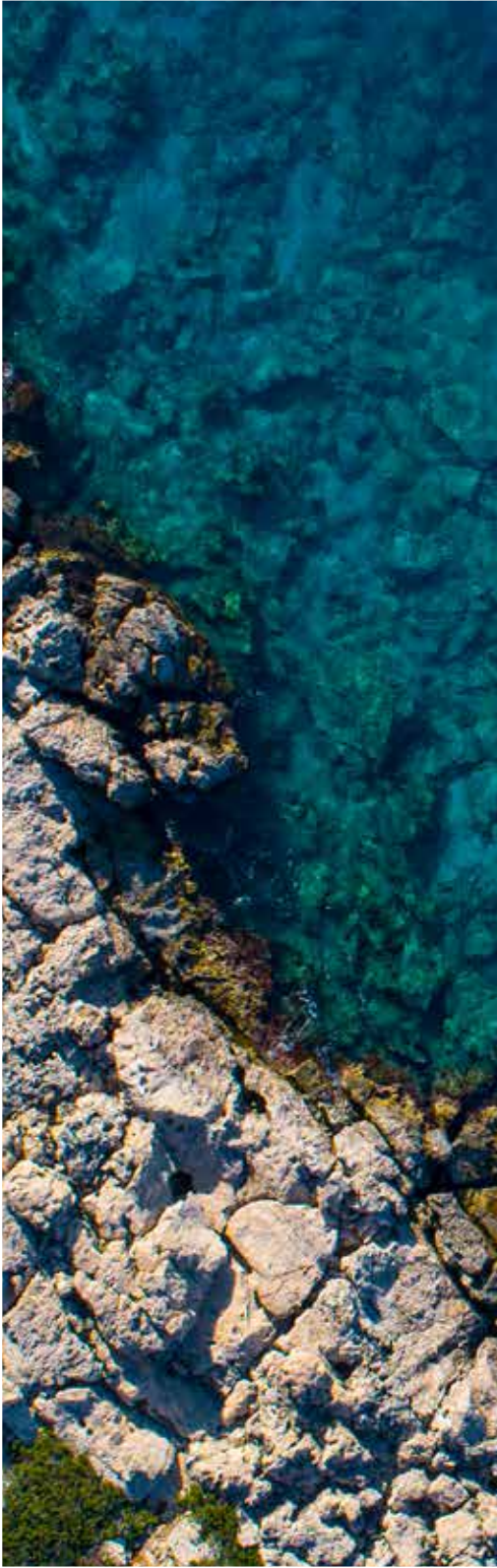




# EMPLOYEE BENEFITS

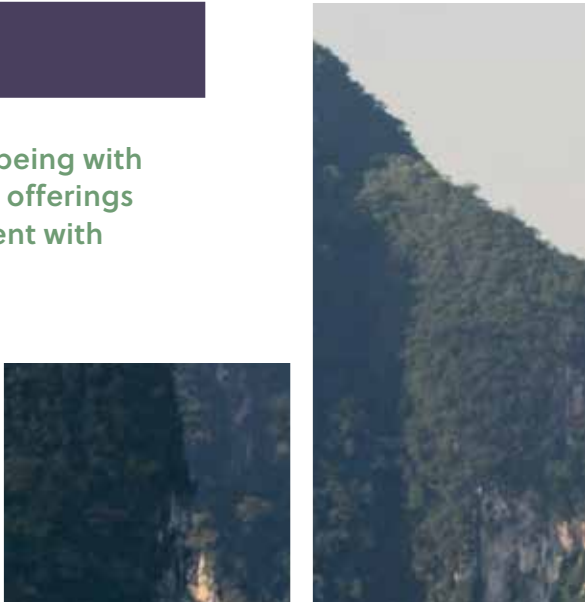


**2025**

# TABLE OF CONTENTS

City of Angleton is proud to support our employees' overall wellbeing with a variety of benefit options. This guide offers details on our 2025 offerings for you and your family. Contact the Human Resources department with any questions.

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**See page 37 for important information concerning Medicare Part D coverage.**

In this Guide, we use the term company to refer to City of Angleton. This Guide is intended to describe the eligibility requirements, enrollment procedures, and coverage effective dates for the benefits offered by the company. It is not a legal plan document and does not imply a guarantee of employment or a continuation of benefits. While this Guide is a tool to answer most of your questions, full details of the plans are contained in the Summary Plan Descriptions (SPDs), which govern each plan's operation. Whenever an interpretation of a plan benefit is necessary, the actual plan documents will be used.

# WELCOME

City of Angleton appreciates the hard work and dedication you bring to our team every day. To do our part, we are committed to keeping your benefits affordable and beneficial for you and your eligible family members.

City of Angleton strives to provide benefits that:

- Meet your needs
- Are easy to understand and use
- Provide excellent value for affordable costs

To be your healthiest and help keep costs down, we ask that you take advantage of the BlueCross BlueShield Well on Target program and preventive features of your health and voluntary coverage offerings.

This guide is designed to assist you and your family in making the best choices for your needs in 2025. It contains explanations of each benefit, contact information for benefits vendors, and costs you can expect for each benefit. Please review this guide in its entirety and keep as a resource throughout the year.

## What's changing this year?

We are happy to announce that there will be no rate increases to your benefit plans for 2025!

- There are a few minor changes to the HDHP plan design deductible and out-of-pocket maximum.
- You may notice a rate increase on the voluntary life/AD&D, short-term and long-term disability, and critical illness programs if you happen to fall into a new age bracket.

## Any questions?

We're here to help. Contact Human Resources at 979-849-4364 ext. 2132 or ext. 2117.



# ELIGIBILITY AND ENROLLMENT

City of Angleton's benefits are designed to support your unique needs.

## Eligibility

If you are a full-time employee of City of Angleton who is regularly scheduled to work at least 30 hours a week, you are eligible to participate in medical, dental, vision, life and disability plans, and additional benefits.

## Coverage Dates

Your elections are effective first of the month following 30 days of hire. Benefits cannot be changed until the next enrollment period unless you experience a Qualifying Life Event.

## Dependents

Dependents eligible for coverage include:

- Your legal spouse.
- Children under the age of 26 (includes birth children, stepchildren, legally adopted children, children placed for adoption, foster children, and children for whom you or your spouse have legal guardianship).
- Dependent children 26 or more years old, unmarried, and primarily supported by you and incapable of self-sustaining employment by reason of mental or physical disability which arose while the child was covered as a dependent under this plan (periodic certification may be required).

Verification of dependent eligibility may be required upon enrollment.





## Now's the Time to Enroll!

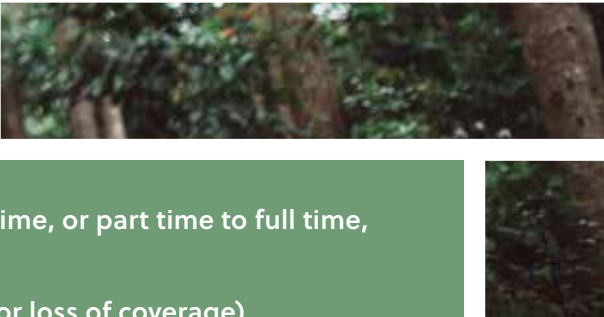
### What are Qualifying Life Events?

You can update your benefits when you start a new job or during Open Enrollment each year. But changes in your life called Qualifying Life Events (QLEs) determined by the IRS can allow you to enroll in health insurance or make changes outside of these times.

When a Qualifying Life Event occurs, you have 31 days to request changes to your coverage. Your change in coverage must be consistent with your change in status.

- 
- A change in the number of dependents (through birth or adoption or if a child is no longer an eligible dependent)
  - A change in your legal marital status (marriage, divorce, or legal separation)
  - A change in a spouse's employment status (resulting in a loss or gain of coverage)

- 
- Entitlement to Medicare or Medicaid
  - Eligibility for coverage through the Marketplace ([Healthcare.gov](https://www.healthcare.gov))
  - Changes in address or location that may affect coverage
  - Turning 26 and losing coverage through a parent's plan

- 
- A change in employment status from full time to part time, or part time to full time, resulting in a gain or loss of eligibility
  - Death in the family (leading to change in dependents or loss of coverage)
  - Changes that make you no longer eligible for Medicaid or the Children's Health Insurance Program (CHIP)

Reach out to City of Angleton's Human Resources with questions regarding specific life events and your ability to request changes. Don't miss out on a chance to update your benefits!

# READY FOR OPEN ENROLLMENT?

City of Angleton covers a significant amount of your benefit costs. Your contributions for medical, dental, and vision benefits are deducted on a pre-tax basis, which reduces the amount you're required to pay taxes on. Employee contributions vary depending on the level of coverage you select — typically, the more coverage you have, the more you'll pay up-front for it.

## Open Enrollment Action Items



### Update your personal information.

Confirm your mailing address and phone number are up to date.



### Double-check covered medications.

If you make any changes to your plan, consider how it affects your prescriptions (i.e. will their costs go up or down?).



