



# Public Employees' Benefits Program

Preparing for Retirement Healthcare Expenses

**Public Employees' Benefits Program**  
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Carson City, NV 89701  
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775-684-7000 . 1-800-326-5496

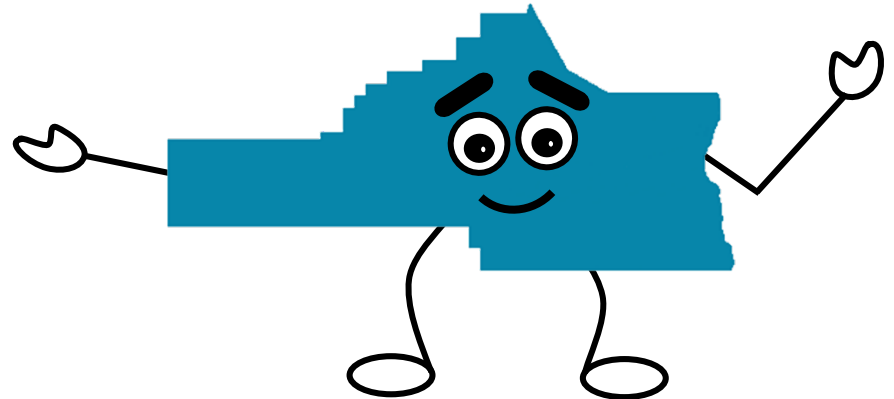


# What's In Store Today?

- Who is the Public Employees' Benefits Program (PEBP)
- Healthcare Costs in Retirement
- What Can You Do?
- Consumer Driven Health Plan HSA vs HRA
- Changing HSA Elections and Investments Online
- How HSA Contributions Add Up

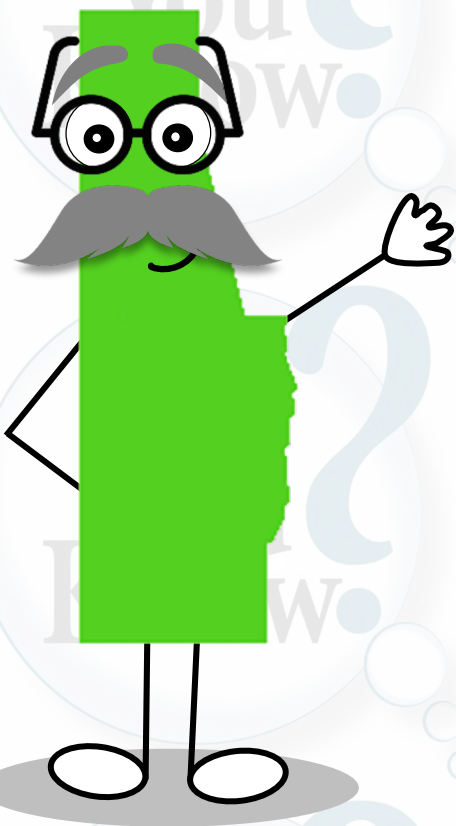
# Who We Are

- Public Employees' Benefits Program administers healthcare benefits for State employees, approved non-state agencies and retirees
- Insures over 70,000 lives
  - 43,000 primary participants + 27,000 covered dependents
- Overseen by a Board of Directors appointed by the Governor
- Accessing information:
  - Website
  - Newsletter
  - Member Services



