years and you would like your child to have dental and/or vision coverage, you must enroll him or her in dental and/or vision during a subsequent Open Enrollment.

Retirees and Dental Coverage

Once you retire, you and your dependents must maintain continuous dental insurance coverage in order to be covered under a City of Tucson dental plan. Please see the Retiree section of this Handbook for more details.

IMPORTANT REMINDER IF YOU HAVE DEPENDENTS WHO LIVE OUTSIDE AZ

You and your covered dependents **must live inside the HMO service area (generally in Arizona) in order to have coverage** under the City of Tucson medical and dental **HMO plans**. If you have a family member who lives outside of AZ, please contact the City's dedicated CIGNA representative at 520-837-4180 to make sure full coverage for that family member will be available under the HMO plans. Be sure to ask about "Guesting", a CIGNA program which may provide full coverage during temporary absences. Guesting is not available in all areas.

If you have a dependent who lives outside of AZ, you may need to enroll in the non-HMO plans in order to have full coverage.

Your Dental Benefits at a Glance

	CIGNA DHMO	CIGNA PPO	
		In-Network	Out-of-Network
General Information	You must select a Primary Care General Dentist from CIGNA's Dental HMO provider list.	You may go to any provider you choose. In-network dentists have agreed to lower rates, so you will generally pay less if you visit an in-network dentist.	
Allowable Charges	The dollar amounts listed on the Patient Charge Schedule are only applicable to treatment performed by your selected Network General Dentist. If you receive care from a Network Specialty Dentist, you are responsible for paying for that care. You are entitled to pay at the Contract Fees negotiated by CIGNA Dental rather than the Network Specialty Dentists' usual fees. Under this plan, referrals and preauthorization for payment by CIGNA Dental are not necessary for care received at a Network Specialty Dentist. CIGNA Dental will not make payments toward this treatment.	If you visit an out-of-network dentist, you are responsible for coinsurance (percentage of charges) PLUS any non-allowable charges. Your total cost may exceed the percentages listed below.	
Deductible	N/A	$25 Individual/$75 Family	$50 Individual/$150 Family
Plan Year Maximum	N/A	$2,000 Individual	$1,500 Individual
Lifetime Maximum	N/A	N/A	N/A
Diagnostic	**YOU PAY THIS AMOUNT*** **	**THE PLAN PAYS THIS PERCENTAGE**	
Visit	$5 co-pay	100%, no deductible	80%, no deductible
Exam/X-rays	No charge	100%, no deductible	80%, no deductible
Preventive			
Cleaning	No charge	100%, no deductible	80%, no deductible
Fluoride Application	No charge	100%, no deductible	80%, no deductible
Basic/Restorative			
Routine Fillings	$16 - $32 co-pay	90%, after deductible*	80%, after deductible**
Oral Surgery			
Routine Extractions	$100 co-pay	90%, after deductible*	80%, after deductible**
Impactions – Soft Tissue	$110 co-pay	90%, after deductible*	80%, after deductible**
Impactions – Complete Bony	$220 co-pay	90%, after deductible*	80%, after deductible**
Periodontics			
Perio Prophy – Partial	$78 co-pay	90%, after deductible*	80%, after deductible**
Perio Scaling – Complete	$61 - $110 per quadrant	90%, after deductible*	80%, after deductible**
Gingival Care/Quadrant	$120 - $240 per quadrant	90%, after deductible*	80%, after deductible**
Surgical Treatment of Gums	$155 - $295 per quadrant	90%, after deductible*	80%, after deductible**
Osseous Surgery	$310 - $595 per quadrant	90%, after deductible*	80%, after deductible**
Missed Appointment	Not covered	Not covered	Not covered
Prosthetics			
Full Upper or Lower Dentures	$550 each	60%, after deductible*	50%, after deductible**
Partial Upper or Lower Dentures	$410 - $640 co-pay	60%, after deductible*	50%, after deductible**
Adjustments to Dentures	$33 co-pay	60%, after deductible*	50%, after deductible**
Inlays	$410 - $460 co-pay	60%, after deductible*	50%, after deductible**
Porcelain Crown	$405 - $505 co-pay	60%, after deductible*	50%, after deductible**