### Review available plans' deductibles.

Think you may have more medical needs than usual this year? You might want a lower deductible. If not, you could switch to a higher deductible plan and enjoy lower semimonthly premiums.



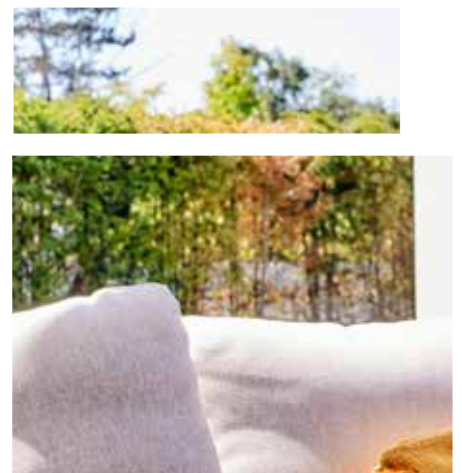
### Consider your HSA or FSA.

An HSA or FSA can help cover healthcare costs, including dental and vision services and prescriptions. Adding one of these accounts to your benefits can help with your long-term financial goals.



### Check your networks.

Receiving care by in-network providers often saves you money. Check for any plan changes to make sure your go-to providers and pharmacy are still your best bet.



# MENTAL HEALTH

You visit your doctor when you're feeling sick, and you exercise and eat healthy to keep your body strong. But your mental health is just as important. What do you do to stay healthy mentally? Do you know where you can go when you need help? Whether you need assistance with work-life balance or anxiety, there are resources available to help you out.

## Employee Assistance Program

We're here for you when you need help. Our Employee Assistance Program (EAP) helps you and your family manage your total health, including mental, emotional, and physical. And there's no cost to you — whether or not you're enrolled in a company-sponsored medical plan.

Through the EAP, you have access to mental health assistance and legal and financial help from professionals. You also have 24-hour access to helpful resources by phone and a designated number of face-to-face visits per issue with a licensed professional. All services provided are confidential and will not be shared with City of Angleton. You may access information, benefits, educational materials, and more by phone at 888-628-4824 or online at [www.guidanceresources.com](http://www.guidanceresources.com).

The Program provides referrals to help with:

- Emotional health and wellbeing
- Alcohol or drug dependency
- Marriage or family problems
- Job pressures
- Stress, anxiety, depression
- Grief and loss
- Financial or legal advice

## Mental Health and Your Medical Plan

When your covered EAP services run out, the medical plan covers behavioral and mental health services. Coverage includes virtual therapy from MDLive. Via video or telephone, you can receive confidential one-on-one counseling from the privacy and convenience of your home. Your licensed virtual therapist may provide a diagnosis, treatment, and medication if needed. You can see the same therapist with each appointment and establish an ongoing relationship. See plan documents for specifics on coverage for inpatient and outpatient services.

An important aspect of your overall wellbeing is emotional wellness — the ability to successfully adapt to changes and challenges as they arrive and handle life's stresses. These five actions have been shown to improve emotional wellness.

## The Big Five of Emotional Wellness



### PRACTICE MINDFULNESS.

Practice deep breathing, take a walk, enjoy nature, and stay present in each moment.



### STRENGTHEN SOCIAL CONNECTIONS.

Reach out to a friend or family member daily — even if it's just a call or text.



### GET QUALITY SLEEP.

Keep a consistent sleep schedule and limit electronic use before bed.



### IMPROVE YOUR OUTLOOK.

Treat people with kindness, including yourself.



### DEAL WITH YOUR STRESS IN HEALTHY WAYS.

Think positively, exercise regularly, and set priorities.

## Other Mental Health Resources

No matter your problem, whether you're a manager or entry-level employee, don't be afraid to ask for help. There are resources available 24/7.



### 988 Suicide & Crisis Lifeline

**Dial 988 to be connected with 24/7/365 emotional support.**

Free, confidential crisis counseling, including appropriate follow-up services, is available no matter where you live in the United States.



### Crisis Text Line

**Text "HOME" to 741741.**

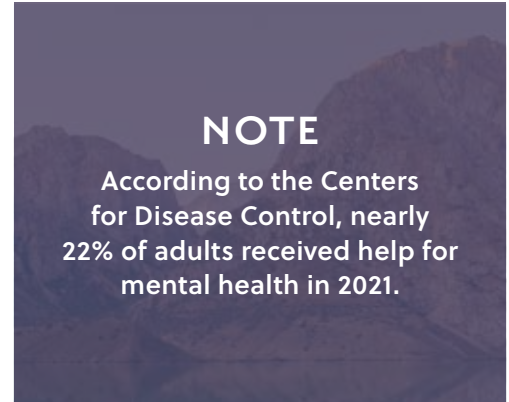
Send a text 24/7 to the Crisis Text Line to speak with a crisis counselor who can provide support and information. Standard text messaging rates may apply.



### War Vet Call Center

**Veterans and their families call 877-WAR-VETS (877-927-8387) to talk about their military experience and/or readjustment to civilian life.**

**Call 911 if you or someone you know is in immediate danger or go to the nearest emergency room.**



### NOTE

According to the Centers for Disease Control, nearly 22% of adults received help for mental health in 2021.



# MEDICAL BENEFITS

Medical benefits are provided through **BlueCross BlueShield of Texas**. Consider the physician networks, premiums, and out-of-pocket costs for each plan when making a selection. Keep in mind your choice is effective for the entire 2025 plan year unless you have a Qualifying Life Event.

## Medical Premiums

Premium contributions for medical are deducted from your paycheck on a pre-tax basis. Your level of coverage determines your semimonthly contributions.

**HDHP 3500  
(MTBCP005H)**

**PPO 500  
(MTBCP0006)**

SEMIMONTHLY CONTRIBUTIONS		
EMPLOYEE ONLY	\$0.00	\$12.50
EMPLOYEE + SPOUSE	\$206.59	\$281.95
EMPLOYEE + CHILD(REN)	\$123.96	\$174.17
EMPLOYEE + FAMILY	\$309.89	\$416.68

## How to Find a Provider

Visit [www.bcbstx.com](http://www.bcbstx.com) or call Customer Care at 800-521-2227 for a list of BlueCross BlueShield of Texas network providers.

### NOTE

To get the most value out of your medical plan, be sure to visit in-network providers whenever possible.



## Medical Plan Summary

This chart summarizes the 2025 medical coverage provided by **BlueCross BlueShield of Texas**. All covered services are subject to medical necessity as determined by the plan. Please note that all out-of-network services are subject to Reasonable and Customary (R&C) limitations.

	HDHP 3500 (MTBCP005H)		PPO 500 (MTBCP0006)	
	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK
<b>CALENDAR YEAR DEDUCTIBLE</b>				
INDIVIDUAL	\$3,500	\$7,000	\$500	\$1,000
FAMILY	\$7,000	\$14,000	\$1,500	\$3,000
COINSURANCE (PLAN PAYS)	80%*	60%*	80%*	60%*
<b>ANNUAL OUT-OF-POCKET MAXIMUM (MAXIMUM INCLUDES DEDUCTIBLE)</b>				
INDIVIDUAL	\$5,000	Unlimited (No Max)	\$3,000	Unlimited (No Max)
FAMILY	\$10,000	Unlimited (No Max)	\$9,000	Unlimited (No Max)
<b>COPAYS/COINSURANCE</b>				
PREVENTIVE CARE	100%	60%*	100%	60%*
PRIMARY CARE	80%*	60%*	\$30 copay	60%*
SPECIALIST SERVICES	80%*	60%*	\$60 copay	60%*
SIMPLE LAB/X-RAY	80%*	60%*	Testing: No charge Imaging: 80%*	60%*
MENTAL HEALTH - INPATIENT	80%*	60%*	80%*	60%*
MENTAL HEALTH - OUTPATIENT	80%*	60%*	\$30 copay	60%*
URGENT CARE	80%*	60%*	\$75 copay	60%*
EMERGENCY SERVICES	80%*	Same as In-Network	\$500 copay; then 80%*	Same as In-Network

\*After deductible

The individual deductible amount must be met by each member enrolled under your medical coverage. If you have several covered dependents, all charges used to apply toward a “per individual” deductible amount will also be applied toward the “per family” deductible amount. When the family deductible amount is reached, no further individual deductibles will have to be met for the remainder of that plan year. No member may contribute more than the individual deductible amount to the “per family” deductible amount. The same typically applies for the out-of-pocket maximum.

## Healthcare Cost Transparency

There are so many different providers and varying costs for healthcare services — how do you choose? Online services called healthcare cost transparency tools can help. Available through most health insurance carriers, these tools allow you to compare costs for services, from prescriptions to major surgeries, to make your choices simpler. Visit [www.bcbstx.com](http://www.bcbstx.com) to learn more.

# HOW TO PICK A PLAN

What plan is right for you? Consider any medical needs you foresee for the upcoming plan year, your overall health, and any medications you currently take.