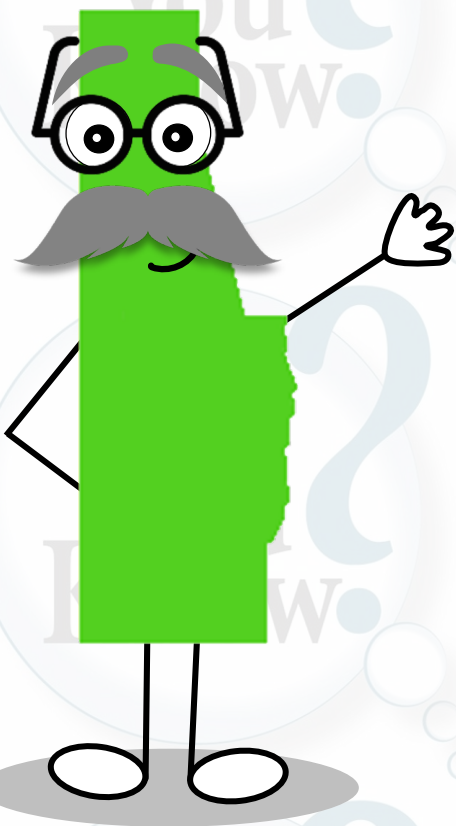


# Healthcare Costs in Retirement



How much money do  
you think you will need  
for healthcare expenses  
once you retire??

A couple retiring at age  
65, and living until age 87,  
can expect to pay almost  
**\$405,000**



# Average Couple Retiring Today

	Premiums	Out-of-Pocket	Total Costs (Present Value)	Total Costs (Future Value)*
65-year-old couple	\$321,994	\$82,258	\$404,253	\$607,662
55-year-old couple	\$410,002	\$88,961	\$498,962	\$1,010,223
45-year-old couple	\$537,480	\$97,662	\$635,142	\$1,730,774

\*Inflation is projected to rise by 5.47% annually.

# Test Your Knowledge

True	False	
	✗	When you enroll in Original Medicare (Parts A and B), coverage for outpatient care is free.
✓		If you are retired and receiving Social Security benefits, you will automatically get Medicare Part A and B when you turn 65.
	✗	Medicare Supplement Insurance (Medigap) covers dental expenses.
✓		Medicare Part B premiums can vary depending on your income.
✓		Health Savings Accounts (HSAs) can be used to help pay for Medicare premiums and other Medicare costs.
	✗	You may continue to contribute to an HSA once you retire and/or become enroll in Medicare.



# Facing Reality

Americans are living longer, but as a consequence, they are also more likely to outlive their retirement savings.

Health care inflation is increasing at more than twice the rate of Social Security Cost-of-Living Adjustments (COLAs).

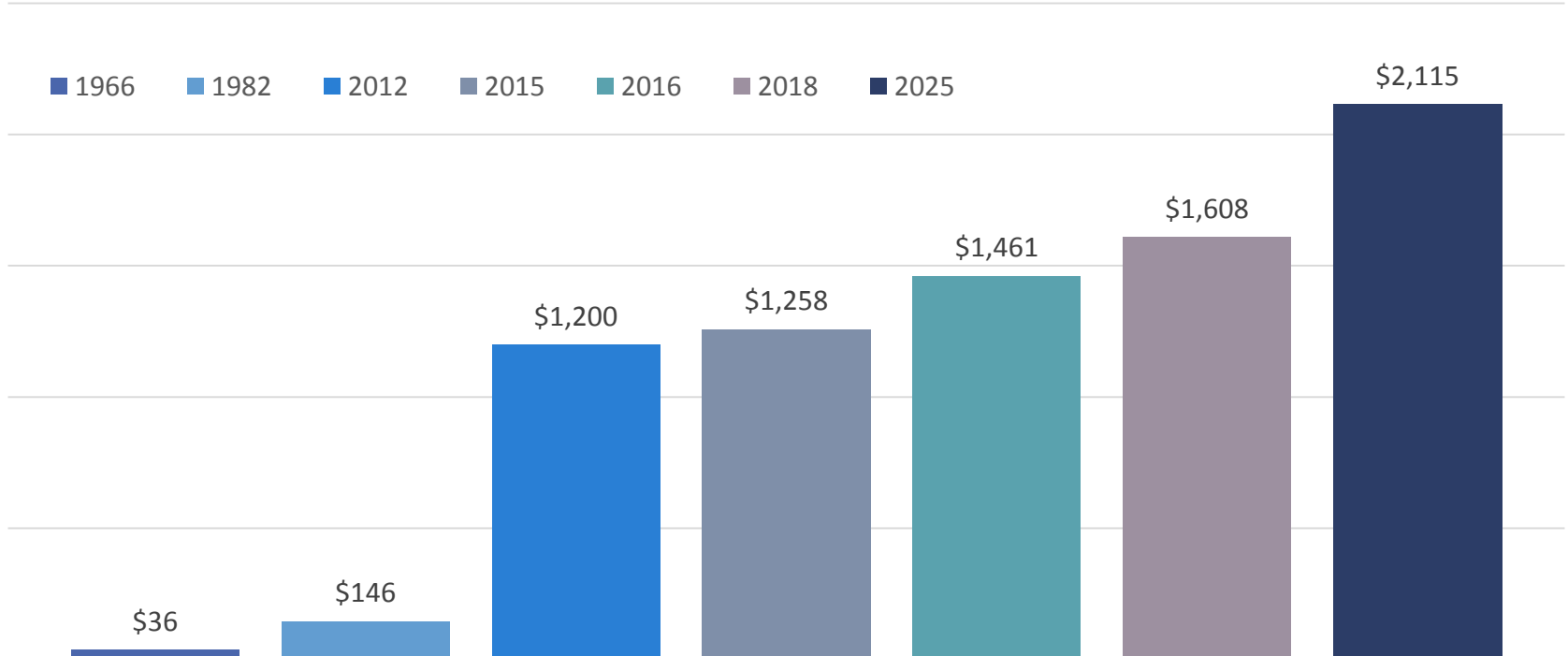
- 1980 COLA = 14.3%
- 2018 COLA = 2% (2010, 2011, 2016 = 0%)