	CIGNA DHMO	CIGNA PPO	
		In-Network	Out-of-Network
Bridgework	$405 - $460 co-pay	60%, after deductible*	50%, after deductible**
Denture Repair	$65 - $82 co-pay	60%, after deductible*	50%, after deductible**
Implants	Not covered	60%, no deductible	50%, no deductible****
Endodontics			
Root Canal – One Root	$315 - $505 co-pay	90%, after deductible*	80%, after deductible**
Root Canal – Two Roots	$315 - $505 co-pay	90%, after deductible*	80%, after deductible**
Root Canal – Three Roots	$315 - $505 co-pay	90%, after deductible*	80%, after deductible**
Apicoectomy with Retrograde Fill	$375 - $430 co-pay for first root, $145 each additional root; $100 per root for retrograde filling	90%, after deductible*	80%, after deductible**
Orthodontics			
Orthodontics	$2,304 for children up to 19th birthday; paid in 24 monthly payments of $96.00.; $3,120 for adults; paid in 24 monthly payments of $130.00	60%, no ortho deductible (coverage for both eligible adults and children)	60%, no ortho deductible (coverage for both eligible adults and children)
Lifetime Maximum	N/A	$2,000	$1,500
Nitrous Oxide Analgesia			
Nitrous Oxide Analgesia	$73 - $160 per unit	90%, after deductible*	80%, after deductible**

** The plan pays the percentage shown after you meet the plan deductible.*
*** The plan pays the percentage shown after you meet the plan deductible. Percentages are based on reasonable and customary charges. You are responsible for the applicable percentage plus any charges the plan considers in excess of "reasonable and customary." As such, the percentage you pay may exceed the amount shown.*
**** Please refer to your Dental HMO Patient Charge Schedule for full detailed copayment listing.*
***** Percentages are based on reasonable and customary charges. You are responsible for the applicable percentage plus any charges the plan considers in excess of "reasonable and customary." As such, the percentage you pay may exceed the amount shown.*

Vision

The City offers a voluntary, 100% employee- or retiree-paid vision plan through Avesis that includes coverage for eye exams and vision hardware (glasses, contact lenses), as well as additional discounts. Under the plan, you have the option of visiting any provider you choose; however, you generally pay less when using network providers. For complete vision coverage and rate information, please visit the Vision page at www.tucsonaz.gov/enroll or contact Avesis at 1-800-828-9341 or www.avesis.com.

Retirees and Vision Coverage

Similar to the City's dental plan, the vision plan has a continuous coverage requirement for retirees and their dependents. Retirees pay premiums directly to the carrier. Please visit the Retiree section of this Handbook for additional information.

DID YOU HAVE A BABY IN THE LAST FEW YEARS?

Remember, newborns are not eligible to enroll in dental or vision at the time of birth. If you added a newborn to medical and/or dependent life coverage in the last few years and you would like your child to have dental and/or vision coverage, you must enroll him or her in dental and/or vision during a subsequent Open Enrollment.

Flexible Spending Accounts (FSAs)

Pay your health care and dependent care expenses with tax-free money from an FSA.

An FSA lets active employees (but not retirees) set aside money from each paycheck before taxes to pay for eligible health care and dependent care expenses. Your participation in the plan is voluntary, and you must re-enroll every year to participate. **Unlike our other insurance benefits, the City's FSA program runs on a calendar year (January 1 – December 31).** Open Enrollment for the FSAs occurs annually each fall. **You may not participate in the Health Care FSA if you enroll in the Medical HSA plan.**

***NEW!* Effective January 1, 2013**

Current health care reform law will limit health care Flexible Spending Account contributions to **$2,500 per participant per calendar year** starting in 2013.

Please contact ASI Flex for additional information.

Use-It-Or-Lose-It

If you enroll in an FSA, budget wisely. Under federal tax rules, if you lack sufficient qualifying expenses to claim all your contributions, or if you fail to submit your claims by the deadlines, you lose the money you contributed. ***Choose wisely, and submit your claims on time!***

Health Care FSA

What Expenses are Eligible?