## How does a PPO (Preferred Provider Organization) work?

- You'll pay more in premiums, but perhaps less at the time of service.
- You can choose from a network of providers who offer a fixed copay for services.
- If you or your dependent(s) expect to need more medical care this year or you have a chronic illness, the PPO may be the right choice for you to ensure your healthcare needs are covered.

## How does a HDHP (High Deductible Health Plan) work?

- You'll pay less in premiums. (Think less money from your paycheck.)
- You'll pay for the full cost of non-preventive medical services until you reach your deductible.
- You can also use a Health Savings Account in conjunction, which provides a safety net for unexpected medical costs and tax advantages.
- If you expect to mostly use preventive care (which is covered), this plan could be for you.



# OUT-OF-POCKET COSTS

These are the types of payments you're responsible for:



## Copay

The fixed amount you pay for healthcare services at the time you receive them.



## Coinsurance

Your percentage of the cost of a covered service. If your office visit is \$100 and your coinsurance is 20% (and you've met your deductible but not your out-of-pocket maximum), your payment would be \$20.

## Deductible

The amount you must pay for covered services before your insurance begins paying its portion/coinsurance.



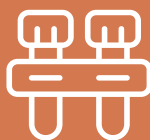
## Out-of-Pocket Maximum

The most you will pay during the plan year before your insurance begins to pay 100% of the allowed amount.

# PREVENTIVE CARE

Routine checkups and screenings are considered preventive, so they're often paid at 100% by your insurance. Some common covered services include:

Wellness visits, physicals, and standard immunizations



Screenings for blood pressure, cancer, cholesterol, depression, obesity, and diabetes

Pediatric screenings for hearing, vision, obesity, and developmental disorders



Anemia screenings, breastfeeding support, and pumps for pregnant and nursing women

Iron supplements (for infants at risk for anemia)






It's important to take advantage of these covered services. But remember that diagnostic care to identify health risks is covered according to plan benefits, even if done during a preventive care visit. So, if your doctor finds a new condition or potential risk during your appointment, the services may be billed as diagnostic medicine and result in some out-of-pocket costs. Read over your benefit summary to see what specific preventive services are provided to you.

## What vaccines are covered 100% under preventive care?

Many vaccines are covered under preventive care when delivered by a doctor or provider in your plan's network. These include chickenpox, flu, shingles and tetanus. For a full list, visit [www.healthcare.gov/preventive-care-adults/](http://www.healthcare.gov/preventive-care-adults/).

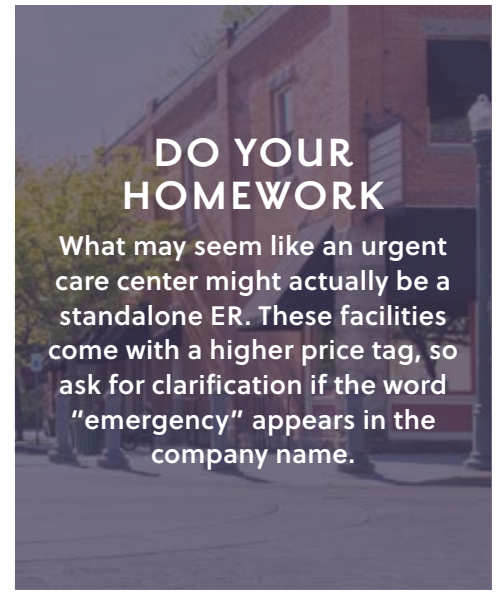
# WHERE TO GO FOR CARE

You're feeling sick, but your primary care physician is booked through the end of the month. You have a question about the side effects of a new prescription, but the pharmacy is closed. Or you're on vacation and are under the weather. Instead of rushing to the emergency room or relying on questionable information from the internet, consider all of your site-of-care options.

 <b>NURSE LINE</b>	 <b>TELEMEDICINE</b> (\$)	 <b>PRIMARY CARE CENTER</b> (\$)
<b>WHEN TO USE</b> You need a quick answer to a health issue that does not require immediate medical treatment or a physician visit.	<b>WHEN TO USE</b> You need care for minor illnesses and ailments but would prefer not to leave home. These services are available by phone and online (via webcam).	<b>WHEN TO USE</b> You need routine care or treatment for a current health issue. Your primary doctor knows you and your health history, can access your medical records, provide routine care, and manage your medications.
<b>TYPES OF CARE*</b> Answers to questions regarding: <ul style="list-style-type: none"><li>▪ Symptoms</li><li>▪ Self-care/home treatments</li><li>▪ Medications and side effects</li><li>▪ When to seek care</li></ul>	<b>TYPES OF CARE*</b> <ul style="list-style-type: none"><li>▪ Cold and flu symptoms</li><li>▪ Bronchitis</li><li>▪ Urinary tract infection</li><li>▪ Sinus problems</li></ul>	<b>TYPES OF CARE*</b> <ul style="list-style-type: none"><li>▪ Routine checkups</li><li>▪ Immunizations</li><li>▪ Preventive services</li><li>▪ Managing your general health</li></ul>
<b>COSTS AND TIME CONSIDERATIONS**</b> <ul style="list-style-type: none"><li>▪ Usually available 24 hours a day, 7 days a week</li><li>▪ Typically free as part of your medical insurance</li></ul>	<b>COSTS AND TIME CONSIDERATIONS**</b> <ul style="list-style-type: none"><li>▪ Usually a first-time consultation fee and a flat fee or copay for any visit thereafter</li><li>▪ Typically immediate access to care</li><li>▪ Prescriptions through telemedicine or virtual visits not allowed in all states</li></ul>	<b>COSTS AND TIME CONSIDERATIONS**</b> <ul style="list-style-type: none"><li>▪ Often requires a copay and/or coinsurance</li><li>▪ Normally requires an appointment</li><li>▪ Short wait time with scheduled appointment</li></ul>

\*This is a sample list of services and may not be all inclusive.

\*\*Costs and time information represent averages only and are not tied to a specific condition or treatment.



## DO YOUR HOMEWORK

What may seem like an urgent care center might actually be a standalone ER. These facilities come with a higher price tag, so ask for clarification if the word "emergency" appears in the company name.



### URGENT CARE CENTER (\$\$)



### EMERGENCY ROOM (\$\$\$)

#### WHEN TO USE

You need care quickly, but it is not a true emergency. Urgent care centers offer treatment for non-life-threatening injuries or illnesses.

#### WHEN TO USE

You need immediate treatment for a serious life-threatening condition. If a situation seems life threatening, call 911 or your local emergency number right away.

#### TYPES OF CARE\*

- Strains, sprains
- Minor broken bones (e.g., finger)
- Minor infections
- Minor burns

#### TYPES OF CARE\*

- Heavy bleeding
- Chest pain
- Major burns
- Severe head injury

#### COSTS AND TIME CONSIDERATIONS\*\*

- Copay and/or coinsurance usually higher than an office visit
- Walk-in patients welcome, but urgency determines order seen and wait time

#### COSTS AND TIME CONSIDERATIONS\*\*

- Often requires a much higher copay and/or coinsurance
- Open 24/7, but waiting periods may be longer because patients with life-threatening emergencies will be treated first
- Ambulance charges, if applicable, will be separate and may not be in-network

\*This is a sample list of services and may not be all inclusive.

\*\*Costs and time information represent averages only and are not tied to a specific condition or treatment.

# VIRTUAL MEDICINE

When you're under the weather, there's no place like home, and if you're busy with work and family, scheduling an in-person doctor's appointment can be a pain. Virtual medicine is a convenient and easy way to connect with a doctor on your time.

City of Angleton provides a virtual medicine benefit through MDLive for you and your dependents. MDLive offers on-demand access to board-certified doctors through online video, telephone, or secure email. General health issues can be addressed from the comfort of your home.

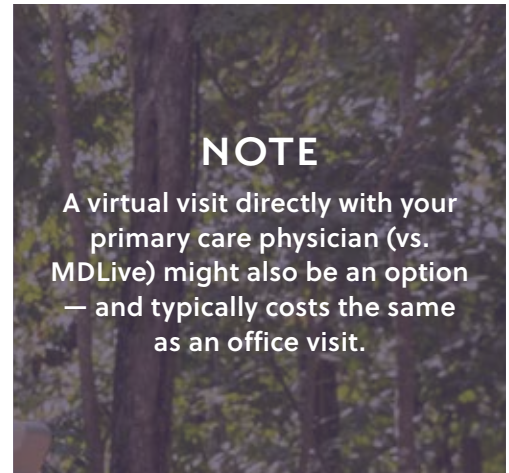
MDLive doctors can share information with your primary care physician with your consent. Please note that some states do not allow physicians to prescribe medications via telemedicine. For more information, visit [www.mdlive.com/bcbstx](http://www.mdlive.com/bcbstx).

MDLive doctors can treat many medical conditions, including:

- Cold and flu
- Allergies
- Bronchitis
- Bladder infection/urinary tract infection
- Respiratory infection
- Pink eye
- Sore throat
- Stomachache
- Sinus problems

## Access Virtual Visits

Visit [www.mdlive.com/bcbstx](http://www.mdlive.com/bcbstx) to request a virtual visit. After you register and request an appointment, you'll pay your portion of the service costs and enter a virtual waiting room. During your visit, you can talk to a doctor about your health concerns, symptoms, and treatment options.



