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# DHRM TOTAL COMPENSATION BULLETIN

## Compensation and Benefits Information for State Employees FY 2021

**Effective Date:** June 27, 2020

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## 1. Salary Updates

No legislative salary increases were approved for FY 2021.

### H.B. 293 Longevity Amendments

- This bill exempts legislative employees from the longevity statute. Specifically the employee schedule code AN

## 2. Retirement Updates

### S.B. 8 State Agency and Higher Education Compensation

- Provides appropriations for employer match up to \$26 per pay period for qualifying state employees. (effective July 1, 2020)

### H.B. 22 Utah Retirement Systems Amendments

- The effective date of this bill is July 1, 2020
- This bill is the annual clean-up bill to Title 49 recommended to the Legislature by URS
- Makes administrative and technical amendments; codifies clarifications regarding current policies, interpretations, and practices; and makes technical corrections; no benefit design or substantive modifications



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### **H.B. 173 Firefighter Retirement Amendments**

- The effective date of this bill is July 1, 2021, except for the study, which is effective immediately
- This bill provides that a firefighter of the Department of Natural Resources, Division of Forestry, Fire, and State Lands is eligible to earn service credit in the new PS/FF Tier II Contributory Retirement System
- Requires the Retirement and Independent Entities Interim Committee to study, and make recommendations, on system eligibility for existing firefighters within the above mentioned divisions

### **H.B. 225 Phased Retirement Amendments**

- The effective date of this bill is January 1, 2021
- This bill creates an additional phased retirement option allowing Public Safety and Firefighters to participate in an agreement of continuing to work on a 75% time basis and receive 25% of his/her retirement allowance
- Must be at least 50 years old

### **S.B. 217 State Retirement Amendments**

- The effective date of this bill is July 1, 2020
- This bill allows compensated, part-time, appointed or elected board members of public agencies who meet certain criteria to retire without terminating their service in these positions for a participating employer
- Excludes them from certain postretirement reemployment restrictions
- Requires employee to be 55 years of age; 50 if Public Safety or Firefighter
- Does not allow the employee to serve on the board of the agency from which he/she is retiring

### **S.B. 56 S01 Public Safety and Firefighter Tier II Retirement Enhancements**

- The effective date of this bill is July 1, 2020
- Companion bill HCR 9
- Creates a new restricted account to fund state agency costs of certain Tier 2 Public Safety and Firefighter benefits
- If a participating employer elects to “pick up” required employee contributions for Hybrid System members, the employer is required to pay the same amount as an additional non-elective contribution to its Defined Contribution Plan employees
- Amends the line-of-duty death benefits to the surviving spouse of an active member of the Tier 2 Public Safety and Firefighter Retirement System



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## **HCR 9 Concurrent Resolution Authorizing State Pick-up of PS/FF Employee Retirement Contributions**

- The effective date of this bill is: July 1, 2020
- Companion Bill: S.B. 56 S01
- Declares the state, after July 1, 2020, will make a formal tax “pick up” election and pay up to 2% of the required employee contributions for members of the new PS/FF Tier II Contributory Retirement System.
- Contributions are considered employee contributions, but are pre-tax employer contributions for federal and state income tax purposes.

## **3. Medical, Dental, and Vision Insurance Updates**

### **S.B. 8 State Agency and Higher Education Compensation Appropriations**

- Funds the state’s portion of the health insurance premium increase. Employee premiums increase by approximately 4.53% for all plans except STAR (Summit and Advantage Networks) and Consumer Plus (Summit and Advantage Networks)

### **H.B. 207 SO2 Insulin Access Amendments**

- The effective date of this bill is May 12, 2020 and January 1, 2021
- This bill allows a Pharmacist to dispense insulin for an expired prescription, and allows for dispensing of the therapeutic equivalent for diabetes test strips, lancets, syringes and a glucometer (effective 5/12/20)
- Directs PEHP to purchase insulin at discounted prices and instructs PEHP to create a discount insulin program available to all Utahns (effective 1/1/21)

### **H.B. 214 SO1 Insurance Coverage Modifications**

- The effective date of this bill is January 1, 2021
- This bill directs PEHP to cover certain in-vitro fertilization (IVF) procedures
  - Testing of an embryo, for an employee and partner who have been diagnosed with a genetic trait for cystic fibrosis (CF), spinal muscular atrophy (SMA), Morquio Syndrome, myotonic dystrophy or sickle cell anemia
- Allows the couple to elect IVF in favor of natural conception to reduce the chances of a child born with the parents’ disease

### **SCR502 S01 (Special Session) Concurrent Resolution on Refunding Excess Reserves from the State Insurance Risk Pool**

- Refunds excess reserves from the state health insurance risk pool by 7/1/20 for the state and by 7/15/20 for state employees