Medicare is not free. There are copays, coinsurance, supplement costs, prescription drug costs...

# Medicare Part B Premium

Today's monthly Medicare Part B premium, on average, is \$134.00.  
Projected 2025 cost? **\$176.30 a month!**

## Annual Medicare Part B Premiums



# What Should You Budget For?

Premiums	Major Medical Coverage	Deductibles	Prescription Drug Coverage	Vision Coverage
Coverage Gaps	Hospital Coverage	Co-pays and/or Coinsurance	Dental Coverage	Long-Term Care

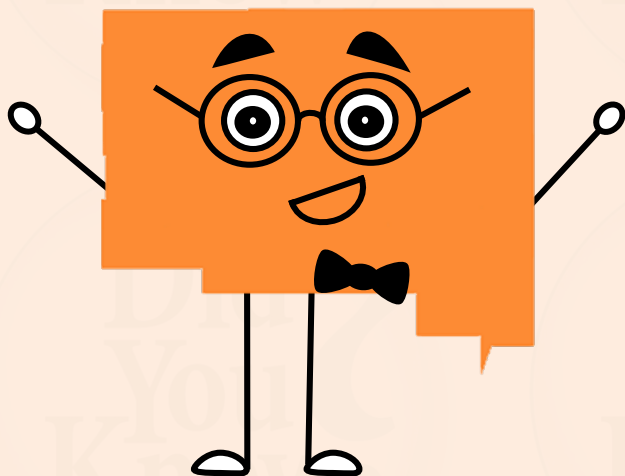
## Annual Costs: *Nevada - State Median*<sup>①</sup> (2017)<sup>📄</sup>

Home Health Care <sup>①</sup>	Adult Day Health Care <sup>①</sup>	Assisted Living Facility <sup>④</sup>	Nursing Home Care <sup>①</sup>
<b>Homemaker Services<sup>②</sup></b> 2017 Cost <b>\$50,336</b> 5-yr Annual Growth <sup>③</sup> <b>2%</b>	<b>Adult Day Health Care<sup>①</sup></b> 2017 Cost <b>\$19,500</b> 5-yr Annual Growth <sup>③</sup> <b>3%</b>	<b>Assisted Living Facility<sup>④</sup></b> 2017 Cost <b>\$40,800</b> 5-yr Annual Growth <sup>③</sup> <b>3%</b>	<b>Semi-Private Room<sup>⑤</sup></b> 2017 Cost <b>\$87,600</b> 5-yr Annual Growth <sup>③</sup> <b>2%</b>
<b>Home Health Aide<sup>②</sup></b> 2017 Cost <b>\$50,336</b> 5-yr Annual Growth <sup>③</sup> <b>1%</b>			<b>Private Room<sup>⑤</sup></b> 2017 Cost <b>\$99,463</b> 5-yr Annual Growth <sup>③</sup> <b>3%</b>