**NOTE**  
A virtual visit directly with your primary care physician (vs. MDLive) might also be an option — and typically costs the same as an office visit.



# PHARMACY BENEFITS

## Prescription Drug Coverage for Medical Plans

Our Prescription Drug Program is coordinated through **BlueCross BlueShield of Texas**. That means you will only have one ID card for both medical care and prescriptions. Information on your benefits coverage and a list of network pharmacies is available online at [www.bcbstx.com](http://www.bcbstx.com) or by calling the Customer Care number on your ID card. Your cost is determined by the tier assigned to the prescription drug product. Products are assigned as Generic, Preferred, Non-Preferred, or Specialty Drugs.

	HDHP 3500 (MTBCP005H)		PPO 500 (MTBCP0006)	
	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK
<b>RETAIL RX (30-DAY SUPPLY)</b>				
GENERIC PREFERRED	20% (10% preferred pharmacy) copay*	Applicable copay + 50%	\$10 (\$0 preferred pharmacy) copay	Applicable copay + 50%
GENERIC NON-PREFERRED	20% (10% preferred pharmacy) copay*		\$20 (\$10 preferred pharmacy) copay	
BRAND PREFERRED	30% (20% preferred pharmacy) copay*		\$70 (\$50 preferred pharmacy) copay	
BRAND NON-PREFERRED	40% (30% preferred pharmacy) copay*		\$120 (\$100 preferred pharmacy) copay	
SPECIALTY DRUGS	Preferred: 40% copay* Non-Preferred: 50% copay*		Preferred: \$150 copay Non-Preferred: \$250 copay	
<b>MAIL ORDER RX (90-DAY SUPPLY)</b>				
GENERIC	10% copay*	Not covered	Preferred: \$0 copay Non-Preferred: \$30 copay	Not covered
BRAND PREFERRED	20% copay*	Not covered	\$150 copay	Not covered
BRAND NON-PREFERRED	30% copay*	Not covered	\$300 copay	Not covered

\*After deductible

### NOTE

Apps and prescription discount programs such as GoodRx, Amazon Prime Rx Savings, Optum Perks, and Cost Plus Drug Company let you compare prices of prescription drugs and find possible discounts.





## Generic Drugs

Want to save money on meds? Generic drugs are versions of brand-name drugs with the exact same dosage, intended use, side effects, route of administration, risks, safety, and strength. Because they are the same medicine, generic drugs are just as effective as the brand names, and they are held to the same rigid FDA standards. But generic versions cost 80% to 85% less on average than the brand-name equivalent. To find out if there is a generic equivalent for your brand-name drug, visit [www.fda.gov](http://www.fda.gov).

## Lowering Medication Costs

How do prescription discount programs work? These discounts can't be combined with your benefit plan's coverage, so make sure to check the price against the cost of using your insurance's prescription drug benefit. Something else to consider: If you choose to use a discount card and are therefore not tapping into your insurance's prescription drug benefit, the cash amount you pay for the prescription may not count toward your deductible or out-of-pocket maximum under the benefit plan.

**GoodRx** is a web- and app-based platform that allows you to search for prescription drug coupons and compare pharmacy prices. The company claims a savings of up to 80% on generics. **Optum Perks** also provides coupons for medications and a searchable database for drug cost comparison at participating pharmacies near you. The Optum Perks member card, which can be used at more than 64,000 pharmacies, is free to use and requires no personal data. Another discount option is the **Amazon Prime Rx Savings** discount card, which is included with an Amazon Prime membership and is administered by InsideRx. It provides discounts of up to 80% for generics and up to 40% for brand-name medication at participating pharmacies. **Cost Plus Drug Company** is a web-based pharmacy that claims to keep costs low by buying directly from the manufacturer. It currently only offers a certain selection of medications and accepts a handful of prescription insurance providers, but it may be worth checking the price difference between Cost Plus and your regular pharmacy.

# HEALTH SAVINGS ACCOUNT

Your HSA can be used for qualified expenses for you, your spouse, and/or tax dependent(s), even if they're not covered by your plan. If you are not currently enrolled in a HDHP but you have unused HSA funds from a previous account, those funds can still be used for qualified expenses.

**Flores & Associates** will issue you a debit card with direct access to your account balance. Use your debit card to pay for qualified medical expenses — no need to submit receipts for reimbursement. Like a regular debit card, you must have a balance in your HSA account to use the card.

Eligible expenses include doctors' visits, eye exams, prescription expenses, laser eye surgery, menstrual products, PPE, over-the-counter medications, and more. Visit IRS Publication 502 on [www.irs.gov](http://www.irs.gov) for a complete list.

## Eligibility

You are eligible to contribute to an HSA if:

- You are enrolled in a High Deductible Health Plan.
- You are not covered by your spouse's or parent's non-HDHP.
- You or your spouse does not have a Healthcare Flexible Spending Account or Health Reimbursement Account.
- You are not eligible to be claimed as a dependent on someone else's tax return.
- You are not enrolled in Medicare or TRICARE.
- You have not received Department of Veterans Affairs medical benefits in the past 90 days for non-service-related care. (Service-related care will not be taken into consideration.)

## NOTE

Because HSA funds never expire, contributing your annual maximum to your HSA can help you save to pay for healthcare expenses tax-free after retirement.



PRE-TAX PAYCHECK  
CONTRIBUTIONS



EMPLOYER CONTRIBUTIONS  
(PRE-TAX)

HSA



TAX-FREE  
PAYMENTS  
(FOR QUALIFIED  
MEDICAL EXPENSES)



UNUSED FUNDS  
ROLL OVER  
ANNUALLY

## You Own Your HSA

Your HSA is a personal bank account that you own and manage. You decide how much you contribute, when to use the money for medical services and when to reimburse yourself. You can save and roll over HSA funds to the next year if you don't spend them all in the calendar year. You can even let funds accumulate year over year to use for eligible expenses in retirement. HSA funds are also portable if you change plans or jobs. There are no vesting requirements (you own all contributed HSA funds immediately) or forfeiture provisions (you keep all HSA funds whether you leave the company or retire).

## How to Enroll

To enroll in City of Angleton's HSA, you must elect the HDHP 3500 with City of Angleton. City of Angleton will establish an HSA account in your name and send in your contribution once bank account information has been provided and verified.

## HSAs and Taxes

HSA contributions are made through payroll deduction on a pre-tax basis when you open an account with **Flores & Associates**. The money in your HSA (including interest and investment earnings) grows tax-free. When the funds are used for qualified medical expenses, they are spent tax-free.\*

Per IRS regulations, if HSA funds are used for purposes other than qualified medical expenses and you are younger than age 65, you must pay federal income tax on the amount withdrawn, plus a 20% penalty tax. This is why it's important to know what medical expenses qualify for HSA use and to keep track of where you spend your HSA funds.

## HSA Funding Limits

The IRS places an annual limit on the maximum amount that can be contributed to HSAs. For 2025, contributions (which include any employer contribution) are limited to the following:

ANNUAL HSA FUNDING LIMITS	
EMPLOYEE	\$4,300
FAMILY	\$8,550
CATCH-UP CONTRIBUTION (AGES 55+)	\$1,000

City of Angleton provides an HSA employer contribution of \$2,000 annually.

HSA contributions over the IRS annual contribution limits (\$4,300 for individual coverage and \$8,550 for family coverage for 2025) are not tax deductible and are generally subject to a 6% excise tax.

If you've contributed too much to your HSA this year, you have two options:

- Remove the excess contributions and the net income attributable to the excess contribution before you file your federal income tax return (including extensions). You'll pay income taxes on the excess removed but won't have to pay a penalty tax.
- Leave the excess contributions in your HSA and pay 6% excise tax on them. Next year consider contributing less than the annual limit to your HSA.

The City of Angleton HSA is established with **Flores & Associates**. You may be able to roll over funds from another HSA. For more enrollment information, contact Human Resources or visit [www.flores247.com](http://www.flores247.com).



\*State income taxes are also waived on HSA contributions in almost all states.

# FLEXIBLE SPENDING ACCOUNTS

Take control of your spending! A Flexible Spending Account (FSA) is a special tax-free account you put money into to pay for certain out-of-pocket expenses.

## Healthcare Flexible Spending Account

You can contribute up to \$3,300 annually for qualified medical expenses (deductibles, copays, coinsurance, menstrual products, PPE, over-the-counter medications, etc.) with pre-tax dollars, which reduces your taxable income and increases your take-home pay. You can even pay for eligible expenses with an FSA debit card at the same time you receive them — no waiting for reimbursement.

## Dependent Care Flexible Spending Account

In addition to the Healthcare FSA, you may opt to participate in the Dependent Care FSA — even if you don't elect any other benefits. Set aside pre-tax funds into a Dependent Care FSA for expenses associated with caring for elderly or child dependents. Unlike the Healthcare FSA, reimbursement from your Dependent Care FSA is limited to the total amount that is currently deposited in your account.