Eligible expenses include co-payments (including for prescription drugs), prescription glasses, contact lenses, dental work, orthodontia, and any expenses applied to your plan deductibles. H**owever, the cost for over-the-counter drugs is excluded from reimbursement from an FSA without a written prescriptions.** Please check with the IRS or our FSA administrator for details. You may not use FSA dollars for expenses related to general well-being or cosmetic improvement, expenses that are not medically necessary or insurance premiums. For a detailed list of eligible and ineligible expenses, visit www.tucsonaz.gov/enroll**.**

Plan Limits

You may contribute between $7.70 and $192.30 per pay period through December 31, 2012. This will reduce to a maximum of $96.15 per pay period starting in 2013, in accordance with health care reform law.

If You Are Married and If You or Your Spouse is Enrolled in the City's or Any Other HSA

According to the IRS, if your spouse is contributing to an HSA, you **may not** participate in our health care FSA. If you are enrolled in the City's HSA medical plan, you **may not** enroll in your spouse's health care FSA, unless it is specifically designated as a "limited use" FSA that reimburses only dental and vision expenses. Please call ASI Flex at 1-800-659-3035 or contact the IRS for additional information about restrictions.

If You Leave the City

If you leave the City during the plan year, you may:

- **End your participation** – You may claim reimbursement for any eligible expenses incurred before your last day of employment
- **Continue participating under COBRA** – Under certain circumstances, you may be eligible to continue participation on an after-tax basis through COBRA, allowing you to extend the date through which you may incur eligible claims

Stockpiling

Under IRS regulations, you may not purchase an unusually large amount of a particular over-the-counter drug at the end of the plan year in an effort to use up your FSA dollars so they are not forfeited.

Dependent Care FSA

Dependent care is a large expense for families with children. A dependent care FSA allows you to pay for qualifying dependent care expenses with pre-tax dollars. We encourage you to consult with the IRS or your tax attorney for information about rules, limitations and exclusions, including the following:

- The day care provider can be a licensed day care facility or a private individual
- The day care must allow both you and your spouse to work, actively look for work, or attend school full time
- Your dependent must live with you and must be age 12 or younger. A dependent age 13 or older can be eligible if you provide proof the dependent cannot physically or mentally care for himself/herself
- The day care provider cannot be a dependent on your tax return or your child under the age of 19
- You can reimburse yourself only up to the amount available in your account
- Expenses **not** eligible for reimbursement include the following:
  - Tuition for school at the kindergarten level or above, overnight camps, nursing home expenses, activity/supply fees and transportation costs
  - Tuition for Montessori school (Montessori school for preschool, and before and after school care are allowed)
- You must complete Form 2441 when filing your federal tax return

Plan Limits

You may contribute between $7.70 and $192.30 per paycheck. The $5,000 annual IRS limit is a combined limit for married couples so, if you are married, you may need to prorate your contribution, per IRS regulations. Please consult with the IRS or your tax attorney for information about this and other limitations. It is your responsibility to make sure you do not exceed IRS limits. **(Note:** If your spouse is a full-time student, review Publication 503 located on the IRS website at www.irs.gov for other limitations.)

If You Leave the City

If you leave the City during the plan year, your participation in the dependent care FSA will end. You are still required to submit your claims before the deadline.

Open Enrollment FSA Election Errors

If you make an FSA election during Open Enrollment that is clearly an error (for example, if you elect Dependent Care FSA coverage and you have no legal tax dependents in dependent care), you must notify the Benefits Office **before the second paycheck of the calendar year.** Your situation will be reviewed and, if it can be clearly determined that your election was made in error, your deduction will be stopped and money deducted will be refunded.

If you notify the Benefits Office of a mistaken election later than the second pay day of the calendar year, your situation will be reviewed, and if it can be clearly determined that your election was made in error, the deduction will be transferred to a health care FSA account. Refunds and stopping of deductions will not be permitted. Even if you accidentally elect both the Health Care FSA and the Dependent Care FSA in the same dollar amount, if it is past the second pay day of the plan year, the amount of both your elections will be **combined** under the Health Care FSA.