### **S.C.R. 10 State Employee Benefits and Providing a Refund from the State Health Insurance Pool**

- The effective date of this bill is May 1, 2020 and July 1, 2020
- This bill refunds excess reserves from the state health insurance risk pool by May 1, 2020
- Provides state employees with more options to choose between cash and benefits
  - Employees may choose to opt out of medical coverage if they have other active medical coverage
    - The state will give the employee \$2,000 for single or \$4,000 for double or family coverage
    - This additional compensation is subject to tax and other benefits such as retirement, workers' compensation, and LTD
    - This election is made annually during open enrollment
  - Allows employees on the Consumer Plus plan to have the ability to convert 100% of their HSA to cash (employee pays all related taxes)
    - This cash conversion option does NOT impact other benefits such as retirement, worker's compensation, and LTD
  - Adds a premium share to STAR HSA plan; Increases HSA state contribution by the same amount in the first year
  - Creates HSA-based dental plans which provides a lower benefit in exchange for an additional HSA contribution
  - Dental Plan Opt Out: Employees with proof of other dental insurance coverage may opt out of state dental coverage in return for cash:
    - Single \$100, double \$200, family \$400
    - This additional compensation would be subject to tax and other benefits such as retirement, workers' compensation, and LTD

### **Enhanced Mental Wellness Services for First Responders and Spouses**

- Effective July 1, 2020
- Provides preventative and situational services with a specially trained professional for first responders dealing with trauma in the normal course of doing their job
- Available by contacting Blomquist Hale or PEHP
- No out-of-pocket costs, regardless of what health plan you're on
- Do not need PEHP Health Coverage to participate
- Benefit applies ONLY to first responders and their spouse in the following areas
  - Department of Corrections
  - Department of Public Safety (Highway Patrol)
  - Department of Child and Family Services
  - Investigation's Division at the Attorney General's Office



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## Medical, Dental, and Vision Premiums

- *Appendix A - Premium Changes* provides a breakdown of employee premium changes from the previous year for each benefit type

### Vision

- EyeMed premiums decreased overall
- Opticare full vision and eyewear only plans have increased except for Opticare full vision family plan, which decreased

### Dental

- Traditional and Preferred Choice premiums remain the same except the Traditional family plan, which increased by \$0.01 on a bi-weekly basis
- Regence Expressions plans have decreased
- Two new Dental plans have been created starting in FY21
  - Basic HSA Dental
    - No employee premium
    - Covers preventive, diagnostic services, and fillings
    - No coverage for orthodontics, major services, prosthodontics, etc.
    - Yearly employer HSA contributions: Single \$75, Double \$140, Family \$255
  - Discount HSA Dental
    - No employee premium
    - No dental insurance
    - Pay out of pocket with access to PEHP in-network discounts
    - Yearly employer HSA contributions: Single \$235, Double \$430, Family \$785
  - If the Basic or Discount HSA dental is chosen, the employee will have a three year waiting period before they can elect Traditional or Preferred dental plans
  - The HSA dental plans require the employee be active on either the STAR or Consumer Plus medical plans
  - If an employee is only eligible for an HRA they are not eligible for the HSA Dental Plans
  - These new dental plans were created as part of the legislative bill SCR 10



## Two Telemedicine Benefits

- Traditional plan is \$10 per visit
- STAR/Consumer Plus is \$49 per visit: \$10 after meeting deductible
- Intermountain Connect Care is available for all PEHP members on all networks
  - With Connect Care, pay nothing if the tele-doc is unable to assist you
- University of Utah E-Care is available to PEHP members on the Summit and Preferred networks

## Health Savings Account (HSA) Employer Contribution

Bi-Annual State HSA Contribution

STAR	Consumer Plus
Single \$454.61	Single \$912.34
Double \$913.38	Double \$1824.81
Family \$959.27	Family \$1824.81

- Employees may choose to receive an HSA contribution or cash
  - Up to one-half of the state's HSA contribution on the STAR Plan
  - Up to 100% of the state's HSA contribution on the Consumer Plus plan
  - Cash must be taken in 25% increments as taxable compensation to be distributed twice per year at the same time as the HSA contribution
    - The first half of the HSA contribution will be distributed by the end of July 2020 and the second half by the end of January 2021
- Maximum contribution limits for 2020: \$3,550 (single), \$7,100 (double/family)

## Health Reimbursement Account (HRA)

- Employees who do not qualify for an HSA, but choose the STAR or Consumer Plus plans are eligible for an HRA to be distributed at the same time and in the same amount as the HSA
  - An HRA is NOT eligible for the cash conversion available for HSA's



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### **Medical Flexible Spending Account (FSA)**

- Maximum contribution for 2020 is \$2,750
  - This increase also applies to limited-purpose FSAs that are restricted to dental and vision services
  - \$500 may be carried over into the next plan year and not count toward the \$2,750 maximum on medical and limited-purpose FSAs