- With the Dependent Care FSA, you can set aside up to \$5,000 to pay for child or elder care expenses on a pre-tax basis.
- Eligible dependents include children under 13 and a spouse or other individual who is physically or mentally incapable of self-care and has the same principal place of residence as the employee for more than half the year.
- You must provide the tax identification number or Social Security number of the party providing care to be reimbursed.

This account covers dependent day care expenses that are necessary for you and your spouse to work or attend school full time. Eligible expenses include:

- In-home babysitting services (not provided by a dependent)
- Care of a preschool child by a licensed nursery or day care provider
- Before- and after-school care
- Day camp
- In-house dependent day care

Due to federal regulations, expenses for your domestic partner and your domestic partner's children may not be reimbursed under the FSA programs. Check with your tax advisor to determine if any exceptions apply.



## Using the Account

Use your FSA debit card at doctor and dentist offices, pharmacies, and vision service providers. It cannot be used at locations that do not offer services under the plan, unless the provider has also complied with IRS regulations. The transaction will be denied if you use the card at an ineligible location.

While FSA debit cards allow you to pay for services at point of sale, they do not remove the IRS regulations for substantiation. Always keep receipts and Explanation of Benefits (EOBs) for any debit card charges in case you need to prove an expense was eligible. Without proof an expense was valid, your card could be turned off and the expense deemed taxable.

## General Rules

The IRS has the following rules for Healthcare and Dependent Care FSAs:

- Expenses must occur during the 2025 plan year.
- Funds cannot be transferred between FSAs.
- You are not permitted to claim the same expenses on both your federal income taxes and Dependent Care FSA.
- You must “use it or lose it” — any unused funds will be forfeited.
- You cannot change your FSA election in the middle of the plan year without a Qualifying Life Event.
- Terminated employees have ninety (90) days following termination to submit FSA claims for reimbursement.
- Those considered highly compensated employees (family gross earnings were \$155,000 or more last year) may have different FSA contribution limits. Visit [www.irs.gov](http://www.irs.gov) for more info.

## Grace Period

- Our Company offers a grace period for FSA spending. You have 2½ months after the plan year ends on December 31, 2025 to incur additional expenses and submit them for reimbursement. Therefore, any remaining balance in the previous plan year that ended December 31, 2025 will be used to pay that grace period expense even though the service was provided in the NEW plan year.
- The grace period applies to the Healthcare FSA only.



### NOTE

The Dependent Care FSA is not to be used for medical expenses, nor is it the same as electing medical coverage for dependents.



# FSA vs HSA

## FLEXIBLE SPENDING ACCOUNTS

Your employer owns your FSA. If you leave your employer, you lose access to the account unless you have a COBRA right.

You can elect a Healthcare FSA even if you waive other coverage. You cannot make changes to your contribution during the Plan Year without a Qualifying Life Event. You cannot be enrolled in both a Healthcare FSA and an HSA.

FSA contributions are tax-free via payroll deduction. Funds are spent tax-free when used for qualified expenses.

You can contribute up to \$3,300 in 2025 to an FSA. This amount may be increased annually.

Some plans include an FSA debit card to pay for eligible expenses. If not, you pay up front and submit receipts for reimbursement.

Any unclaimed funds at the end of the year are forfeited. Exceptions include an additional 2.5-month grace period for expenses to be incurred and reimbursed.

Physician services, hospital services, prescriptions, menstrual products, PPE, over-the-counter medications, dental care, and vision care. A full list is available at [www.irs.gov](http://www.irs.gov).



OWNERSHIP



ELIGIBILITY & ENROLLMENT



TAXATION



CONTRIBUTIONS



PAYMENT



ROLLOVER OR GRACE PERIOD



QUALIFIED EXPENSES

## HEALTH SAVINGS ACCOUNTS

You own your HSA. It is a savings account in your name, and you always have access to the funds, even if you change jobs.

You must be enrolled in a HDHP to contribute money to your HSA. You cannot be covered by a spouse's non-High Deductible plan or a spouse's FSA or enrolled in Medicare or TRICARE. You can change your contribution at any time during the Plan Year.

HSA contributions are tax-free; the account grows tax-free; and funds are spent tax-free on qualified expenses.

You can contribute up to \$4,300 in 2025 (up to \$8,550 for families). Ages 55+ can make an annual \$1,000 "catch-up" HSA contribution.

Many HSAs include a debit card to pay for qualified expenses directly. Alternatively, you can save funds for future expenses or retirement.

HSA funds roll over from year to year. The account is portable and may be used for future qualified expenses — even in retirement years.

Physician services, hospital services, prescriptions, menstrual products, PPE, over-the-counter medications, dental care, vision care, Medicare Part D plans, COBRA premiums, and long-term care premiums. A full list is available at [www.irs.gov](http://www.irs.gov).

Please refer to your summary plan description or plan certificate for your plan's specific FSA or HSA benefits.

# SUPPLEMENTAL HEALTH BENEFITS

City of Angleton offers several ways to supplement your medical plan coverage. This additional insurance can help cover unexpected expenses, regardless of any benefit you may receive from your medical plan. Coverage is available for yourself and your dependents and offered at discounted group rates.

## Accident Coverage

You can't always prevent accidents, but you can be prepared for them, including readying for any unexpected expenses. Accident coverage through **Lincoln Financial** provides benefits for you and your covered family member for expenses related to an accidental injury that occurs outside of work. Health insurance helps with medical expenses, but this coverage is an additional layer of protection that can help pay deductibles, copays, and even typical day-to-day expenses such as a mortgage or car payment. Benefits are payable to you to use as you wish.



## ACCIDENT COVERAGE

SUMMARY OF BENEFITS*	
FRACTURES	Up to \$4,000
DISLOCATIONS	Up to \$4,000
EMERGENCY CARE	\$250
NON-EMERGENCY INITIAL CARE	\$125
MAJOR DIAGNOSTIC TESTING BENEFIT (MR/MRI, ULTRASOUND, NCV, CT/CAT,EEG)	\$275
HOSPITAL ADMISSION	\$1,000
HOSPITAL CONFINEMENT WITHIN 180 DAYS OF ACCIDENT	\$200 per day, up to 36 days
ICU ADMISSION WITHIN 180 DAYS OF ACCIDENT	\$2,000
BURNS (2ND AND 3RD DEGREE)	Up to \$15,000
CONCUSSION	\$300
RUPTURED DISC (WITH SURGERY)	\$1,125
TORN CARTILAGE IN KNEE (WITH SURGERY)	\$1,125
LACERATION	Up to \$1,500
TENDON/LIGAMENT/ROTATOR CUFF REPAIR (WITH SURGERY)	\$1,125
AMBULANCE (GROUND/AIR)	\$425 / \$1,750
PROSTHETIC DEVICE	\$750 per device, per limb
BLOOD BENEFIT	\$375
INPATIENT SURGERY	Up to \$1,875
OUTPATIENT SURGERY	Up to \$1,875
ANNUAL WELLNESS BENEFIT	\$50

\*This list is a summary. Refer to plan documents for a comprehensive list of covered benefits.

## MONTHLY CONTRIBUTIONS

EMPLOYEE ONLY	\$10.03
EMPLOYEE + SPOUSE	\$16.91
EMPLOYEE + CHILD(REN)	\$18.65
EMPLOYEE + FAMILY	\$25.34

## Critical Illness Coverage

Critical Illness coverage through **Lincoln Financial** pays a lump-sum benefit if you are diagnosed with a covered disease or condition. You can use this money however you like. Examples include helping pay for expenses not covered by your medical plan, lost wages, childcare, travel, home health care costs, or any of your regular household expenses.

### Plan Highlights

- **Guaranteed Issue Coverage (no medical questions)**
  - Employee: \$30,000
  - Spouse: \$30,000
  - Child(ren): \$10,000
- **Pre-existing Conditions:** This plan does NOT have a pre-existing condition exclusion; however, your date of diagnosis must be on or after the effective date of your policy for benefits to be paid.
- **Wellness Benefit:** A \$100 wellness benefit is payable for each covered member for completing certain wellness screenings such as a pap test, cholesterol test, mammogram, colonoscopy, or stress test.