Important FSA Deadlines

- Since City FSAs are on a calendar year (January 1 – December 31), open enrollment occurs annually in the fall. Below are some important deadlines you need to keep in mind when filing claims. Remember, you MUST re-enroll every year to participate:

Deadlines for January 1, 2012 – December 31, 2012 FSA Plan Year

	Health Care FSA	Dependent Care FSA
Incur Claims By	March 15, 2013	December 31, 2012
Submit Claims for Reimbursement By	March 31, 2013	March 31, 2013

Employee Assistance Program (EAP)

Ability Assist, the EAP administrator, helps active employees and their family members *(not available to retirees)* cope with life, from the everyday to the unexpected – job pressures, relationships, retirement planning, finding child care, grief, loss, or the impact of a disability. The EAP is your resource for professional support and is offered by ComPsych in conjunction with our long-term disability insurance (provided by The Hartford):

- All benefits-eligible employees and their dependents are covered
- Unlimited 24/7/365 phone assistance is available
- Up to three face-to-face sessions are covered per occurrence per year
- Online guidance information, advice and helpful tools are available, covering thousands of topics

Simply call 1-800-964-3577 for details.

Voluntary Benefits (Colonial Life)

Colonial Life offers individual voluntary benefits to active employees, including Short Term Disability, Accident, Life, Hospital Confinement, and Cancer and Critical Illness insurance. Most coverage is available for you and your family and you can continue coverage, with no increase in premiums, when you retire or change jobs. With most plans, you receive benefits regardless of any other insurance you may have with other insurance companies. Guaranteed issue for Short-Term Disability or other types of coverage, where applicable, is available only during your initial eligibility period as a new hire. Evidence of insurability (EOI) may be required if you enroll outside of this initial period. During Open Enrollment, coverage may be offered without EOI, depending on the type and level of coverage you choose. For information about the plans offered, including coverage options and premiums, please contact Colonial Life at the number listed in the back of this Handbook. Accrued time off does not need to be exhausted in order to receive benefits under a Colonial Life Short Term Disability policy; however, City policies regarding leave without pay when accruals exist still apply.

Long-Term Disability (LTD) Insurance

LTD Insurance is available to active employees and provided through Hartford Life Insurance Company. The City of Tucson provides a 60% benefit with a maximum payment of $4,000 per month for five years* after meeting the criteria for disability for 180 days**. You may purchase a buy-up option that increases your monthly maximum benefit to $6,000 and reduces the elimination period from 180 to 90 days**. If you choose to purchase supplemental long-term disability (buy-up coverage) within your initial benefit eligibility period, you do not need to show proof of insurability. However, pre-existing condition limitations exist. (Rates for the buy-up option are posted at www.tucsonaz.gov/enroll.) If you choose not to elect coverage when you are first eligible, you will need to submit Evidence of Insurability – at your own expense – and the Hartford may either approve or deny your request for buy-up coverage. Premium deductions begin once you are approved for coverage.

LTD benefits are offset by disability retirement, Worker's Compensation and Social Security benefits paid to you or your family as a result of your disability. To receive benefits for a pre-existing condition, you must be continually insured by The Hartford for 365 days and have not received Medical Care for the condition for 90 days on the Basic option and 180 days on the Buy-Up option. Payment of LTD benefits is limited to 24 months for disabilities due to mental illness and to 12 months for disabilities due to substance abuse.

**The five-year maximum coverage period varies if disability begins after you turn age 61 – See Below.*

*** Regardless of which plan you have, you must exhaust all your accumulated time off before benefits will be paid.*

Maximum Duration of LTD Benefits

Basic LTD:

Age When Disabled	Benefits Payable
Prior to Age 61	60 months
Age 61	54 months
Age 62	48 months
Age 63	42 months
Age 64	36 months
Age 65	30 months
Age 66	27 months
Age 67	24 months
Age 68	21 months
Age 69 and over	18 months

Buy-up LTD:

Age When Disabled	Benefits Payable
Prior to Age 62	To Age 65, or 48 months, if greater
Age 62	48 months
Age 63	42 months
Age 64	36 months
Age 65	30 months
Age 66	27 months
Age 67	24 months
Age 68	21 months
Age 69 and over	18 months

Life Insurance

Basic Term Life Insurance

Basic Term Life Insurance is paid entirely by the City.