# What Can You Do To Alleviate Some Of The Pressure?

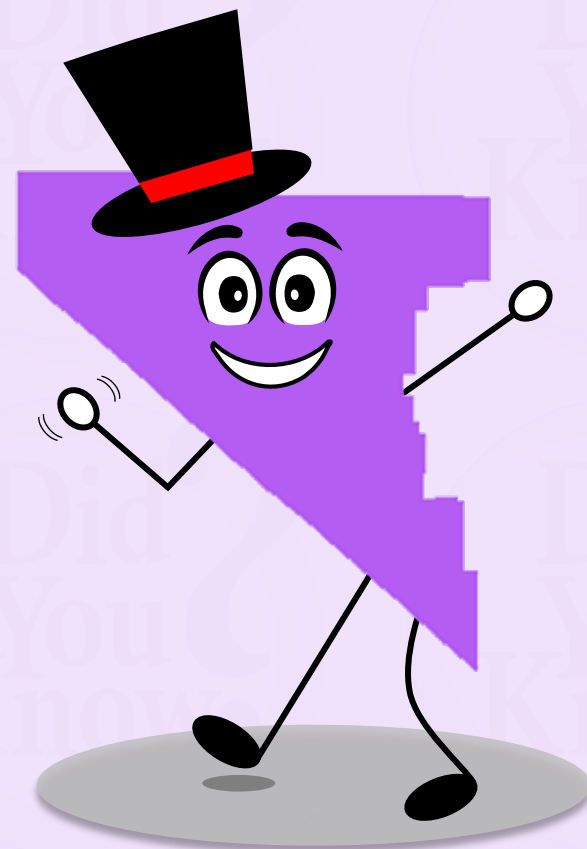
# #1 Start Saving Now!



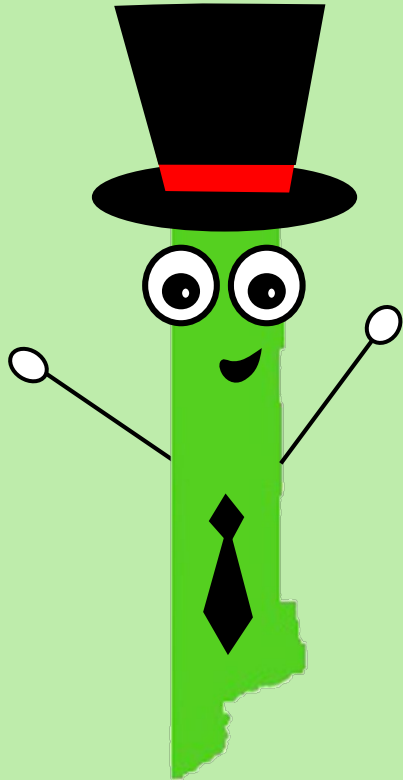
- It's never too late to start saving.
- Contribute what you can to a Health Savings Account (if you have one).
- Contribute to your Deferred Comp Account.
- For minor issues use Telemedicine, like Doctor on Demand, instead of going to the Urgent Care or Emergency Room.

## #2 Maintain Good Health

- Take advantage of PEBP's 100% paid for preventive wellness and dental benefits.
- Manage chronic conditions.
- Seek out other preventive health services, including vaccines. Get your immunizations for pneumonia, shingles and flu shot each year.
- Eat healthy, exercise, get plenty of sleep and stay away from bad habits.



## #3 Understand and Take Advantage of Your Coverage and Benefits



- PPO, EPO, HMO, IDO, NTK, NOW, Medicare, TriCARE? Take the time to read and understand your plan options and PEBP benefits.
- Travel Assistance, Life Service Toolkit, Employee Assistance Program, Deferred Compensation.
- Have Voluntary Life Insurance? See if they have an “Accelerated Death Benefit\*” that may allow you to use Life Insurance money to pay the cost of a terminal illness.

\*You should consult your personal tax and/or legal advisor before you apply for an Accelerated Benefit.

