

To: All Employees
From: J. P. Mowery
Date: December 22, 2011
Re: Important Employee Information

Greetings,

Below are a few items that you hopefully will find to be informative.

W-2's

Your W-2's will be distributed soon. Your **taxable** wages are in box 1 of the W-2. Your taxable wages are not your gross wages (salary). If you are curious as to what your gross wages were for calendar year 2011, take your amount in box 1, add to this figure any amounts in box 14 (Section 125 pre-taxable deductions and retirement) and box 12a (if you had any tax sheltered annuities), and the resulting total is your gross wages for calendar year 2011. If you have any questions, please contact Vicki Hammer at vhammer@access.k12.wv.us or 358-3303, ext. 129.

Section 125 Plan Re-Enrollment

The American Fidelity representative, Noel Morgan, will be meeting with employees during the month of January. American Fidelity is the sponsor of our Section 125 cafeteria plan. This plan allows many deductions, including health insurance to be tax-sheltered, thus allowing employees to pay less tax during the year. It also allows persons to participate in the medical reimbursement plan, saving money on medical expenses. IRS regulations require all employees to at least sign off on an information sheet, even if you want to make no changes to your current options. The **IRS requires** this so that we have proof that all employees have had the opportunity to participate. There is no obligation to purchase any additional insurances, annuities, etc., but this is an opportunity to look at insurances like disability, long term care, etc. if you are interested. If you have any questions, please contact Vicki Hammer at vhammer@access.k12.wv.us or 358-3303, ext. 129.

Retirement

For those employees in the Defined Benefit (Old) Retirement Plan, statements have been or will be distributed to you shortly. Please carefully review the statements. They come directly from the state retirement board and should show you a complete listing of your salaries, years of service and beneficiary information. **If you believe any of the information on this statement to be inaccurate, please return a copy to the Retirement Board with changes noted. Be certain to include your address and a daytime phone number that they may contact you.**

PEIA-Health Insurance

Following weeks of public hearings, the PEIA Finance Board adopted the financial plan for Plan Year 2013, which begins July 1, 2012. The 2013 plan for active employees and non-Medicare retirees:

1. Eliminates coverage for acupuncture and adds a \$10 per visit copay to outpatient physical, occupational, speech and massage therapy service and chiropractic for the first 20 visits in a plan year. This copay is in addition to deductible and 20% coinsurance. If further therapy is medically necessary and approved by ActiveHealth, visits beyond the first 20 require a \$25 copay, plus deductible and coinsurance.
2. Keeps coverage for massage therapy, but requires massage therapists to have national certification and carry \$2 million malpractice insurance; follow treatment guidelines of the American Massage Therapy Association.
3. Increases the Urgent Care copayment from \$15/\$20 to \$25 and increases the emergency room copay from \$50 to \$100. The copay will be waived if the patient is admitted to the hospital. If the visit is determined to be a medical emergency not requiring admission, the copayment is reduced to \$50.
4. Adds a \$500 copayment for medically necessary dental services and for bariatric surgery. These copayments are in addition to the deductible and 20% coinsurance; and
5. Provides the following pharmacy benefit:
 - Generic copay: \$5 (no change)
 - Preferred drug copay \$15/Plan A; \$20/Plan B and C (no change)
 - **Non-preferred drugs 75% coinsurance. Plan pays 25%/member pays 75%. This is a significant change from the 2012 plan. Currently, the co-pay on such medications for a 30 day supply is \$50.**

The 2013 plan for active employees also includes a new PEIA PPB Plan D – the West Virginia ONLY plan that will be available to all active employees who are West Virginia residents. Details of the plan will be published in the Shopper's Guide which is distributed in late March.

The 2013 plan for Medicare retirees in the Special Medicare plan or the Humana Medicare Advantage plan includes none of the benefit changes listed above, but does increase premiums by 9%.

Finally, the 2013 plan caps the amount that active employers and employees pay toward retiree benefits at \$343 per retiree per month, with an annual escalator not to exceed 3% built in. **This move will slow the growth of active employee premiums, but will increase the amount retirees will pay for their coverage.**

Annual 403(b) Plan Eligibility Notice

Pendleton County Schools offers our eligible employees the opportunity to save for retirement by participating in the Pendleton County 403(b) Plan. You can participate in this plan by making pre-tax contributions or after-tax contributions.

NOT YET CONTRIBUTING TO THE 403(b) PLAN?

To start your contributions to the 403(b) Plan, contact one of the companies on the attached sheet and complete a salary reduction agreement (and any other information they need) with that company and turn a copy in to Vicki Hammer.

ALREADY CONTRIBUTING TO THE 403(b) PLAN?

If you are currently contributing to the 403(b) plan, you may be able to increase or decrease your pre-tax and after-tax contributions. To change your contributions, complete and return a salary reduction agreement from the annuity company to Vicki Hammer.

HOW MUCH CAN I CONTRIBUTE?

In general, you may contribute up to \$17,000 in 2012. This amount may be adjusted annually. Also, if you are at least 50 years old and/or you have completed at least 15 years of service, you may also be able to make additional catch-up contributions. Each catch-up has its own limits.

If you have any questions about 403(b) options, please contact Vicki Hammer at vhammer@access.k12.wv.us or 358-3303, ext. 129.

NOTE: This Notice is not intended as tax or legal advice. Neither your employer nor the investment providers offering retirement savings products under the plan can provide you with tax or legal advice. Employees are encouraged to contact their financial representative or tax professional with any questions.

Annuity Companies

Company Name	Contact Person	Address	Phone
American Fidelity	Noel Morgan Bryan Lang (annuities)	P. O. Box 25520 Oklahoma City, OK 76106	240-217-1986 800-662-1106
ING	Don Gilson	P. O. Box 8995 South Charleston, WV 26301	304-382-7278 (cell)
Horace Mann	Dave Mitchell	Rt. 1, Box 254 Philippi, WV 26416	304-457-1316
Met Life	Bernard Markwood	HC 84 Box 90	304-289-3624
		Keyser, WV 26726	
Ameriprise	John Gray	117 South Fourth St Clarksburg, WV 26301	304-623-6060