Active Employees

This insurance provides a cash benefit to your designated beneficiary(ies) in the event of your death equal to your base annual salary, rounded up to the nearest thousand dollars, to a maximum of $50,000. *The amount of your basic insurance decreases 50% on your 70th birthday.*

Retirees

Retirees receive a City-paid $7,500 term life insurance policy. The benefit amount does not reduce with age.

Dependent Life Insurance *(Active Employees Only)*

Dependent Life term insurance is paid by the City and provides a cash benefit of $5,000 to you if your spouse/domestic partner or another qualifying dependent dies. (Insurance for infants who are 15 days to 6 months of age pays a benefit equal to $100. No coverage exists for infants younger than 15 days.) Only your qualifying dependents whom you identify and enroll via the online benefits enrollment system are covered.

If you gain a new dependent mid-year, you must enroll him or her via the online enrollment system within 31 days of the date the dependent becomes eligible (60 days for birth/adoption of a child).

Supplemental Life Insurance *(Active Employees Only)*

As an active employee, you may supplement the Basic and Dependent Life insurance coverage the City provides by purchasing supplemental life insurance for yourself and your spouse or domestic partner. Your cost for coverage is deducted from your pay via payroll deduction. Rates are posted at www.tucsonaz.gov/enroll and in the online enrollment system.

DUAL CITY OF TUCSON COVERAGE IS NOT ALLOWED!

If you are married to/in a domestic partnership with - or the child/parent of - another City of Tucson employee or retiree, *dual coverage is not allowed.*

You may be covered **either** as the employee/retiree **or** as a dependent for medical, dental, vision **and life** insurance. This means…

- You may not cover yourself for medical, dental or vision and also be covered under your spouse's/domestic partner's/parent's City of Tucson plan
- You may not cover your spouse/domestic partner/child for the Basic Dependent or Supplemental Spouse Life insurance plans
- You must CHOOSE which of you will cover eligible children. Only ONE OF YOU may cover each eligible child for each type of insurance
- You are permitted to designate your spouse, domestic partner or child as a **beneficiary** for your life insurance; AZ Community Property state rules apply

It is your responsibility to comply with these rules. Failure to do so may result in you paying premium for benefits which are not payable at the time of a claim. Please contact the Benefits Office to correct any dual enrollment situations.

If the City discovers dual enrollment, the Benefits Office is not able to reimburse you for premiums already deducted from your pay. Benefits Office staff will notify you – either via the phone or by email (provided contact information is available – of changes being made to your coverage to correct dual enrollment issues.

Employee Supplemental Life Insurance

You may purchase supplemental life insurance for yourself in the amount of two, four or six times your basic annual earnings, not to exceed the maximum listed below:

TIER	COVERAGE AMOUNT	MAXIMUM
1	2 x your basic annual earnings	$100,000
2	4 x your basic annual earnings	$200,000
3	6 x your basic annual earnings	$300,000

Example for an Employee Earning $30,000

TIER	COVERAGE AMOUNT	MAXIMUM
1	2 x $30,000	$60,000
2	4 x $30,000	$120,000
3	6 x $30,000	$180,000

Beginning on your 65th birthday, the amount of your supplemental life insurance decreases. The percentage of the amount otherwise payable is as follows:

- Age 65 to 70: 65%
- Age 70 to 75: 50%
- Age 75 and older: 30%

If you choose to purchase supplemental employee life insurance within your initial benefit eligibility period, you do not need to provide proof of insurability to the insurance company. This means no medical examination is required, and you are guaranteed the coverage. If you do not enroll during your initial benefit eligibility period or if you would like to increase a coverage level after you are first eligible, you may apply to do so during a subsequent Open Enrollment by requesting the coverage via the online benefits enrollment system **and** submitting the necessary application and required documentation to the insurance company. The insurance company may require a medical examination or records at your own expense. The insurance company then determines whether to approve or deny the request for additional coverage. If approved, coverage and premium deductions become effective on the date of approval.

