OTAY WATER DISTRICT

Dedicated to Community Service

Open Enrollment Employee Benefits Guide

January 1, 2015 To December 31, 2015

Medical
- Gold PPO
- HMO 15
- EPO

Dental

Basic Group Term Life AD&D
Voluntary Term Life
Short Term Disability
Long Term Disability

Flexible Spending Account
Employee Assistance Program

If you and/or your dependents have Medicare or will become eligible for Medicare in the next 12 months, a federal law gives you more choices about your prescription drug coverage. Please see page 26-28 for more details.

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Disclaimer: Please note that this document is not intended to be a legal benefit plan document or an agreement of employment. OTAY WATER DISTRICT reserves the right to change or terminate benefit plans at its discretion.

Introduction

OTAY WATER DISTRICT takes pride in offering a benefit program which provides flexibility for the diverse and changing needs of our employees. ***OTAY WATER DISTRICT*** offers a choice of three medical plans, one dental plan, as well as other insurance coverage that make up a very comprehensive benefits package for the employees of ***OTAY WATER DISTRICT*** and their dependents.

OTAY WATER DISTRICT's open enrollment period is from October 1st through October 31st with benefit selections effective January 1, 2015. Once coverage is selected, changes can only be made annually during the annual open enrollment period. Adding coverage for the employee and/or dependents during the plan year may be allowed, depending on the reason for the employee's and/or dependent's loss of prior coverage. Please contact Human Resources if you have any questions.

Helpful Contact Information

PLAN	INSURANCE CARRIER	MEMBER SERVICES	WEBSITE OR EMAIL ADDRESS
Medical HMO 15 **Medical EPO** **Medical GOLD PPO**	SDRMA CSAC/EIA Blue Shield	1-800-642-6155	www.blueshieldca.com/csac
Prescription Drugs	Express Scripts Rx	1-800-711-0917	www.express-scripts.com
Dental PPO	Delta Dental	1-800-765-6003	www.deltadentalins.com
Flexible Spending Account	TakeCare by WageWorks	1-800-950-0105	www.takecarewageworks.com
Basic Life AD&D, Supplemental Life	CIGNA	1-800-362-4462	www.cigna.com
Employee Assistance Program	Anthem Blue Cross	1-800-999-7222	www.anthemeap.com
Human Resources	Patty Caro	1-619-670-2220	pcaro@otaywater.gov
Broker	Alliant Insurance Services, Inc. 701 B Street, 6th Floor San Diego, CA 92101 (619)238-1828		www.alliantinsurance.com

Make Changes to Your Benefits During Open Enrollment from October 1 - 31, 2014

Dates to Remember:

- **October 1:** **Open Enrollment Period Begins.**
- **October 22:** **Open Enrollment Meeting at 3:00 pm in the Administrative Training Room.**
- **October 31:** **Enrollment forms are due if you are making changes to medical and/or dental. If you want to participate in the Flexible Spending Account program, you must fill out an enrollment form each year.**

What's new for 2015?

- Calendar year deductible amounts are now included in the increased maximum out of pocket amount.
- Prescription coverage now has a maximum out of pocket that is separate from medical out of pocket.
- Bi-weekly deductions for insurance premiums will be calculated at 26 pay periods.
- This year, you will not be able to view your personalized SharePoint page from home. You will, however, have access to non-confidential open enrollment materials from home. You will be able to view and share this material with your family from the Otay Water District website. Once you are on www.otaywater.gov, go to the "Quick Links" section towards the bottom of the webpage. Click on "Otay Employees" and that will bring you to a link called "Open Enrollment 2015." Click on that link to view non-personalized open enrollment material. Please contact Human Resources if you have any questions.

New Rates for Medical Plans

SDRMA, our medical administrator, made some modest rate increases to all three plans in the following way: 6.8% overall on the PPO and EPO plans, and 10.27% on the HMO. There will be no changes to the contribution formulas. The District will continue to pay 100% for employee only coverage and 88% for dependent coverage for any of the three medical plan options (Gold PPO, EPO or HMO-15).

MEDICAL BENEFITS									
	Blue Shield (Gold) PPO			Blue Shield Access+ HMO 15			Blue Shield EPO		
Bi-Weekly Rates	Employee Share	Employer Share	Total Rate	Employee Share	Employer Share	Total Rate	Employee Share	Employer Share	Total Rate
Employee Only	**$0.00**	$296.11	$296.11	**$0.00**	$367.20	$367.20	**$0.00**	$346.49	$346.49
Employee + 1	**$35.53**	$556.70	$592.23	**$44.18**	$691.16	$735.34	**$41.52**	$650.98	$692.50
Employee + 2 or more	**$56.89**	$713.29	$770.18	**$70.56**	$884.63	$955.19	**$66.49**	$834.09	$900.58

DENTAL BENEFITS			
Bi-Weekly Rates	Employee Share	Employer Share	Total Rate
Employee Only	**$0.00**	$18.97	$18.97
Employee + 1	**$3.19**	$42.34	$45.53
Employee + 2 or more	**$6.09**	$63.65	$69.74

REMINDERS:

- Open Enrollment is a good time for you to review your designated beneficiaries for Basic Life Insurance, Supplemental Life Insurance, Deferred Compensation and PERS. The beneficiary change forms can be found on SharePoint or you may call 619-670-2795 to request a copy.

- It is your responsibility to ensure that each dependent you will cover in plan year 2015 meets the definition of dependent per the District's health plan rules. Falsification, omission, or mis-representation of information will be considered as fraud and could lead to disciplinary action, cancellation of the plan, and other necessary actions deemed appropriate by the District. You will be required to reimburse the District for any insurance coverage expenses that the District incurred for ineligible dependent coverage, including, but not limited to, via deduction from wages or civil action. You agree to notify the District within 31 calendar days if any of your eligible dependents become ineligible (e.g. divorce, legal separation, and over-age dependent).

Online Open Enrollment

Beginning October 1st, all forms and reference materials necessary for open enrollment will be located on SharePoint. By logging into the secured Open Enrollment Section of SharePoint, you will be able to view your current elections and decide if you want to make changes or keep your benefits the same by clicking on a few buttons. **Please note, you will only be able to view your personalized SharePoint page when you log in from your work station.**

During your break time or before or after work, go to SharePoint and view the "Announcements" on the main page. Click on "2015 Open Enrollment Forms." This will bring you to a confidential, secured Open Enrollment page.