## BENEFIT AMOUNT

COVERED CONDITIONS	
HEART ATTACK/STROKE	100% of benefit amount
ARTERIAL/VASCULAR DISEASE	25% of benefit amount
MAJOR ORGAN FAILURE	100% of benefit amount
END STAGE RENAL (KIDNEY) FAILURE	100% of benefit amount
INVASIVE CANCER	100% of benefit amount
NON-INVASIVE CANCER/ CANCER IN SITU	25% of benefit amount
SKIN CANCER (OTHER THAN MELANOMA)	\$250 per lifetime
AIDS	100% of benefit amount
ADVANCED ALZHEIMER'S DISEASE	100% of benefit amount
ADVANCED PARKINSON'S DISEASE	100% of benefit amount
ADVANCED ALS/LOU GEHRIG'S DISEASE	100% of benefit amount
ADVANCED MULTIPLE SCLEROSIS (MS)	25% of benefit amount
ADVANCED COPD	100% of benefit amount
SEVERE TRAUMATIC BRAIN INJURY	100% of benefit amount
SEVERE BURN	100% of benefit amount
PERMANENT PARALYSIS	100% of benefit amount
CEREBRAL PALSY	100% of benefit amount
CLEFT LIP, CLEFT PALATE	100% of benefit amount
CYSTIC FIBROSIS	100% of benefit amount
DOWN SYNDROME	100% of benefit amount
MUSCULAR DYSTROPHY	100% of benefit amount
SPINA BIFIDA	100% of benefit amount
TYPE I DIABETES	100% of benefit amount
HEALTH ASSESSMENT	\$100 each year

### OPTIONS OF \$10,000, \$20,000, OR \$30,000 (MONTHLY RATE PER \$1,000 OF COVERAGE)

EMPLOYEE'S AGE	EMPLOYEE / SPOUSE
UNDER 24	\$0.386
25 - 29	\$0.513
30 - 34	\$0.620
35 - 39	\$0.750
40 - 44	\$1.007
45 - 49	\$1.293
50 - 54	\$1.758
55 - 59	\$2.346
60 - 64	\$3.251
65 - 69	\$4.428
70+	\$8.113
CHILD(REN)	\$0.594

**IMPORTANT: This is a fixed indemnity policy,  
NOT health insurance**

This fixed indemnity policy may pay you a limited dollar amount if you're sick or hospitalized. You're still responsible for paying the cost of your care.

- » The payment you get isn't based on the size of your medical bill.
- » There might be a limit on how much this policy will pay each year.
- » This policy isn't a substitute for comprehensive health insurance.
- » Since this policy isn't health insurance, it doesn't have to include most federal consumer protections that apply to health insurance.

**Looking for comprehensive health insurance?**

- » Visit [HealthCare.gov](https://www.healthcare.gov) or call 1-800-318-2596 (TTY: 1-855-889-4325) to find health coverage options.
- » To find out if you can get health insurance through your job, or a family member's job, contact the employer.

**Questions about this policy?**

- » For questions or complaints about this policy, contact your state Department of Insurance. Find their number on the National Association of Insurance Commissioners' website ([naic.org](https://www.naic.org)) under "Insurance Departments."
- » If you have this policy through your job, or a family member's job, contact the employer.



## Hospital Indemnity Coverage

Hospital Indemnity coverage through **Lincoln Financial** pays you cash benefits directly if you are admitted to the hospital or an Intensive Care Unit (ICU) for a covered stay. You can use the benefits to help pay for your medical expenses such as deductibles and copays, travel cost, food and lodging, or everyday expenses such as groceries and utilities.

### Plan Highlights

- Guaranteed Issue Coverage (no medical questions)
- Pre-existing Conditions: This plan does NOT have a pre-existing condition exclusion. Benefits are payable for hospitalizations that occur on or after the effective date of your policy.

BENEFIT AMOUNT	
HOSPITAL ADMISSION (PER CONFINEMENT)	\$1,000
ICU ADMISSION (PER CONFINEMENT)	\$1,000
HOSPITAL CONFINEMENT AS A RESULT OF A SICKNESS/AN INJURY, UP TO 30 DAYS	\$100 per day
ICU CONFINEMENT AS A RESULT OF A SICKNESS/AN INJURY, UP TO 30 DAYS	\$200 per day

MONTHLY CONTRIBUTIONS	
EMPLOYEE ONLY	\$13.46
EMPLOYEE + SPOUSE	\$29.19
EMPLOYEE + CHILD(REN)	\$20.66
EMPLOYEE + FAMILY	\$37.93

# DENTAL BENEFITS

Like brushing and flossing, visiting your dentist is an essential part of your oral health. City of Angleton offers affordable plan options from **Lincoln Financial** for routine care and beyond.

## Stay In-Network

If your dentist doesn't participate in your plan's network, your out-of-pocket costs will be higher, and you are subject to any charges beyond the Reasonable and Customary (R&C). To find a network dentist, visit **Lincoln Financial** at [www.lincolnfinancial.com](http://www.lincolnfinancial.com).

## Dental Premiums

Dental premium contributions are deducted from your paycheck on a pre-tax basis. Your tier of coverage determines your semimonthly premium.

## Dental Plan Summary

This chart summarizes the dental coverage provided by **Lincoln Financial** for 2025.

SEMIMONTHLY CONTRIBUTIONS		
EMPLOYEE ONLY		\$0.00
EMPLOYEE + SPOUSE		\$14.61
EMPLOYEE + CHILD(REN)		\$8.79
EMPLOYEE + FAMILY		\$25.44
	IN-NETWORK	OUT-OF-NETWORK
CALENDAR YEAR DEDUCTIBLE		
INDIVIDUAL	\$50	\$50
FAMILY	\$150	\$150
CALENDAR YEAR MAXIMUM		
PER PERSON	\$1,500	\$1,500
COVERED SERVICES		
PREVENTIVE SERVICES	100%	100%
BASIC SERVICES	80%*	80%*
MAJOR SERVICES	50%*	50%*
ORTHODONTICS Dependent Child(ren) Covered (to age 19)	50%	
ORTHODONTIC LIFETIME MAXIMUM	\$1,000	

\*After deductible

## NOTE

In addition to keeping your teeth healthy, regular dental checkups can help dentists spot symptoms of other serious conditions such as osteoporosis, cancer, and diabetes.

# VISION BENEFITS

Getting your eyes checked regularly is important even if you don't wear glasses or contacts. We provide quality vision care for you and your family through **Ameritas** and the **EyeMed Insight network**.

## Network Access

To find a participating vision provider, please visit [www.ameritas.com/employee-benefits/find-a-provider/](http://www.ameritas.com/employee-benefits/find-a-provider/) and select an EyeMed Insight provider.

## Vision Premiums

Vision premium contributions are deducted from your paycheck on a pre-tax basis. Your tier of coverage determines your semimonthly premium.

## Vision Plan Summary

This chart summarizes the vision coverage provided by **Ameritas** for 2025.

SEMIMONTHLY CONTRIBUTIONS			
EMPLOYEE ONLY		\$2.14	
EMPLOYEE + SPOUSE		\$4.58	
EMPLOYEE + CHILD(REN)		\$4.82	
EMPLOYEE + FAMILY		\$7.58	
	<b>IN-NETWORK</b>	<b>OUT-OF-NETWORK</b>	<b>FREQUENCY</b>
EXAMS			
	<b>COPAY</b>	\$10 copay	Up to \$35 allowance
			Once every 12 months
LENSES			
	SINGLE VISION	\$25 copay	Up to \$25 allowance
	BIFOCAL	\$25 copay	Up to \$40 allowance
	TRIFOCAL	\$25 copay	Up to \$55 allowance
	LENTICULAR	20% discount	Not covered
			Once every 12 months
CONTACTS (IN LIEU OF LENSES AND FRAMES)			
	ELECTIVE	Up to \$130 allowance	Up to \$104 allowance
	MEDICALLY NECESSARY	No charge	Up to \$200 allowance
			Once every 12 months
FRAMES			
	ALLOWANCE	Up to \$130 allowance	Up to \$65 allowance
			Once every 24 months



# SURVIVOR BENEFITS

It's hard to think about, but it's important to have a plan in place to provide for your family if something were to happen to you. Survivor benefits provide financial protection for your loved ones in the event of an unexpected event.

## Basic Life and Accidental Death & Dismemberment Insurance

City of Angleton provides employees with Basic Life and Accidental Death and Dismemberment (AD&D) insurance as part of your basic coverage through **Lincoln Financial**, which guarantees that your spouse or other designated survivor(s) continue to receive benefits after death.

Your Basic Life and AD&D insurance benefit is \$25,000. If you are a full-time employee, you automatically receive Life and AD&D insurance even if you waive other coverage.

Basic Life coverage for your spouse is also available for purchase as part of your Basic Life coverage in the amount of \$10,000. Basic Life for your child(ren) is provided in the amount of up to \$2,000.

## Naming a Beneficiary

Your beneficiary is the person you designate to receive your Life insurance benefits in the event of your death. This includes any benefits payable under Basic Life. You receive the benefit payment for a dependent's death under the Lincoln Financial insurance.

Name a primary and contingent beneficiary to make your intentions clear. Indicate their full name, address, Social Security number, relationship, date of birth, and distribution percentage. Please note that in most states, benefit payments cannot be made to a minor. If you elect to designate a minor as beneficiary, all proceeds may be held under the beneficiary's name and will earn interest until the minor reaches age 18. Contact Human Resources or your own legal counsel with any questions.



## Voluntary Life and AD&D Insurance

You may wish for extra coverage for more peace of mind. Eligible employees may purchase additional Voluntary Life and AD&D insurance. Premiums are paid through payroll deductions.