### **Dependent Care Flexible Spending Account (FSA)**

- \$5,000 a year for individuals and married couples filing jointly, or \$2,500 for a married person filing separately

## **4. Leave Updates**

### **S.B. 207 S01 Paid Leave Amendments**

- As per SB5012 S01 (Special Session) The effective date of this bill has been delayed from July 1, 2020 to **July 1, 2021**
- This bill requires a state employer to allow an eligible employee to use up to 120 hours of paid postpartum recovery leave
  - The leave is based on a 40-hour work week for recovery from childbirth
  - An eligible employee who is part-time or who works in excess of a 40-hour work week or its equivalent, shall use the amount of postpartum recovery leave on a pro rata basis
- Requires DAS to return unused funds designated for this purpose to the General Fund

## **5. Salary Increase Administration Instructions to Agencies**

### **Administrative Salary Increases**

- Agency DHRM Field Offices will need to manually enter agency approved increases. If entry help is needed, coordinate with ERIC and / or DHRM Total Rewards team



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## **6. Coding of Salary Actions**

### **How will salary actions be coded?**

1. Salary increases that agencies provide not specific to legislatively approved funding must be entered with an ASI action code in HRIS that is appropriate for why the agency is giving the increase, i.e. executive director approval, performance, etc. Funding for these increases comes from an agency's existing budget. Do not use the **"ASI-Legislative Approval"** action code, even if you consider them to be the same type of increase. DHRM must be able to produce reports that separate these actions based upon their funding source

# Appendix A - Premium Changes

## Medical Bi-weekly Premiums

<b>STAR: Summit &amp; Advantage</b>			
	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Single	\$4.52	\$0.00	\$4.52
Double	\$9.33	\$0.00	\$9.33
Family	\$12.87	\$0.00	\$12.87
<b>STAR: Preferred Care</b>			
	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Single	\$74.47	\$66.93	\$7.54
Double	\$154.26	\$138.65	\$15.61
Family	\$213.67	\$192.09	\$21.58

<b>Traditional: Summit &amp; Advantage</b>			
	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Single	\$23.45	\$22.43	\$1.02
Double	\$48.35	\$46.25	\$2.10
Family	\$64.54	\$61.75	\$2.79
<b>Traditional: Preferred Care</b>			
	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Single	\$118.31	\$113.18	\$5.13
Double	\$243.97	\$233.41	\$10.56
Family	\$325.69	\$311.57	\$14.12

<b>Consumer Plus: Summit/Advantage</b>			
	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Single	\$0.00	\$0.00	\$0.00
Double	\$0.00	\$0.00	\$0.00
Family	\$0.00	\$0.00	\$0.00
<b>Consumer Plus: Preferred Care</b>			
	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Single	\$55.71	\$53.29	\$2.42
Double	\$116.41	\$111.37	\$5.04
Family	\$172.29	\$164.82	\$7.47

### **Dental Bi-weekly Premiums**

<b>Traditional</b>			
	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Single	\$2.39	\$2.39	\$0.00
Double	\$4.42	\$4.42	\$0.00
Family	\$8.07	\$8.06	\$0.01
<b>Preferred Choice</b>			
Single	\$1.32	\$1.32	\$0.00
Double	\$2.45	\$2.45	\$0.00
Family	\$4.45	\$4.45	\$0.00
<b>Basic HSA Dental</b>			
Single	\$0.00	---	---
Double	\$0.00	---	---
Family	\$0.00	---	---
<b>Discount HSA Dental</b>			
Single	\$0.00	---	---
Double	\$0.00	---	---
Family	\$0.00	---	---
<b>Regence Expressions</b>			
Single	\$9.49	\$9.86	-\$0.37
Double	\$16.69	\$17.39	-\$0.70
Family	\$29.60	\$30.85	-\$1.25

## Vision Bi-weekly Premiums

<b>EyeMed - Full Vision Plan</b>			
	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Single	\$3.33	\$3.40	-\$0.07
Double	\$5.43	\$5.56	-\$0.13
Family	\$7.52	\$7.71	-\$0.19
<b>EyeMed - Eyewear ONLY Plan</b>			
Single	\$2.88	\$2.94	-\$0.06
Double	\$4.56	\$4.67	-\$0.11
Family	\$6.24	\$6.40	-\$0.16
<b>OptiCare - Full Vision Plan</b>			
Single	\$3.94	\$3.83	\$0.11
Double	\$6.11	\$6.10	\$0.01
Family	\$8.74	\$9.04	-\$0.30
<b>OptiCare - Eyewear ONLY Plan</b>			
Single	\$3.06	\$2.94	\$0.12
Double	\$4.58	\$4.46	\$0.12
Family	\$6.42	\$6.29	\$0.13