Step 1: Begin at the **"Start Here"** section. This will show you a snap shot of your current benefit elections. In this section, you will also find the rates to the medical and dental plans as well as a condensed comparison of the three medical plans (Gold PPO, EPO and HMO).

Step 2: Go to the **"Take Action"** section and click on the appropriate link.

Flexible Spending Account (FSA): If you wish to participate in the FSA program for plan year 2015, you will need to submit the online enrollment form (new and returning participants). This form must be submitted electronically to Human Resources. If you do not complete an electronic form, you will not be enrolled in the FSA for plan year 2015.
Changes to Medical/Dental Plan: If you are adding/dropping dependents, changing plans, or declining coverage, click on the appropriate link and an enrollment form will automatically populate your current personal information. You will need to make the appropriate changes to the enrollment form, **PRINT and sign the form and turn in a hard copy to Human Resources**. If you are adding dependents, you will need to submit proof of your dependent eligibility (e.g. birth certificate, marriage license). If you are declining medical coverage for the first time for yourself, it is required that you attach proof of other insurance (e.g. Medical ID Card). If you are declining dental for dependents, there is no need to submit proof of other dental coverage.
No Changes: If you do not have any changes to your medical or dental plan (including if you are continuing to decline coverage), NO action is required on your part.

Step 3: Go to the **"Manage Your Benefits"** section of the page to view a variety of documents that will provide additional information to your decision making process such as Summary Plan Documents for each plan, How to Find Providers, Flexible Spending Worksheet, etc.

Eligibility Information

Eligibility Requirements - Employees

To participate in the Medical and Dental coverage of the Plan as an "Employee", an individual must be:

- a Board Member; or
- a regular full-time or part-time Employee in active employment for the Employer, performing all customary duties of his/her occupation at his/her usual place of employment (or at a location to which the business of the Employer requires him/her to travel). A "full-time" Employee is regularly scheduled to work at least eighty (80) hours per two-week period. A "part-time" Employee is regularly scheduled to work at least twenty (20) hours per week but less than (30) hours per week.

Definition of Eligible Dependents

An eligible Dependent of an Employee is:

- A spouse. The marriage must meet all requirements of a valid marriage contract in the Employee's state of residence;
- A Domestic Partner that meets the following requirements:
  - ◊ Domestic partners are two adults who have chosen to share one another's lives in an intimate and committed relationship of mutual caring; and
  - ◊ Both persons have legally filed a Declaration of Domestic Partnership with the California Secretary of State. California state registration is limited to same sex domestic partners and only those opposite sex partners where one partner is at least 62 and eligible for Social Security based on age.
- A child under age 26 regardless of marital or student status. For these purposes a "child" will include:
  - ◊ a natural child;
  - ◊ a legal stepchild;
  - ◊ a child placed under the legal guardianship of the Employee;
  - ◊ a child who is adopted by the Employee or placed with him for adoption prior to age 18. "Placed for adoption" means the assumption and retention by the Employee of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child must be available for adoption and the legal process must have begun;
  - ◊ notwithstanding any main support and care requirements, a child for whom the Employee or covered Dependent spouse is required to provide coverage due to a Medical Child Support Order (MCSO) which the Plan Sponsor determines to be a Qualified Medical Child Support Order (QMCSO) in accordance with its written procedures (which are incorporated herein by reference and which can be obtained without charge). A QMCSO will also include a judgment, decree or order issued by a court of competent jurisdiction or through an administrative process established under state law and having the force and effect of law under state law and which satisfies the QMCSO requirements.

What is a Change in Status?

Certain life events provide the opportunity for you to make changes to your benefits. If you experience one of these events, you must contact **OTAY WATER DISTRICT's** Human Resource Department **within 31 days** of the date of the qualifying change in status to modify your benefits.

IRS Qualifying Events
Rules for Benefit Changes During the Year

The following events qualify as a change in status:

- **Change in legal marital status,** including marriage, divorce, legal separation, annulment, and death of a spouse.
- **Change in number of dependents,** including birth, adoption, placement for adoption, or death of a dependent.
- **Change in employment status that affects benefit eligibility,** including the start or termination of employment by you, your spouse, or your dependent child.
- **Change in work schedule,** including an increase or decrease in hours of employment by you, your spouse, or your dependent child, including a switch between part-time and full-time employment that affects eligibility for benefits.
- **Change in a child's dependent status,** either newly satisfying the requirements for dependent child status or ceasing to satisfy them.

- **Change in place of residence or worksite,** including a change that affects the accessibility of network providers.
- **Change in your health coverage or your spouse's coverage** attributable to your spouse's employment.
- **Change in an individual's eligibility for Medicare or Medicaid**
- **A court order** resulting from a divorce, legal separation, annulment, or change in legal custody (including a Qualified Medical Child Support Order) requiring coverage for your child.
- **An event that is special enrollment under HIPAA** (the Health Insurance Portability and Accountability Act) including acquisition of a new dependent by marriage, birth or adoption, or loss of coverage under another health insurance plan.
- **An event that is allowed under the Children's Health Insurance Program Reauthorization Act (CHIPRA).** Under provisions of the Act, employees have 60 days after the following events to request enrollment:
    - Employee or dependent loses Medicaid/CHIP coverage.
    - Employee or dependent becomes eligible for Medicaid/CHIP premium assistance.