Rates are posted at www.tucsonaz.gov/enroll and in the online enrollment system.

Spouse/Domestic Partner Supplemental Life Insurance

You may purchase supplemental life insurance for your spouse in the amounts shown in the table below. Rates are posted at www.tucsonaz.gov/enroll and in the online enrollment system.

TIER	COVERAGE AMOUNT
1	$7,500
2	$15,000
3	$22,500

If you choose to purchase supplemental spouse life insurance within your initial benefit eligibility period or during the first 31 days after you gain a newly qualified spouse/domestic partner, you do not need to provide proof of insurability to the insurance company. This means no medical examination is required and coverage is guaranteed. If you do not enroll during your initial benefit eligibility period or when your spouse/domestic partner is first eligible, or if you would like to increase a coverage level after your spouse/domestic partner is first eligible, you may apply to do so during a subsequent Open Enrollment by requesting the coverage via the online benefits enrollment system **and** submitting

the necessary application and required documentation to the insurance company. The insurance company may require a medical examination or records at your own expense. The insurance company then determines whether to approve or deny the request for additional coverage. If approved, coverage and premium deductions become effective on the date of approval.

Portability of Supplemental Life Insurance

Current policy allows you to continue your coverage if you leave employment with the City, provided you have been employed by the City for at least one year, are under age 70, and you have been insured under the current level of coverage for at least one year and meet all other criteria outlined in the insurance contract. If you elect to port your coverage, you make your payments directly to the insurance provider. Your elections and first quarterly payment must be made directly to the insurance carrier within **31 days** of terminating active employment and must be done in accordance with the procedures outlined by the insurance carrier, or coverage will not be granted. Rates are outlined on the portability application. **Rates are not guaranteed and may change annually.** Under the current contract, portability coverage ends when the City's contract ends. For additional information, please see the insurance booklet posted at www.tucsonaz.gov/enroll.

Conversion of Basic Life Insurance

Current policy allows you or your covered dependent to convert to an individual life insurance plan if you leave employment with the City, provided you meet all criteria outlined in the insurance contract. Your elections must be made within **31 days** of terminating active employment and must be done in accordance with the procedures outlined by the insurance carrier, or coverage will not be granted. Rates are outlined on the conversion application. **Rates are not guaranteed and may change annually.** Under an individual life insurance plan, you make your payments directly to the insurance carrier. For additional information, please see the insurance booklet posted at www.tucsonaz.gov/enroll.

Designating a Beneficiary

When you enroll for life insurance benefits, you must designate a beneficiary via the online enrollment system. Please keep your beneficiary designation up-to-date to ensure that your life benefit is paid in accordance with your wishes in the event of your death. Community Property state rules apply.

Waiver of Life Insurance Premium Disability Benefit

If you are unable to engage in any occupation as a result of injury or sickness for a minimum of six months, prior to age 60, premium may be waived for your life insurance benefit until you are no longer disabled or reach age 65, whichever occurs first. You must provide satisfactory written proof of total disability and complete a claim form within one year of the date your total disability begins to be eligible for the waiver of premium. **Your eligible dependents are not eligible for this benefit.** Please contact the Employee Benefits Office for more information.

Retirees

The City currently offers continuation of medical, dental and vision coverage plus a basic life insurance plan to eligible retirees. Retiree eligibility is defined in Administrative Directive 3.04-6, posted on the Retiree Information page at www.tucsonaz.gov/enroll.

No other employee benefits apply to retirees. Any subsidy provided by the City will be applied only to medical insurance sponsored by the City of Tucson; no other plans are eligible for this subsidy except in accordance with Administrative Directive 3.04-6. **All rules regarding dependent eligibility and audit, and when/how to enroll and make changes do apply to retirees. (See applicable pages at the beginning of this Handbook.)**

Medical

Non-Medicare Eligible Retirees

Non-Medicare group coverage is available until you:

- Become eligible for Medicare due to your age
- Do not pay medical premiums within 30 days of due date
- Enroll in group medical coverage through another employer. If your other employment is terminated, you (the retiree) may enroll with the City's group coverage if you: (a) submit the proper documentation and (b) follow the prescribed procedures for making your request within 31 days of the date your other coverage is lost. Please contact the Benefits Office for requirements.