BASIC EMPLOYEE LIFE/AD&D	
COVERAGE AMOUNT	\$25,000
WHO PAYS	City of Angleton
EVIDENCE OF INSURABILITY (EOI) REQUIRED	No
BASIC DEPENDENT LIFE/AD&D	
COVERAGE AMOUNT	Spouse: \$10,000; Child(ren): \$2,000
WHO PAYS	Employee
MAXIMUM BENEFIT	Spouse: \$10,000; Child(ren): \$2,000
EVIDENCE OF INSURABILITY (EOI) REQUIRED	No
VOLUNTARY EMPLOYEE LIFE/AD&D	
COVERAGE AMOUNT	Increments of \$10,000 (minimum of \$20,000)
WHO PAYS	Employee
MAXIMUM BENEFIT	Lesser of 5x annual earnings or \$500,000
EVIDENCE OF INSURABILITY (EOI) REQUIRED	\$150,000
VOLUNTARY SPOUSE LIFE/AD&D	
COVERAGE AMOUNT	Increments of \$5,000
WHO PAYS	Employee
MAXIMUM BENEFIT	Lesser of 50% of employee amount or \$250,000
EVIDENCE OF INSURABILITY (EOI) REQUIRED	\$50,000
VOLUNTARY CHILD LIFE/AD&D	
COVERAGE AMOUNT	Increments of \$1,000
WHO PAYS	Employee
MAXIMUM BENEFIT	\$10,000 (ages 6 months to 26 years) \$1,000 (ages 14 days to 6 months) \$100 (ages 1 day to 14 days)
EVIDENCE OF INSURABILITY (EOI) REQUIRED	N/A

VOLUNTARY LIFE/AD&D INSURANCE	
RATES/\$1,000 (MONTHLY)	
EMPLOYEE AGE (AS OF JANUARY 1, 2025)	EMPLOYEE/SPOUSE
Under 25	\$0.082
25 - 29	\$0.082
30 - 34	\$0.082
35 - 39	\$0.116
40 - 44	\$0.175
45 - 49	\$0.243
50 - 54	\$0.388
55 - 59	\$0.651
60 - 64	\$1.008
65 - 69	\$1.569
70 - 74	\$2.487
75+	\$4.391

VOLUNTARY CHILD LIFE/AD&D INSURANCE	
PREMIUM RATES – \$1,000 MONTHLY	
Child Life/AD&D	\$0.222

**TO CALCULATE HOW MUCH YOUR VOLUNTARY LIFE/AD&D COVERAGE WILL COST:**

\$	÷ 1,000 =	\$	x Age Based Rate =	\$
Benefit Elected				Monthly Premium

# UNIVERSAL TERM LIFE

Employees are eligible to purchase Universal Life insurance through Transamerica Life Insurance Company, which offers a permanent life insurance option with guaranteed premiums based on your current age. In addition to Universal Life insurance, this plan also includes a long-term care (LTC) benefit for times of need.

## HYPOTHETICAL EXAMPLE

### EMPLOYEE ELECTS \$100,000 LIFE INSURANCE POLICY

LTC pays 4% monthly benefit for either a long-term care facility or assisted living facility

\$4,000 per month or 20% of death benefit (lump sum)

Payments reduce the death benefit until exhausted (approximately 25 months)

- **Guaranteed issue:** Coverage is offered to you without any medical questions. If you choose to enroll at a later date, you will be subject to medical underwriting and coverage can be declined.

- **Guaranteed Issue Amounts:**
  - Employee: \$150,000
  - Spouse: \$15,000
  - Child: \$25,000
- **Portable:** You own the policy; you can keep it if you leave or retire, and you will pay the same premium.
- **Level premiums:** Premiums are level for life and locked in at your current age; the death benefit is also level and remains the same throughout your lifetime.
- **Cash value:** This policy accumulates cash value; you can borrow funds as needed.
- **Tax-free benefit:** Premiums for this policy are deducted on a post-tax basis, so benefits you receive will not be taxed.

Premiums are based on your current age and tobacco usage and will be available during Open Enrollment along with additional plan details.

## Life Insurance: Term vs. Universal Life

### TERM LIFE

### UNIVERSAL LIFE

#### WHAT IS IT?

- Provides protection during your working years
- Affordable coverage to help survivors weather an unexpected loss

- Provides benefits for a lifetime
- More than just a death benefit — value you can use during times of need

#### WHY DO YOU NEED IT?

- Income replacement
- Like renting a house: you use the protection for a set period of time
- Can help pay the costs families face during the working years if the breadwinner dies prematurely: housing, education, saving for retirement
- Can be used to pay for expenses associated with terminal illness

- Final expenses plus cash accumulation
- Like owning a house: you keep the benefit for a lifetime
- Can help pay final expenses
- Can also be used to pay for expenses associated with terminal illness, including long-term care
- Accumulates cash value at a guaranteed interest rate; you can borrow against this value

#### HOW DOES IT WORK?

- Flexible, normally ends at retirement
- You may increase coverage as your needs evolve
- The benefit typically decreases after age 65, and can end at retirement, when income replacement may no longer be necessary
- Guaranteed issue means you can get coverage with no health questions or exams

- Guaranteed premium, level benefit — for life
- Your premium is locked in for the amount of coverage you desire — the younger you are, the lower the premium. Rates this affordable with guaranteed issue are usually only available in the workplace
- The level death benefit does not decrease with age
- The coverage continues for life
- Guaranteed issue — generally available only in the workplace. You can get coverage with no health questions or exams

#### HOW LONG DO THEY WORK TOGETHER?

- Protection for now, helpful benefits for later
- With valuable protection for your working years and benefits that carry into retirement, a combination of Term Life and Permanent Life provides comprehensive protection for your loved ones

# INCOME PROTECTION

You and your loved ones depend on your regular income. That's why City of Angleton offers disability coverage through Lincoln Financial to protect you financially in the event you cannot work as a result of a debilitating injury or illness. A portion of your income is protected until you can return to work or you reach retirement age.

## Voluntary Short Term Disability (STD) Insurance

Short Term Disability (STD) benefits are available for purchase on a voluntary basis. This insurance replaces 60% of your income if you become partially or totally disabled for a short time. Certain exclusions, along with pre-existing condition limitations, may apply. See your plan documents or Human Resources for details.

WEEKLY MAXIMUM BENEFIT	\$2,000
ELIMINATION PERIOD	7 days
MAXIMUM BENEFIT PERIOD	12 weeks
PRE-EXISTING CONDITIONS	Conditions treated 3 months prior to effective date of coverage will not be covered for the first 12 months being covered on the plan.

## Voluntary Long Term Disability (LTD) Insurance

Long Term Disability (LTD) benefits are available for purchase on a voluntary basis. This insurance replaces 60% of your income if you become partially or totally disabled for an extended time. Certain exclusions, along with pre-existing condition limitations, may apply. See your plan documents or Human Resources for details.

MONTHLY MAXIMUM BENEFIT	\$6,000
ELIMINATION PERIOD	90 days
MAXIMUM BENEFIT PERIOD	Payments will last for as long as you are disabled or until you reach your Social Security Normal Retirement Age, whichever is sooner.
PRE-EXISTING CONDITIONS	Conditions treated 3 months prior to effective date of coverage will not be covered for the first 12 months being covered on the plan.



# GLOSSARY

**Balance Billing** – When you are billed by a provider for the difference between the provider’s charge and the allowed amount. For example, if the provider’s charge is \$100 and the allowed amount is \$60, you may be billed by the provider for the remaining \$40.

**Coinsurance** – Your share of the cost of a covered healthcare service, calculated as a percent of the allowed amount for the service, typically after you meet your deductible.

**Copay** – The fixed amount you pay for healthcare services received, as determined by your insurance plan.

**Deductible** – The amount you owe for healthcare services before your insurance begins to pay its portion. For example, if your deductible is \$1,000, your plan does not pay anything until you’ve paid \$1,000 for covered services. This deductible may not apply to all services, including preventive care.

**Explanation of Benefits (EOB)** – A statement from your insurance carrier that explains which services were provided, their cost, what portion of the claim was paid by the plan, and what portion is your liability, in addition to how you can appeal the insurer’s decision.

**Flexible Spending Accounts (FSAs)** – A special tax-free account you put money into that you use to pay for certain out-of-pocket healthcare costs. You’ll save an amount equal to the taxes you would have paid on the money you set aside. FSAs are “use it or lose it,” so funds not used by the end of the plan year will be lost. Some Healthcare FSAs do allow for a grace period or rollover into the next plan year. This pre-tax benefit account used to pay for eligible medical, dental, and vision care expenses that aren’t covered by your insurance plan. All expenses must be qualified as defined in Section 213(d) of the Internal Revenue Code.

**Healthcare Cost Transparency** – Also known as market transparency or medical transparency. Online cost transparency tools, available through health insurance carriers, allow you to search an extensive national database to compare varying costs for services.