Two rules apply to making changes to your benefits during the year:

- **Any changes you make must be consistent with the change in status, AND**
- **You must make the changes within 31 days of the date the event occurs (unless otherwise noted above).**

Benefit Highlights
SDRMA CSAC/EIA Health Plan Summaries—Blue Shield

DEDUCTIBLES/CO-INSURANCE	Gold PPO		EPO
Calendar Year Deductible(s) (Individual/Family)	$500 / $1,000		$300 / $600
Maximum Medical Out of Pocket (Individual/Family)	$2,000 / $4,000		$1,300 / $2,600
Medicare Medical Maximum Out of Pocket	$1,500 / $3,000		$1,000 / $2,000
Services/Coverages	Participating Providers	Non-Participating Providers	Participating Providers
Inpatient Hospital Room, Board & Support Services (prior authorization required)	80%	50% up to $600 per day	No Charge
Ambulatory Surgery Center	80%	50% up to $350 per day	No Charge
Emergency Room			
Visit Results in Admission as Inpatient	80%		No Charge
Visit Does Not Result in Admission	80%, $100 co-pay		$100 co-pay
Physician Benefits (office visits)	$20 co-pay	50%	$30 co-pay
Preventative Care	No Charge	Not Covered	No Charge
Rehabilitation Service (in an office location)	80%	50%	$30 co-pay
Acupuncture (26 visits per calendar year/combined with Chiropractic)	80%	80%	$30 co-pay
Durable Medical Equipment	80%	50%	80%
Hospice	80%	Not Covered without prior authorization	No Charge
Ambulance	80%		$50
Home Health Care 100 visits/year (prior authorization required)	80%	Not Covered without prior authorization	$30 co-pay (100 visits/year)
Chiropractic Services (26 visits per calendar year/combined with Acupuncture)	80% up to $50 per visit	50% up to $25 per visit	$30 co-pay
Prescription Drugs *Active/Early Retiree Plans Only*	Express Scripts		Express Scripts
Prescription Maximum Out of Pocket	$4,600 / $9,200		$5,300 / $10,600
(At Participating Pharmacies only)	Generic / Brand / Non-Formulary / Specialty		Generic / Brand / Non-Formulary / Specialty
Retail - 30 day supply	$5 / $30 / $45 / 30% (max co-pay $150)		$10 / $20 / $45 / 30% (max co-pay $150)
Mail Order - 90 day supply	$10 / $75 / $112.50 / 30% (max co-pay $300)		$15 / $50 / $112.50 / 30% (max co-pay $150)
Brand / Non-Formulary / Specialty Deductible (Individual / Family)	None		$200

Benefit Highlights
SDRMA CSAC/EIA Health Plan Summaries—Blue Shield

DEDUCTIBLES/CO-INSURANCE	Access+ HMO 15
Calendar Year Deductible(s) (Individual/Family)	None
Maximum Medical Out of Pocket (Individual/Family)	$1,500 / $3,000
Medicare Medical Maximum Out of Pocket	Non-Applicable
Services/Coverages	Participating Providers
Inpatient Hospital Room, Board & Support Services (prior authorization required)	No Charge
Non Emergency Outpatient Services: Ambulatory Surgery Center Hospital Facility Outpatient Treatment	No Charge
Emergency Room	
Visit Results in Admission as Inpatient	No Charge
Visit Does Not Result in Admission	$50 co-pay
Preventative Care	No Charge
Office Visits — Note: A woman may self-refer to an OB/GYN or family practice physician in her personal physician's medical group or IPA for OB/GYN services.	$15 co-pay
Rehabilitation Service (in a office location)	$15 co-pay
Durable Medical Equipment	80%
Hospice	No Charge
Ambulance	$50 co-pay
Home Health Care (prior authorization required)	$15 co-pay (100 per year)
Chiropractic Services (combined with Acupuncture)	$10 co-pay (30 visits per year)
Acupuncture (combined with Chiropractic)	$10 co-pay (30 visits per year)
Prescription Drugs *Active/Early Retiree Plans Only*	Express Scripts
Prescription Maximum Out of Pocket	$5,100 / $10,200
(At Participating Pharmacies only)	Generic / Brand / Non-Formulary / Specialty
Retail - 30 day supply	$5 / $10 / $25 / 20% (max co-pay $100)
Mail Order - 90 day supply	$10 / $20 / $50 / 20% (max co-pay $100)
Brand Deductible (Individual / Family)	None

Benefit Highlights
Delta Dental PPO Plan Information

Plan Benefit Highlights for: Otay Water District

Group No: 15567 **Effective 1/1/2015**

Eligibility	Primary enrollee, spouse (includes domestic partner) and eligible dependent children to age 26		
Deductibles	$50 per person / $150 per family each calendar year		
Deductibles waived for D & P?	Yes		
Maximums	$2,000 per person each calendar year		
Waiting Period(s)	Basic Benefits None	Major Benefits None	Orthodontics None

Benefits and Covered Services*	Delta Dental PPO dentists**	Non-PPO dentists**
Diagnostic & Preventive Services (D & P) Exams, cleanings, x-rays, sealants	100 %	100 %
Basic Services Fillings, simple tooth extractions	90 %	80 %
Endodontics (root canals) Covered Under Basic Services	90 %	80 %
Periodontics (gum treatment) Covered Under Basic Services	90 %	80 %
Oral Surgery Covered Under Basic Services	90 %	80 %
Major Services Crowns, inlays, onlays and cast restorations, bridges, dentures	60 %	50 %
Orthodontic Benefits Adults and dependent children	50 %	50 %
Orthodontic Maximums	$ 500 Lifetime	$ 500 Lifetime

* Limitations or waiting periods may apply for some benefits; some services may be excluded from your plan. Reimbursement is based on Delta Dental maximum contract allowances and not necessarily each dentist's submitted fees.

** Reimbursement is based on PPO contracted fees for PPO dentists, Premier contracted fees for Premier dentists and program allowance for non-Delta Dental dentists.

Delta Dental of California
100 First St.
San Francisco, CA 94105

Customer Service
800-765-6003

Claims Address
P.O. Box 997330
Sacramento, CA 95899-7330

deltadentalins.com

This benefit information is not intended or designed to replace or serve as the plan's Evidence of Coverage or Summary Plan Description. If you have specific questions regarding the benefits, limitations or exclusions for your plan, please consult your company's benefits representative.

How to Locate a Delta Dental Provider

Need to Find a Delta Dental PPO Provider?

1. Log on to www.deltadentalins.com
2. Select the “Find a Dentist” feature and enter the location that best works for you.
3. Under “Network Selection,” click **Delta Dental PPO.**
4. Click Search.

Benefit Highlights
Flexible Spending Accounts through take care by WageWorks

WageWorks®

Your FSA has the following benefits:
Health Flexible Spending Account

- You can contribute up to $2,500 into the Health Flexible Spending Account.