## #4 Become an Informed Consumer

### On the Consumer Driven Health Plan (PPO) or PEBP Premier Plan (EPO)?



- Did you know you may be paying as much as 600% more to have a certain procedure done in one location over another?
- Use Healthcare Bluebook, the online tool that helps you check the “fair price” of numerous procedures against prices of other local providers. You may even receive a reward check for doing so.



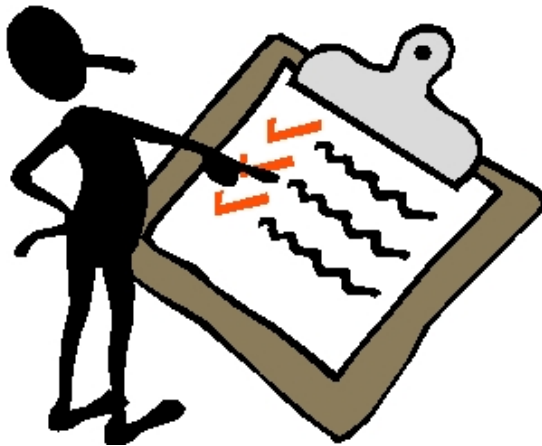


# Consumer Driven Health Plan (PPO)

## HSA vs HRA

# HSA Eligibility

To be eligible to establish and contribute to an HSA on a pre-tax basis, employees must meet the following criteria:



- ☐ You are an active employee covered under the Consumer Driven Health Plan (CDHP)
- ☐ You cannot have other coverage (Medicare, TRICARE, Tribal, HMO, COBRA etc.) unless the coverage is also an IRS qualified high deductible health plan
- ☐ You or your spouse cannot be enrolled in a Medical Flexible Spending Account or HRA
- ☐ You cannot be claimed on someone else's tax return (excludes joint returns)
- ☐ You are NOT retired

## Health Savings Account



\*Terminating coverage includes leaving the CDHP (by declining coverage or switching plans) or by leaving state service.

# HSA Contribution Limits

## Calendar Year 2018

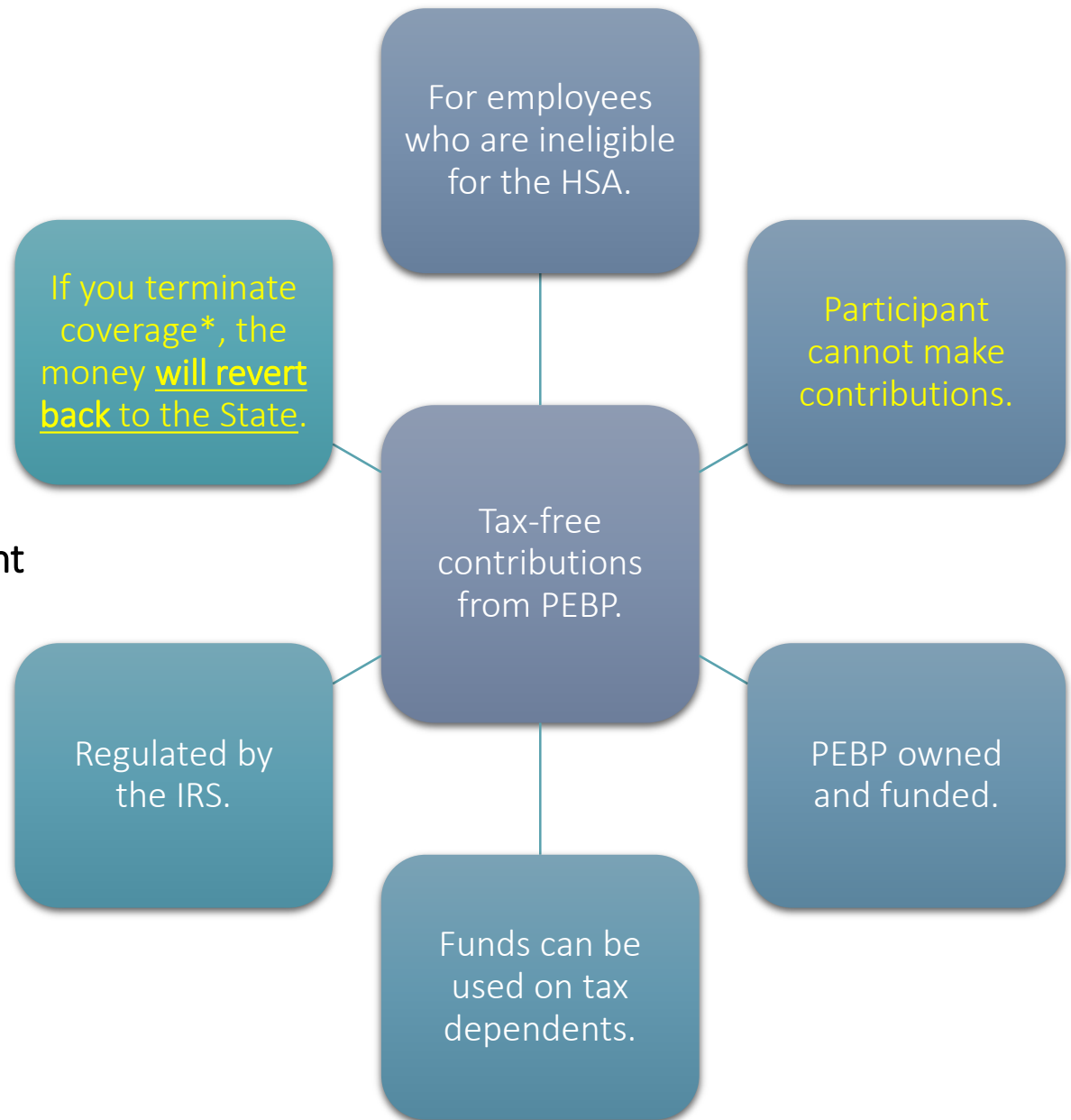
- PEBP + Employee contribution limit
- Family is defined as two or more covered individuals on your plan
- \$1,000 Catch-up contribution limit for employees age 55 or older.