**Health Savings Account (HSA)** – A personal healthcare bank account funded by your or your employer’s tax-free dollars to pay for qualified medical expenses. You must be enrolled in a QDHP to open an HSA. Funds contributed to an HSA roll over from year to year and the account is portable if you change jobs.

**High Deductible Health Plan (HDHP)** – A plan option that provides choice, flexibility, and control over healthcare spending. Most preventive care is covered at 100% with in-network providers, and all qualified employee-paid medical expenses count toward your deductible and out-of-pocket maximum.

**Network** – A group of physicians, hospitals, and healthcare providers that have agreed to provide medical services to a health insurance plan’s members at discounted costs.

- **In-Network** – Providers that contract with your insurance company to provide healthcare services at the negotiated carrier discounted rates.
- **Out-of-Network** – Providers that are not contracted with your insurance company. If you choose an out-of-network provider, services will not be covered at the in-network negotiated carrier discounted rates.
- **Non-Participating** – Providers that have declined entering into a contract with your insurance provider. They may not accept any insurance and you could pay for all costs out of pocket.

**Open Enrollment** – The period set by the employer during which employees and dependents may enroll for coverage.

**Out-of-Pocket Maximum** – The most you pay during the plan year before your health insurance begins to pay 100% of the allowed amount. This does not include your premium, out-of-network provider charges beyond the Reasonable & Customary, or healthcare your plan doesn’t cover. Check with your carrier to confirm what applies to the maximum.



**Over-the-Counter (OTC) Medications** – Medications available without a prescription.

**Prescription Medications** – Medications prescribed by a doctor. Cost of these medications is determined by their assigned tier: generic, preferred, non-preferred, or specialty.

- **Generic Drugs** – Drugs approved by the U.S. Food and Drug Administration (FDA) to be chemically identical to corresponding preferred or non-preferred versions. Usually the most cost-effective version of any medication.
- **Preferred Drugs** – Brand-name drugs on your provider’s approved list (available online).
- **Non-Preferred Drugs** – Brand-name drugs not on your provider’s list of approved drugs. These drugs are typically newer and have higher copayments.
- **Specialty Drugs** – Prescription medications used to treat complex, chronic, and often costly conditions. Because of the high cost, many insurers require that specific criteria be met before a drug is covered. These medications are usually required to be filled at a specific pharmacy.
- **Prior Authorization** – A requirement that your physician obtain approval from your health insurance plan to prescribe a specific medication for you.
- **Step Therapy** – The goal of a Step Therapy Program is to guide employees to less expensive, yet equally effective, medications while keeping member and physician disruption to a minimum. You must typically try a generic or preferred-brand medication before “stepping up” to a non-preferred brand.

**Reasonable and Customary Allowance (R&C)** – The amount paid for a medical service in a geographic area based on what providers in the area usually charge for the same or similar medical service. The R&C amount is sometimes used to determine the allowed amount. Also known as the UCR (Usual, Customary, and Reasonable) amount.

**Summary of Benefits and Coverage (SBC)** – Mandated by healthcare reform, you are provided with a summary of your benefits and plan coverage.

**Summary Plan Description (SPD)** – The document(s) that outline the rights, obligations, and material provisions of the plan(s) to all participants and their beneficiaries.



# Required Notices

## Important Notice From City of Angleton About Your Prescription Drug Coverage and Medicare Under the BlueCross BlueShield of Texas Plan(s)

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with City of Angleton and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. City of Angleton has determined that the prescription drug coverage offered by the BlueCross BlueShield of Texas plan(s) is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

## When Can You Join a Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

## What Happens to Your Current Coverage If You Decide to Join a Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current City of Angleton coverage may not be affected. For most persons covered under the Plan, the Plan will pay prescription drug benefits first, and Medicare will determine its payments second. For more information about this issue of what program pays first and what program pays second, see the Plan's summary plan description or contact Medicare at the telephone number or web address listed herein.

If you do decide to join a Medicare drug plan and drop your current coverage, be aware that you and your dependents may not be able to get this coverage back.

## When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with City of Angleton and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

## For More Information About This Notice or Your Current Prescription Drug Coverage...

Contact the person listed at the end of these notices for further information. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through City of Angleton changes. You also may request a copy of this notice at any time.

## For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- » Visit [www.medicare.gov](http://www.medicare.gov)
- » Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- » Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

*Remember: Keep this Medicare Part D notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).*

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Date:	January 1, 2025
Name of Entity/Sender:	City of Angleton
Contact—Position/Office:	Human Resources
Address:	121 South Velasco, Angleton, TX 77515
Phone Number:	979-849-4364 ext. 2132 or ext. 2117

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## Women's Health and Cancer Rights Act

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient, for:

- » All stages of reconstruction of the breast on which the mastectomy was performed;
- » Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- » Prostheses; and
- » Treatment of physical complications of the mastectomy, including lymphedema.

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under this plan. For deductibles and coinsurance information applicable to the plan in which you enroll, please refer to the summary plan description. If you would like more information on WHCRA benefits, please contact Human Resources at 979-849-4364 ext. 2132 or ext. 2117.

## HIPAA Privacy and Security

The Health Insurance Portability and Accountability Act of 1996 deals with how an employer can enforce eligibility and enrollment for healthcare benefits, as well as ensuring that protected health information which identifies you is kept private. You have the right to inspect and copy protected health information that is maintained by and for the plan for enrollment, payment, claims and case management. If you feel that protected health information about you is incorrect or incomplete, you may ask your benefits administrator to amend the information. For a full copy of the Notice of Privacy Practices, describing how protected health information about you may be used and disclosed and how you can get access to the information, contact Human Resources at 979-849-4364 ext. 2132 or ext. 2117.

## HIPAA Special Enrollment Rights

If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance or group health plan coverage, you may be able to later enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing towards your or your dependents' other coverage).

Loss of eligibility includes but is not limited to:

- » Loss of eligibility for coverage as a result of ceasing to meet the plan's eligibility requirements (i.e. legal separation, divorce, cessation of dependent status, death of an employee, termination of employment, reduction in the number of hours of employment);
- » Loss of HMO coverage because the person no longer resides or works in the HMO service area and no other coverage option is available through the HMO plan sponsor;
- » Elimination of the coverage option a person was enrolled in, and another option is not offered in its place;
- » Failing to return from an FMLA leave of absence; and
- » Loss of coverage under Medicaid or the Children's Health Insurance Program (CHIP).

Unless the event giving rise to your special enrollment right is a loss of coverage under Medicaid or CHIP, you must request enrollment within 30 days after your or your dependent's(s') other coverage ends (or after the employer that sponsors that coverage stops contributing toward the coverage).

If the event giving rise to your special enrollment right is a loss of coverage under Medicaid or the CHIP, you may request enrollment under this plan within 60 days of the date you or your dependent(s) lose such coverage under Medicaid or CHIP. Similarly, if you or your dependent(s) become eligible for a state-granted premium subsidy towards this plan, you may request enrollment under this plan within 60 days after the date Medicaid or CHIP determine that you or the dependent(s) qualify for the subsidy.

In addition, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents. However, you must request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption.

To request special enrollment or obtain more information, contact Human Resources at 979-849-4364 ext. 2132 or ext. 2117.

# IMPORTANT CONTACTS

## Medical

BlueCross BlueShield of Texas  
800-521-2227  
[www.bcbstx.com](http://www.bcbstx.com)  
Policy #: 355415

## Supplemental Health (Accident, Critical Illness, Hospital Indemnity)

Lincoln Financial  
800-423-2768  
[www.lincolnfinancial.com](http://www.lincolnfinancial.com)  
Accident Policy #:  
ACC-0000876068  
Critical Illness Policy #:  
CI-0000876066  
Hospital Indemnity Policy #:  
HI-0000876067

## Telemedicine

MDLive  
888-680-8646  
[www.mdlive.com/bcbstx](http://www.mdlive.com/bcbstx)

## Dental

Lincoln Financial  
800-423-2765  
[www.lincolnfinancial.com](http://www.lincolnfinancial.com)  
Policy #: 00001D042956

## Vision

Ameritas  
800-487-5553  
[www.ameritas.com](http://www.ameritas.com)  
Policy #: 010063190

## Health Savings Account

Flores & Associates  
800-532-3327  
[www.flores247.com](http://www.flores247.com)

## Flexible Spending Accounts

Flores & Associates  
800-532-3327  
[www.flores247.com](http://www.flores247.com)

## Life and AD&D

Lincoln Financial  
800-423-2765  
[www.lincolnfinancial.com](http://www.lincolnfinancial.com)  
Policy #: 000403008645

## Disability

Lincoln Financial  
800-423-2765  
[www.lincolnfinancial.com](http://www.lincolnfinancial.com)  
LTD Policy #: 000010278931  
STD Policy #: 000010278932

## Universal Life Insurance

Transamerica  
800-400-3042

## Employee Assistance Program

Lincoln Financial  
888-628-4824  
[www.guidanceresources.com](http://www.guidanceresources.com)

## City of Angleton Human Resources

121 South Velasco  
Angleton, TX 77515  
979-849-4364 ext. 2132 or ext. 2117