<u>Examples of Eligible Health FSA Expenses:</u>
- Prescription Medications
- Medical Copayment
- Chiropractic Care
- Hospital fees
- Medical Equipment

Dependent Care Flexible Spending Account
- You can contribute up to $5,000 (if you are married) or $2,500 (if you are single) in the dependent care flexible spending account.

<u>Examples of Eligible Dependent Care FSA Expenses</u>
A dependent care FSA is used to pay for eligible, work-related expenses for the care of a qualified individual such as:
- Day Care
- Pre-School
- Baby-sitting expenses
- Elder Care

Please refer to http://www.irs.gov/publications/p502/ to identify eligible IRS expenses.

Benefit Highlights
Flexible Spending Accounts through take care by WageWorks (continued)

Dependent care… it's covered!

FSA dependent care eligible expenses

- **Babysitting** or au pair services
- **Before- and after-school** programs
- **Day care** and nursery schools
- **Summer** day camp
- **Pre-school** programs
- **Elder care** services

Easy as a debit card

Use your **take care® Card** to pay instantly

- Works like a debit card, just swipe and go
- Funds come directly from your health care FSA
- No PIN required

FSAWorks4Me™

More control, more convenience

Pay Me Back

- Traditional claims
- Fast reimbursement

Online tracking

- www.takecarewageworks.com

Why enroll?

- Tax savings
- Wide range of covered expenses
- Easy access
- Flexible options

Benefit Highlights
CIGNA Basic Term Life AD&D and Supplemental Life Plan Information

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Basic Group Term Life Insurance and Accidental Death & Dismemberment (AD&D)

Life Insurance helps protect your family from a sudden loss of income resulting from your death. Otay recognizes the importance of life insurance for employees of all ages and stages in life. Group Term Life Insurance and Accidental Death & Dismemberment (AD&D) Insurance is provided to employees and is fully funded by the District. Group Term Life Insurance and Accidental Death & Dismemberment (AD&D) Insurance is available through CIGNA Insurance. Depending on the employee's annual earnings and/or position, amounts of insurance range from $15,000—$50,000. Some positions may be eligible for higher insurance amounts. Dependents including spouse have insurance coverage up to $1,000 in benefit.

Supplemental Life Insurance

Supplemental Life coverage is also available through CIGNA Insurance. Coverage is available for you, your spouse and your dependent children. The full cost of this insurance is paid by the employee. The cost varies depending on age and other factors. The rates are located on SharePoint. The premiums are deducted from your paycheck on a post-tax basis. To be eligible for this benefit, you must be a full-time employee.

If you would like to elect Supplemental Life coverage, please complete a Supplemental Life Enrollment Form located in SharePoint and return it to Human Resources before the Open Enrollment deadline. Please note however, if you are purchasing Supplemental Life Insurance beyond your 31st day of employment, it will not be guaranteed, meaning you will be subject to evidence of insurability. You have the option to purchase up to $500,000 in coverage (not to exceed five times your basic annual earnings) for yourself, up to $50,000 for your spouse and a flat $1,000 for dependent children ages birth to 6 months. A max of $10,000 benefit is available for dependent children 6 months up to age 26.

Additional Services Provided by CIGNA Insurance

Travel Assistance Services
Travel Assistance is an added benefit to your CIGNA Life insurance plan. Assistance is available 24/7 for emergency situations anywhere in the world. These services are available to all employees and dependents covered by the life insurance plan. When you are planning your next trip, you can enjoy peace of mind, knowing you can get the help and information you need in an emergency. Travel Assistance services include emergency medical assistance, pre-trip planning, assistance with stolen items including luggage, prescriptions and other personal belongings. To learn more call: 888-226-4567

Beneficiary Services
CIGNA offers the Beneficiary Services program to beneficiaries of your life insurance plan. The program is available as a value-added service provided at no extra premium cost. The Beneficiary Services program provides access to support services to help deal with loss and manage the affairs. Services offered include a 24/7 unlimited phone access with a contracted specialist, two free face to face sessions with a CIGNA behavioral health specialist, 30 minutes each of free legal advice and free financial services advice—all over the phone, referrals to discounted, professional legal services for help settling an estate, preparing a will or general advice, access to a cignaassurance account—a free, interest-bearing account for proceeds over $5,000. This account keeps their insurance proceeds in a safe place and gives them time to deal with more pressing issues. Account balances and activity can be managed 24/7 at http://cignassurance.com.

Will and Trust Preparation Services
CIGNA offers will and trust preparation services as an added benefit to all members covered by the life insurance plan at no additional cost. Preparing a will is one of the most important things you can do for your loved ones. Some people don't consult with an attorney because of the cost or they may not know how to handle estate planning responsibilities. This simple, online will preparation tool lets you create a customized will built around your state-specific laws. You can also create legal documents, like a living will and power of attorney document. It's easy, safe, and secure. Get prepared: http://www.cignawillcenter.com.

Benefit Highlights
Short & Long Term Disability Plan Information

SHORT TERM DISABILITY (STD)	
Short Term Disability (STD) benefits help to provide weekly income if you become disabled and are unable to work.	
Weekly Benefit Amount:	66.67% of your Earnings to a maximum of $3,000 per week.
Benefit Waiting Period	Once you are approved for coverage, you will be eligible to collect your employer paid short term disability insurance benefit starting on the 30th day after your accident or 30th day of sickness. Your benefit could continue up to 9 weeks.
Cost:	Covered in full by Otay Water District.

LONG TERM DISABILITY (LTD)	
Long-Term Disability (LTD) benefits help to provide monthly income if you become disabled and are unable to work.	
Monthly Benefit Amount	66.67% of your Earnings to a maximum of $13,000 per month.
Minimum Benefit	The lesser of $100 or 10% of benefit.
Benefit Waiting Period	You must be disabled at least 90 days before you can receive the benefit.
Cost:	Covered in full by Otay Water District.

Anthem Blue Cross Employee Assistance Program

The Employee Assistance Program (EAP) is a confidential service available to employees & household members – at no cost to you. Our trained professionals can easily refer you to the following resources:

Face-to-Face Counseling

- Anthem EAP can put you in touch with a licensed counselor for 6 face-to-face visits. You and your household members are eligible for up to four visits for each personal situation, as needed. If more than four sessions are needed, employees are referred to the health insurance company for potential health benefits or to community resources for ongoing care.