**\$3,450**  
**INDIVIDUAL**

**\$6,900**  
**FAMILY**

NOTE: The HSA calendar year is from January to December.



## Health Reimbursement Arrangement



\*Terminating coverage includes leaving the CDHP (by declining coverage or switching plans) or by leaving state service.



# Changing Your HSA Elections and Investments Online



### Plans

Plan Information &  
Contacts



### Resources

Forms, How-To & New  
Hire Information



### Meetings & Events

Board Information &  
Member Workshops



### Contact Us

Have a question? We're  
here to help.

Click Login to get to  
the E-PEBP Portal



## Find a Plan

Access information about your benefits and  
view documents related to your plan



## Find a Provider

Search provider directories by plan for in-  
network medical and dental providers.

[www.pebp.state.nv.us](http://www.pebp.state.nv.us)

What's New

Quick Tips



## E-PEBP Portal - Please log in

SSN or PEBP Participant ID

123456789

Password

051219606789

Log in

The E-PEBP Portal allows you to access and manage your core benefits using a secure single sign-on system (SSO). Once logged in, you are only a click away from your enrollment and eligibility, medical, prescription drug, dental and wellness benefits.

### Forgot your password?

If you forget your password, you can answer your challenge questions and your initial password (as described to the right) will be restored.

If you try to log in with the wrong password 3 times in a row, your account will be locked. To unlock your account, successfully answer your [challenge questions](#).

- Login using full SSN no dashes or slashes
- Password: The first time you log in, your password will be your birthdate in this format (mmddyyyy), followed by the last four digits of your SSN (mmddyyyyssss)

### Example

May 12, 1960  
SSN is 123-45-6789

**051219606789**

Instructions are on the screen to guide you through the login process. Problems? Call 775-684-7000 or 800-326-5496



Once logged into your ePEBP Portal  
account, you have single  
sign-on access to your benefits.

 [print version](#)

# Home

## My Enrollment Tools

- Personal Profile
- Enroll/Make Changes
- Personal Settings

[Update your contact information](#)

Credit Card Payment

PEBP Home

About Us

PEBP Board

Fiscal & Utilization Reports

This website will allow you to enroll and learn about your benefits program. On it you can:

### Manage your Benefits

Joining the program for the first time or experienced a qualified life status change? Go to the [Enroll/Make Changes](#) page.