Please see group medical benefit descriptions in the Medical section of this Handbook. Please refer to City of Tucson Administrative Directive 3.04-6 for complete eligibility details.

Medicare-Eligible Retirees and Medicare-Eligible Dependents of Retirees

As a Medicare-eligible retiree (age 65+) or Medicare-eligible dependent of retiree (due to age **or** disability), you may not continue on the City's non-Medicare group medical coverage, except as described, below, under "Medicare-Eligible Retirees Under Age 65".

Coverage ends the last day of the month prior to the month during which you turn 65. Your enrolled eligible dependents may continue under the group medical coverage by paying 100% of the applicable group premium.

- You must notify the Employee Benefits Office when you or a covered dependent becomes eligible for Medicare
- When your enrolled eligible dependents become eligible for Medicare (due to either disability or age), they no longer qualify for City group medical coverage
- Please note that numerous Medicare supplement plans are available in the Tucson area.
  Thoroughly investigate your options to ensure that you enroll in a plan that best meets your needs.
  For information about non-City offered plans, please contact Pima Council on Aging at 8467 E. Broadway Blvd., 520-790-7262, www.pcoa.org
- Public Safety retirees should also contact the State regarding Medicare plan options
- **Public Safety retirees who do not qualify for Medicare, please refer to Administrative Directive 3.04-6 posted at www.tucsonaz.gov/enroll**

Medicare-Eligible Retirees Under Age 65

If you become eligible for Medicare due to disability prior to age 65, you are currently eligible for a reduced rate for group medical, provided you enroll and remain enrolled in Medicare Parts A & B, and Medicare pays primary. Contact Employee Benefits for additional information. In accordance with the City's current medical contract, if

you are eligible to enroll in Medicare, CIGNA will pay secondary, even if you choose not to enroll in Medicare Part A and/or B, and you will be liable for any non-covered claims. We strongly suggest you understand your options and enroll in Parts A **and** B in order to ensure maximum claim payment.

Dental

You may **continue** your coverage in the City's dental plans. Please refer to the benefit descriptions in the Dental section of this Handbook. You must maintain continuous dental insurance coverage in order to be eligible for City of Tucson dental coverage.

Note: If you are a retiree and you want to add coverage for yourself or your eligible dependents during an annual Open Enrollment or due to a qualifying life event, you must provide proof of continuous insurance coverage through another dental insurance plan for the immediately preceding 36 months for you and any dependents you wish to cover.

Vision

You may **continue** your coverage in the City's vision plan. Please refer to the benefit description posted at www.tucsonaz.gov/enroll.

Note: Similar to the City's dental plan, the vision plan has a continuous coverage requirement for retirees and their dependents:

- As a Retiree you are able to enroll yourself and your eligible dependents in the Vision plan without showing proof of continuous vision insurance coverage elsewhere **only** if you enroll:
  - **During the FY 2013 Open Enrollment** (for a July 1, 2012 start date) – However, you may not enroll without proof of continuous vision insurance coverage elsewhere if you enrolled for City of Tucson retiree vision coverage at any time between July 1, 2011 and June 30, 2012 and coverage was terminated either voluntarily or due to lack of payment
  - Within 31 days of qualifying life events prior to July 1, 2012 and in accordance with the City's rules governing mid-year changes outlined in this Insurance Handbook – However, you may not enroll without proof of continuous vision insurance coverage elsewhere if you enrolled for City of Tucson retiree Vision coverage at any time between July 1, 2011 and June 30, 2012 and coverage was terminated either voluntarily or due to lack of payment
- If you and your eligible dependents choose not to enroll during the periods specified above, you will be permitted to join during subsequent Open Enrollments (or within 31 days of qualifying life events) <u>only if you provide proof of continuous vision insurance coverage for the 36 months immediately preceding the date your coverage under the City's plan becomes effective</u>
- **Once you or your dependent enrolls, if coverage is dropped for any reason (including, but not limited to being dropped due to lack of premium payment), the retiree and eligible dependents are able to rejoin the plan during subsequent Open Enrollments or within prescribed deadlines due to qualifying life events <u>only if they provide proof of continuous vision insurance coverage for the 36 months immediately preceding the date their coverage under the City's plan becomes effective</u>**

Note: The above continuous coverage provisions apply to retirees as well as dependents of retirees.