Crisis Consultation

- 24/7 telephone access and crisis consultation are available to you through Anthem EAP. If you have an emergency, simply call the toll-free Anthem EAP phone number. We will put you in touch with a professional who can help or just listen, depending on your needs.

Legal Assistance

- We also offer access to legal consultations up to 30 minutes face-to-face or telephonically at no charge. For services beyond the initial 30 minutes, your will receive a preferred discount rate of 25% off attorney's normal hourly fee. You have access to virtually all areas of law such as family/domestic matters, civil matters, criminal, real estate, etc. Matters involving disputes between members and their employer are specifically excluded from eligibility of this program.

Financial Assistance

- Our financial professionals provide free telephonic consultation on the financial topics that are important to you, including bankruptcy protection, budgeting, debt reductions, estate planning, home purchases and long-term goal setting. Our counseling sessions have no time limitations, and are available without appointment during regular business hours, and by appointment at night on weekends. Online resources include an assortment of financial calculators and access to PocketSmith, a budgeting and management tool.

ID Recovery

- Specialists are available 24/7 to assess your risk level and then identify steps to resolve potential identity theft. All services are provided to you free of charge. This may include completing any necessary paperwork, reporting to the consumer credit agencies, and negotiating with creditors to repair debt history. Our specialists will work with you to restore your financial identity to its pre-theft status.

Tobacco Cessation (Online and Coaching)

- **Online Program**

  LivingFree™ is a free 10 session, online training program which will help you learn how to break the tobacco habit. The program focuses on the root emotional and physical causes of using tobacco.

- **Telephonic Coaching**

  Tobacco cessation coaching is a free service provided via telephone or through instant messaging. The tobacco cessation Coach will help you address the triggers of your tobacco use and how to overcome them. In addition the coach will address issues related to weight management and fitness.

Dependent Care and Daily Living Resources

- You and your household members can get information on child care, adoption, summer camps, college placement relocation, plus resources on elder care issues and assisted living. There is assistance with daily living such as household maintenance, moving and relocation, pet care, etc. Referrals are available through the Assisted Search feature on the Anthem EAP Website (***www.AnthemEAP.com***) or by calling us toll free at 1-800-999-7222.

Other Web Resources available through *www.AnthemEAP.com*

- Informational articles on behavioral health and healthcare topics are available to you and your household members through our interactive web site. There are self-assessment tools and quizzes on topics such as health, depression and substance abuse. Legal information and financial calculators are also available.

To contact the EAP, call toll-free at 1-800-999-7222. You can also visit www.AnthemEAP.com. Log in: Otay Water District.

Frequently Asked Questions During Open Enrollment 2015
GENERAL INFORMATION

Can I access my personalized SharePoint Open Enrollment page from home?
This year, you will not be able to view your personalized SharePoint Open Enrollment page from home. You will however, have access to non-confidential open enrollment materials from home. You will be able to view and share this material with your family from the Otay Water District website. Once you are on www.otaywater.gov, go to the "Quick Links" section towards the bottom of the webpage. Click on "Otay Employees" and that will bring you to a link called "Open Enrollment 2015." Click on that link to view non-personalized open enrollment material.

My address is incorrect on the Enrollment Forms, how can I change it?
The address that auto populates on the enrollment form comes directly from our H.R. database. The address you see is the latest address that you have provided to H.R. If it is incorrect, you will need to fill out an electronic "Personnel Records Change Form" which is also located in SharePoint under the "Online Forms" section. You will need to submit the electronic "Personnel Records Change Form" first before turning in your enrollment forms.

What if I submit the electronic Flexible Spending Account (FSA) Form and then decide I want to change the amounts on the form? Can I submit another form electronically?
You will only be able to submit the electronic FSA form once. If you change your mind before October 31, 2014, please see Human Resources so we can give you a hard copy to make changes. For control measures, the system will not allow an employee to make multiple submissions.

Why can't I turn in the Medical/Dental Enrollment Form electronically since I am viewing it online?
Due to the requirements of our benefit administrator, SDRMA, Otay must submit hard copies of the Medical/Dental enrollment form for any changes that an employee makes. The advantage to viewing your enrollment form online is that your personal information will automatically populate and thus eliminate your need to enter information we already have on file for you. All you need to do is make any changes to your current plans elections, print and sign the Medical and Dental Enrollment Form and return it to Human Resources by October 31, 2014.

MEDICAL

Can I change medical plans?
Yes, you may change your medical plan to Gold, EPO or HMO-15. You and your covered dependent(s) are required to be on the same plan. Please note, Medicare-Eligible participants may only select the Gold Plan. The HMO plan is also not available to Medicare-Eligible or out-of-state participants; however, the HMO Plan does have a BlueCross BlueShield Association's Away from Home Care Program that is for students, long-term travelers, and families living apart. The Away from Home Care is available in most, but not all states. Participants are encouraged to call (800) 622-9402 to find out which states are part of the Away from Home Care program before selecting the HMO Plan. (Please note, benefits from the Away from Home Care Plan may differ from the Access+ HMO 15 Plan.)

How can I verify that my existing providers are still in the Blue Shield network?
All three SDRMA medical plans (Gold PPO, EPO, and HMO) have access to the Blue Shield network. To determine if your physicians are still in the network go to www.blueshieldca.com/csac and follow the prompts on how to "Find a Provider Now" or call (800) 642-6155. More detailed instructions on how to find a provider are on SharePoint.

Will I be receiving a new Medical ID Card?
You will be receiving a new ID Card ONLY if you are changing to a new plan. The new medical ID Cards will arrive to your home prior to January 1st.

If I join the Access + HMO 15 Plan, when do I select a new Primary Care Physician?
If you join the HMO Plan, you will need to select a Primary Care Physician when you turn in your enrollment form by going on the www.blueshieldca.com/csac website or by calling (800) 642-6155. Once you have confirmed that the physician is in the Access + HMO 15 network, you will need to get your Primary Care Physician's "Provider Number" (either through the 800 # or from the website) and indicate that number on the Enrollment Form. On the Enrollment Form, you will also need to indicate whether or not you are a prior patient of that physician. If you are unsure which physician to select or you do not provide a Provider Number, Blue Shield will automatically assign a physician to you and it could take up to 30 days to change your provider.