Want to know what your current coverage is? Go to your [Personal Profile](#).

### Visit PEBP Health Care Vendors

- [HealthSCOPE Benefits](#)
- [Express Scripts](#)
- [Health Care Blue Book](#)

### Learn how the PEBP plans works

Visit [Plan Documents](#) for detailed Plan information and qualified life status changes.

Click here to [download forms](#).

### Access other useful information

Visit the [PEBP Home page](#) for plan contacts, board meeting information and more.

Visit the [Frequently Asked Questions](#) page.

Click here to view [Premium Rates](#).





Healthcare Bluebook.



Doctor on Demand (DOD) connects you face-to-face with a board-certified doctor or licensed psychologist (by appointment) on your smartphone, tablet or computer through live video. To learn more, watch the Doctor on Demand video here:  
<http://www.doctorondemand.com/pebp>

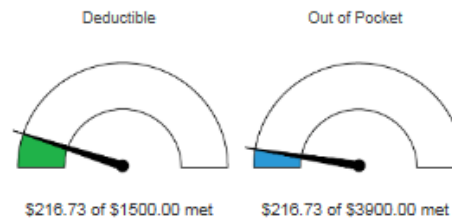
You can receive treatment using Doctor on Demand for conditions such as:

- Cold & flu
- Asthma & allergies
- UTI & yeast infections
- Pharmacy prescriptions
- Rashes & skin issues
- Anxiety & stress
- Depression

Preventive Services are offered at no cost to the member. Stay healthy by participating in the following wellness activities:

## Welcome Back

### Annual Individual Deductible and Out of Pocket



Health tips

Health Tips

More info

### Electronic Explanation of Benefits

In an effort to preserve our environment HealthSCOPE Benefits is pleased to announce the availability of Electronic Explanation of Benefits (EEOB). By choosing to have your Explanation of Benefits (EOB) delivered electronically you can conserve paper and receive your EOB more quickly through e-mail. Registration is quick and easy so sign up today!

Just click here to begin: [Electronic Transactions Setup](#)



What is Healthcare Bluebook?

### Resources

Below are helpful resources for you. These resources will open in a new tab or window.

- Claims and Eligibility
- Order ID Card
- Aetna ASA
- Sierra Health-Care Options, Inc
- Hometown Health
- DDS, Inc.
- Documents and Forms
- Doctor on Demand Registration Guide
- **FSA HSA & HRA**
- Helpful Health Information
- HIPAA Patient Rights
- PEBP
- CDHP Enhanced HSA /HRA

### → FSA HSA & HRA

Flexible Spending (FSA)

HRA / HSA Administration

PEBP HRA claim form

FSA Enrollment Form

HSA / HRA Inquiry

HRA/HSA Eligible Expense Table

HSA Investments

PEBP HSA claim form

PEBP FSA Claim Form

FSA Summary Plan Description

[pebphsahra@healthscopebenefits.com](mailto:pebphsahra@healthscopebenefits.com)

I Want To:

Make HSA Transaction

Manage Investments

Manage My Expenses

Change HSA Election

### Available Balance ⓘ

#### HSA

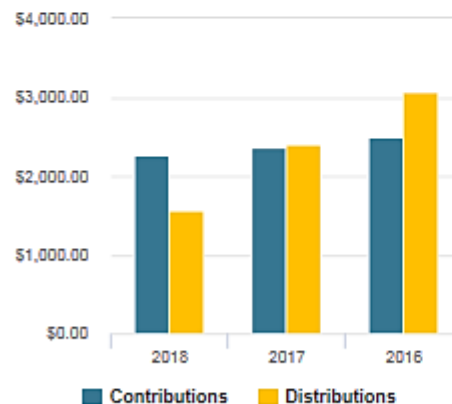
Cash Account	\$1,089.40
Investment Account	\$0.00