Paying for Your Vision Coverage

Unlike retiree Medical and Dental premiums, retiree Vision premiums are not deducted from pension checks. Retirees pay premiums directly to the Vision insurance carrier on a quarterly, semiannual or annual basis.

Basic Life Insurance

Qualifying retirees currently have coverage under a City-paid $7,500 term life insurance policy. You may update your beneficiary information at any time by logging on the online enrollment system, accessible via www.tucsonaz.gov/enroll.

Important Notices

Each year, the City of Tucson is required to provide you with certain Important Notices affecting your employee benefit programs. Please review these notices located on the Benefits Home Page at www.tucsonaz.gov/enroll.

Please see next page for vendor and Benefits Office contact information.

Contacts

WHO?	BENEFIT	PHONE NUMBER	WEB / EMAIL
CIGNA (Medical and Dental) **Group #3329224**	**MEDICAL** ▪ HMO medical ▪ Choice Fund OAP medical (HRA and HSA) ▪ HSA Bank Account Questions **DENTAL** ▪ DHMO ▪ PPO	Pre-enrollment Hotline: 1-800-401-4041 After enrollment: 1-800-CIGNA24 (1-800-244-6224) 24-Hour Nurseline: 1-800-564-8982 Local: 520-837-4180	www.cigna.com (prior to enrollment) www.mycigna.com (after you are enrolled in a CIGNA medical plan)
AVESIS	▪ Vision	1-800-828-9341	www.avesis.com
ComPsych (Ability Assist)	▪ Employee Assistance Program (EAP)	1-800-96-HELPS (1-800-964-3577)	www.guidanceresources.com Company ID: HLF902 Company name: abili
The Hartford	▪ Long-Term Disability Insurance ▪ Employee Supplemental Long-Term Disability Insurance	1-800-289-9140	N/A **For claim information and status of EOI:** www.thehartfordatwork.com
Colonial Life and Accident Insurance Company	▪ Short-Term Disability ▪ Accident Insurance ▪ Cancer Insurance ▪ Critical Illness Insurance ▪ Hospital Confinement Indemnity Insurance ▪ Life Insurance	**Local** Phone: 1-800-456-4311 Fax: 1-602-433-8145 **Home Office** Phone: 1-800-325-4368 Fax: 1-800-880-9325	www.coloniallife.com *Note: You can download claim forms on this website.*
ASI Flex	▪ Health Care and Dependent Care Flexible Spending Accounts	800-659-3035	www.asiflex.com
Dearborn National Life Insurance (formerly Fort Dearborn) Group #GAZ80191-001	▪ Questions about plan coverage ▪ To check on the status of a life claim ▪ To discuss life conversion, portability and waiver of premium policies and costs	Phone: 1-800-778-2281 Fax: 1-972-996-9361	
City of Tucson Employee Benefits Office	▪ Enrollment, separation from employment, life insurance claims, insurance deduction information	Phone: 1-520-791-4597 Fax: 1-520-791-5942 255 W. Alameda, 5th Floor P.O. Box 27210 Tucson, AZ 85726-7210 *If you would like to visit us in person, please make an appointment.*	**E-mail:** benefitquestions@tucsonaz.gov **Online Information:** www.tucsonaz.gov/enroll **Online Enrollment System (AdvantageExpress):** www.buckhrsolutions.com/cityoftucson
Medicare Plans		The City does not offer Medicare medical plans. Please visit www.tucsonaz.gov/enroll on the Retiree Information page for additional information.	

This 2012-2013 Employee & Retiree Insurance Handbook is a summary of the City of Tucson's health and wellness benefits. For complete coverage details, please see the appropriate plan administrator's certificate of coverage.