Can I waive medical coverage for myself and my dependents?
Yes, subject to Plan provisions and District approval, you can request to waive medical coverage for yourself and/or your dependents, if you or your dependents have other coverage. If you elect to waive coverage for yourself, the District will reimburse you $46.15 per-pay-period ($1,200 annually), which will be treated as taxable income. There is no reimbursement for waiving coverage for your dependents. You will need to provide proof of other coverage for yourself only.

DENTAL

How can I find a dentist that is in the network?
Log on to www.deltadentalins.com and click on "Find a Dentist" or call (800) 765-6003. With Delta Dental, you may choose to go to an in-network or out-of-network dentist. If you are online, select either the Delta Dental PPO plan or Delta Dental Premier plan for the most cost-savings. They both cover the same benefits allowances however, you will save more by going to a Delta PPO dentist. The next best option, if you cannot find a PPO dentist, is to select a dentist from their Premier Network. If you visit a Premier Dentist, you still will see a cost-savings because the dentist in that network will not bill you above their contracted fees, unlike the out-of-network dentists. As a third option, you can always choose to visit an out-of-network dentist. More detailed information on how to find a dentist are located in SharePoint.

How will I be billed for using an out of network dentist?
The plan gives you the choice of using a PPO or Non-PPO provider. Employees are encouraged to use PPO providers to take advantage of the additional benefits and discounts. The PPO network dentists accept reduced fees for covered services they provide you, so you'll usually pay the least when you visit a PPO network dentist. If you don't choose to visit a PPO dentist, you also have access to the Delta Dental Premier network. You'll usually pay more than if you visit a PPO dentist, but you'll still have cost protections that you don't get when you visit a non-Delta Dental dentist. Many non-Delta Dental dentists ask that you pay the entire cost up front and wait for reimbursement.

FLEXIBLE SPENDING ACCOUNT (FSA)

If I am currently on the FSA plan this year, do I need to re-enroll for 2015?
Yes, anyone who wishes to participate in the Flexible Spending Accounts (either Health Care or Dependent Care) must **RE-ENROLL** each year and submit a new enrollment form (even if you will be contributing the same amount each year).

How will I be reimbursed for my FSA claims?
All participants will be reimbursed via direct deposit to their bank accounts.

Can I view my FSA claims online?
Yes, if you wish to view your claims online, you will need to register and create an account if you have not done so. You can log on to www.takecarewageworks.com to click on the icon to create a new account or go directly to www.myflexonline.com.

Will the FSA Benefits Card be an option again this year?
Yes. The card works at eligible providers where most major credit cards are accepted and can be used whenever you incur a qualified Health Care or Dependent Care expense. Using your card for Dependent Care requires a few additional steps; please contact Wage Works for details. Always be prepared with an alternate form of payment as there are several IRS restrictions on where the Benefits Card can be used.

I currently have an FSA Benefits Card, will I be able to continue to use the same Benefits Card in the new plan year?
Your current FSA Benefits Card will be reloaded each year with your new plan year election amounts and your card will be valid until the expiration date shown on the front of the card. If your card is expiring, Wageworks will be mailing you a new card before the beginning of the plan year with your new election amounts. You may order additional or replacement cards at no charge by calling Wage Works at (800) 950-0105 after January 1st. There is no limit on how many additional cards you may order.

What is the carryover option?
Last year, the U.S. Department of Treasury modified the "Use it or Lose it" provision which required any unused balance in a Healthcare FSA to be forfeited at the end of the plan year. With the carryover provision that has been implemented, you will be able to carryover up to $500 of unused Healthcare FSA amounts into the next plan year. There is no carryover provision for Dependent Care accounts, however, there is a grace period for Dependent Care expenses to be incurred and eligible for reimbursement. Employees who have elected to join the Dependent Care FSA will have until March 15th of the following year to incur expenses.

What is the deadline to submit my reimbursement claims?
All Flexible Spending Account plan participants (for both Healthcare and Dependent Care) have until March 15th of the following plan year to submit claim forms for reimbursement. For example, for plan year 2014, you will have until March 15, 2015 to submit your claim forms to be reimbursed.

Women's Health and Cancer Rights Act Notice

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. Therefore, the following deductibles and coinsurance apply: Gold PPO inpatient in network: 20% coinsurance; out of network: 50% up to $600 copay per day. EPO— inpatient no charge. Access+HMO—no charge for inpatient hospitalization. If you would like more information on WHCRA benefits, call Blue Shield at 1-800-642-6155.

Newborns' and Mothers' Health Protection Act Notice

Group health plans and health insurance issuers generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours). If you would like more information on maternity benefits, call Blue Shield at 1-800-642-6155

Notice of Special Enrollment Rights for Health Plan Coverage

If you decline enrollment in a Otay Water District health plan for you or your dependents (including your spouse) because of other health insurance or group health plan coverage, you or your dependents may be able to enroll in a Otay Water District's health plan without waiting for the next open enrollment period if you:

- Lose other health insurance or group health plan coverage. You must request enrollment within 31 days after the loss of other coverage.
- Gain a new dependent as a result of marriage, birth, adoption, or placement for adoption. You must request health plan enrollment within 31 days after the marriage, birth, adoption, or placement for adoption.
- Lose Medicaid or Children's Health Insurance Program (CHIP) coverage because you are no longer eligible. You must request medical plan enrollment within 60 days after the loss of such coverage.

If you request a change due to a special enrollment event within the 31 day timeframe, coverage will be effective the date of birth, adoption or placement for adoption. For all other events, coverage will be effective the first of the month following your request for enrollment. In addition, you may enroll in Otay Water District's medical plan if you become eligible for a state premium assistance program under Medicaid or CHIP. You must request enrollment within 60 days after you gain eligibility for medical plan coverage. If you request this change, coverage will be effective the first of the month following your request for enrollment. Specific restrictions may apply, depending on federal and state law.

Note: If your dependent becomes eligible for a special enrollment rights, you may add the dependent to your current coverage or change to another health plan.

Premium Assistance Under Medicaid and the Children's Health Insurance Program

If you or your children are eligible for Medicaid or CHIP and you're eligible for health coverage from your employer, your state may have a premium assistance program that can help pay for coverage, using funds from their Medicaid or CHIP programs. If you or your children aren't eligible for Medicaid or CHIP, you won't be eligible for these premium assistance programs but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit www.healthcare.gov.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, contact your State Medicaid or CHIP office to find out if premium assistance is available.
If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or **www.insurekidsnow.gov** to find out how to apply. If you qualify, ask your state if it has a program that might help you pay the premiums for an employer-sponsored plan.

If you or your dependents are eligible for premium assistance under Medicaid or CHIP, as well as eligible under your employer plan, your employer must allow you to enroll in your employer plan if you aren't already enrolled. This is called a "special enrollment" opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance**. If you have questions about enrolling in your employer plan, contact the Department of Labor at www.askebsa.dol.gov or call 1-866-444-EBSA (3272).

If you live in one of the following states, you may be eligible for assistance paying your employer health plan premiums. The following list of states is current as of January 31, 2014. Contact your State for more information on eligibility.

ALABAMA – Medicaid	**COLORADO** – Medicaid
Website: http://www.medicaid.alabama.gov Phone: 1-855-692-5447	Medicaid Website: http://www.colorado.gov/ Medicaid Phone (In state): 1-800-866-3513 Medicaid Phone (Out of state): 1-800-221-3943
ALASKA – Medicaid	
Website: http://health.hss.state.ak.us/dpa/programs/medicaid/ Phone (Outside of Anchorage): 1-888-318-8890 Phone (Anchorage): 907-269-6529	
ARIZONA – CHIP	**FLORIDA** – Medicaid
Website: http://www.azahcccs.gov/applicants Phone (Outside of Maricopa County): 1-877-764-5437 Phone (Maricopa County): 602-417-5437	Website: https://www.flmedicaidtplrecovery.com/ Phone: 1-877-357-3268
	GEORGIA – Medicaid
	Website: http://dch.georgia.gov/ - Click on Programs, then Medicaid, then Health Insurance Premium Payment (HIPP) Phone: 1-800-869-1150

IDAHO – Medicaid	**MONTANA** – Medicaid
Medicaid Website: http://healthandwelfare.idaho.gov/Medical/Medicaid/PremiumAssistance/tabid/1510/Default.aspx Medicaid Phone: 1-800-926-2588	Website: http://medicaidprovider.hhs.mt.gov/clientpages/clientindex.shtml Phone: 1-800-694-3084
INDIANA – Medicaid	**NEBRASKA** – Medicaid
Website: http://www.in.gov/fssa Phone: 1-800-889-9949	Website: www.ACCESSNebraska.ne.gov Phone: 1-800-383-4278
IOWA – Medicaid	**NEVADA** – Medicaid
Website: www.dhs.state.ia.us/hipp/ Phone: 1-888-346-9562	Medicaid Website: http://dwss.nv.gov/ Medicaid Phone: 1-800-992-0900
KANSAS – Medicaid	
Website: http://www.kdheks.gov/hcf/ Phone: 1-800-792-4884	
KENTUCKY – Medicaid	**NEW HAMPSHIRE** – Medicaid
Website: http://chfs.ky.gov/dms/default.htm Phone: 1-800-635-2570	Website: http://www.dhhs.nh.gov/oii/documents/hippapp.pdf Phone: 603-271-5218
LOUISIANA – Medicaid	**NEW JERSEY** – Medicaid and CHIP
Website: http://www.lahipp.dhh.louisiana.gov Phone: 1-888-695-2447	Medicaid Website: http://www.state.nj.us/humanservices/dmahs/clients/medicaid/ Medicaid Phone: 609-631-2392 CHIP Website: http://www.njfamilycare.org/index.html CHIP Phone: 1-800-701-0710
MAINE – Medicaid	
Website: http://www.maine.gov/dhhs/ofi/public-assistance/index.html Phone: 1-800-977-6740 TTY 1-800-977-6741	
MASSACHUSETTS – Medicaid and CHIP	**NEW YORK –** Medicaid
Website: http://www.mass.gov/MassHealth Phone: 1-800-462-1120	Website: http://www.nyhealth.gov/health_care/medicaid/ Phone: 1-800-541-2831
MINNESOTA – Medicaid	**NORTH CAROLINA** – Medicaid
Website: http://www.dhs.state.mn.us/ Click on Health Care, then Medical Assistance Phone: 1-800-657-3629	Website: http://www.ncdhhs.gov/dma Phone: 919-855-4100
MISSOURI – Medicaid	**NORTH DAKOTA** – Medicaid
Website: http://www.dss.mo.gov/mhd/participants/pages/hipp.htm Phone: 573-751-2005	Website: http://www.nd.gov/dhs/services/medicalserv/medicaid/ Phone: 1-800-755-2604

OKLAHOMA – Medicaid and CHIP	**UTAH** – Medicaid and CHIP
Website: http://www.insureoklahoma.org Phone: 1-888-365-3742	Website: http://health.utah.gov/upp Phone: 1-866-435-7414
OREGON – Medicaid	**VERMONT**– Medicaid
Website: http://www.oregonhealthykids.gov http://www.hijossaludablesoregon.gov Phone: 1-800-699-9075	Website: http://www.greenmountaincare.org/ Phone: 1-800-250-8427
PENNSYLVANIA – Medicaid	**VIRGINIA** – Medicaid and CHIP
Website: http://www.dpw.state.pa.us/hipp Phone: 1-800-692-7462	Medicaid Website: http://www.dmas.virginia.gov/rcp-HIPP.htm Medicaid Phone: 1-800-432-5924 CHIP Website: http://www.famis.org/ CHIP Phone: 1-866-873-2647
RHODE ISLAND – Medicaid	**WASHINGTON** – Medicaid
Website: www.ohhs.ri.gov Phone: 401-462-5300	Website: http://www.hca.wa.gov/medicaid/premiumpymt/pages/index.aspx Phone: 1-800-562-3022 ext. 15473
SOUTH CAROLINA – Medicaid	**WEST VIRGINIA** – Medicaid
Website: http://www.scdhhs.gov Phone: 1-888-549-0820	Website: www.dhhr.wv.gov/bms/ Phone: 1-877-598-5820, HMS Third Party Liability
SOUTH DAKOTA - Medicaid	**WISCONSIN** – Medicaid
Website: http://dss.sd.gov Phone: 1-888-828-0059	Website: http://www.badgercareplus.org/pubs/p-10095.htm Phone: 1-800-362-3002
TEXAS – Medicaid	**WYOMING** – Medicaid
Website: https://www.gethipptexas.com/ Phone: 1-800-440-0493	Website: http://health.wyo.gov/healthcarefin/equalitycare Phone: 307-777-7531

To see if any other states have added a premium assistance program since January 31, 2014, or for more information on special enrollment rights, contact either:

U.S. Department of Labor
Employee Benefits Security Administration
www.dol.gov/ebsa
1-866-444-EBSA (3272)

U.S. Department of Health and Human Services
Centers for Medicare & Medicaid Services
www.cms.hhs.gov
1-877-267-2323, Menu Option 4, Ext. 61565

OMB Control Number 1210-0137 (expires 10/31/2016)

Important Notice from Otay Water District About Your Prescription Drug Coverage and Medicare

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Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Otay Water District 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. Otay Water District has determined that the prescription drug coverage offered by the Blue Shield 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 Otay Water District coverage or will not be affected. See below for more information about what happens to your current coverage if you join a Medicare drug plan.

Since the existing prescription drug coverage under Blue Shield is creditable (e.g., as good as Medicare coverage), you can retain your existing prescription drug coverage and choose not to enroll in a Part D plan; or you can enroll in a Part D plan as a supplement to, or in lieu of, your existing prescription drug coverage.

If you do decide to join a Medicare drug plan and drop your Otay Water District prescription drug 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 Otay Water District 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 Human Resources at 619-670-2220.
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 Otay Water District 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.

Important Notice from Otay Water District About your Prescription Drug Coverage and Medicare

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For more information about Medicare prescription drug coverage:

- Visit 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 800-MEDICARE (800-633-4227). TTY users should call 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 socialsecurity.gov, or call them at 800-772-1213 (TTY 800-325-0778).

Date:	January 1, 2015
Name of Entity/Sender:	Otay Water District
Contact-Position/Office:	Human Resources
Address:	2554 Sweetwater Springs Blvd Spring Valley, CA 91978

Electronic Disclosure Guidelines

Department of Labor (DOL) regulations provide a "safe harbor" that describes specific circumstances in which ERISA-covered plans may use electronic delivery methods to furnish required documents. [Note: Treasury regulations provide the exclusive rules regarding electronic communications required under the Internal Revenue Code (such as Code Section 125 cafeteria plans). These rules differ from the DOL rules.]
Electronic disclosure is permitted for Summary Plan Descriptions, Summaries of Material Modification, and Summary Annual Reports, as well as Qualified Medical Child Support Orders notices, COBRA notices, HIPAA certificates of creditable coverage, and documents that must be provided to participants and beneficiaries on request. If the safe harbor conditions are met, electronic disclosure is effective for both employees and non-employees. However, the regulations impose significant administrative and paperwork requirements for individuals who do not have work-related access (including employees, beneficiaries or others). Note that in some cases, it may be preferable to distribute documents in manner that provides proof of receipt by the participant.

General Guidelines for All Recipients:
The following requirements must be met with respect to any recipient of electronic disclosures:

1. The electronic materials must be prepared and furnished in accordance with other applicable style, format and content requirements – e.g., an electronic SPD generally should use the same font and look of a paper SPD;
2. Notice must be provided to each recipient, at the time the electronic document is furnished, of the significance of the document and the right to request and obtain a paper version - e.g., a cover email could explain what is being distributed;
3. A paper version of the electronic document must be available on request, and no charge may be imposed if the document requested is one that must otherwise be provided without charge (e.g., an SPD or SMM);
4. When a disclosure includes personal information relating to an individual's accounts and benefits, the plan administrator must take reasonable and appropriate steps to safeguard the confidentiality of the information (consider use of password and/or PIN requirements). Note: This rule often applies to 401(k) or retirement plans but usually does not apply to health plans.

Notice is required each time an electronic disclosure is made, although the safe harbor regulations allow a plan administrator to include this notice simultaneously with other disclosures being furnished, provided it is conspicuous. These general rules must be followed for both categories of recipients: (1) participants with work-related access; and (2) other consenting individuals, as described below.

For Participants With Work-Related Computer Access:
Disclosure may be made electronically to any plan participant:

- Who has the ability to access documents at any location where the participant reasonably could be expected to perform employment duties; and

Whose access to the electronic information system is an integral part of those employment duties.

These individuals are not required to consent to electronic disclosure.

For Consenting Individuals With No Work-Related Computer Access:
Some individuals (e.g., participants, beneficiaries or others) will not have work-related access to electronic documents (as described above). Electronic distribution of documents to this group is possible but more difficult. These individuals must provide an address (e.g., an email address) for delivery of the documents and must affirmatively consent to electronic disclosure. The consent may be given electronically or non-electronically. If the electronic disclosure will be made through the "internet or other electronic communication network" (versus disclosures via CD or DVD, which are also considered electronic media), the individual must affirmatively consent (or confirm consent) "in a manner that reasonably demonstrates the individual's ability to access information in the electronic form that will be used." The simplest way to do this is to require that the consent be furnished electronically.

Electronic Disclosure Guidelines

Consent must occur after the individual has been provided with a statement that explains:

- The types of documents that will be provided electronically;
- That consent can be withdrawn without charge;
- The procedures for withdrawing consent and updating information (i.e., address for receiving electronic disclosure);
- The right to request a paper version and whether a charge applies; and
- The electronic delivery system and what hardware and software will be needed to use it (hardware or software changes require a new statement and consent).

Individuals who do not fall into either category above must be furnished a paper copy.

NOTES

OTAY WATER DISTRICT

Dedicated to Community Service

Alliant EMPLOYEE BENEFITS

Alliant Insurance Services, Inc.
701 B Street, 6th Floor
San Diego, CA 92101-8156
License No. 0C36861

The information in this brochure is a general outline of the benefits offered under OTAY WATER DISTRICT benefits program. Consult your plan documents (Schedule of Benefits, Certificate of Coverage, Group Insurance Certificate, Booklet, Booklet-Certificate, Group Policy) to determine governing contractual provisions relating to your plan. Specific details and plan limitations are provided in the Evidence of Coverage and Disclosure Form. In the event the information in this brochure differs from the Plan Documents, the Plan Documents will prevail.