### Tasks ⓘ

To get your money faster, set up a bank account for direct deposit

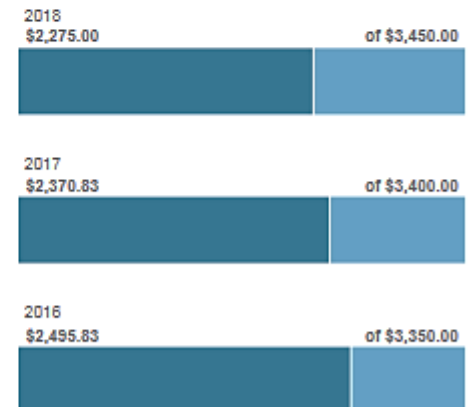
### Quick View

#### HSA Contribution & Distribution Activity



\*Represents your contributions and distributions included in all 'normal' transactions per IRS forms 1099SA and 5498SA for the indicated tax year. Excludes fees, interest, transfers, rollovers, and pending transactions.

#### HSA Contributions by Tax Year



\*Represents your contributions year to date compared to the maximum amount you can contribute based on IRS guidelines. \*Contribution amounts do not include pending contributions or rollovers.

## HSA Enrollment: Elections

➔ Eligibility ➔ Election ➔ Summary ➔ Confirmation

Enter the amount you would like deducted from each pay check.

	Maximum Election*	My Election	My Total Election	Employer Contribution	Total
HSA	\$400.00 per Payroll (9 total)	<input type="text" value="200.00"/>	\$2,325.00	\$700.00	\$3,025.00
TOTAL			\$2,325.00		\$3,025.00

Calculate Totals

Your election spans multiple calendar years, different contributions maximums may apply to each year. The Maximum Election displayed is a per payroll amount for 2018. Your Total Election reflects your per payroll election times the total number of payroll deductions through 6/30/2019.

The per payroll election you make for 2018 will carry over to 2019, unless that amount will exceed the annual maximum for 2019. If this occurs, the per payroll election will automatically be reduced on your behalf so that the total equals the 2019 annual maximum contribution. You will receive an email, if you have provided an email address, notifying you of the change.

You can always change your election if the reduced amount is not what you would like to contribute.

\*Contributions may be subject to taxes and/or penalties if you do not remain eligible for HSA Contributions. ?

Cancel

< Previous

Next >

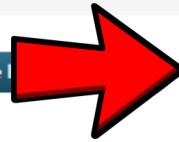
You can change your HSA election amount at any time.



### Questions?

Contact PEBP HRA/HSA Services at: (888) 763-8232 or [pebphsahra@healthscopebenefits.com](mailto:pebphsahra@healthscopebenefits.com)

### I Want To:

[Make HSA Transaction](#)[Manage I](#)[Manage My Expenses](#)[Change HSA Election](#)

### Available Balance ⓘ

#### HSA

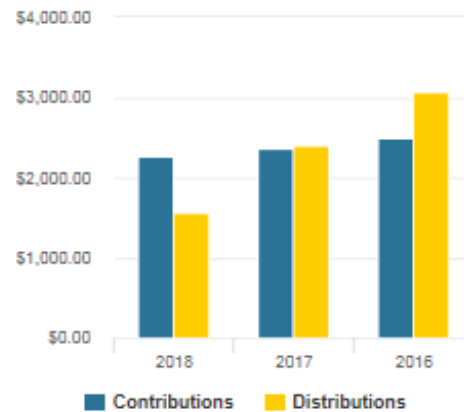
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### Tasks ⓘ

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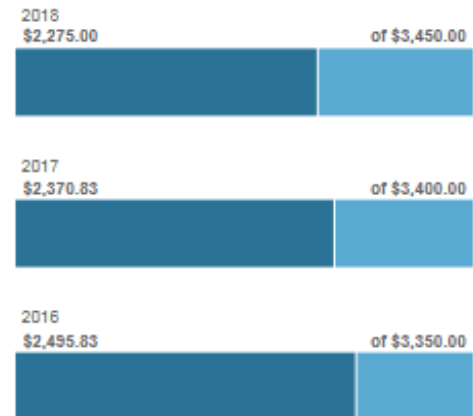
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Account Summary

Account Activity

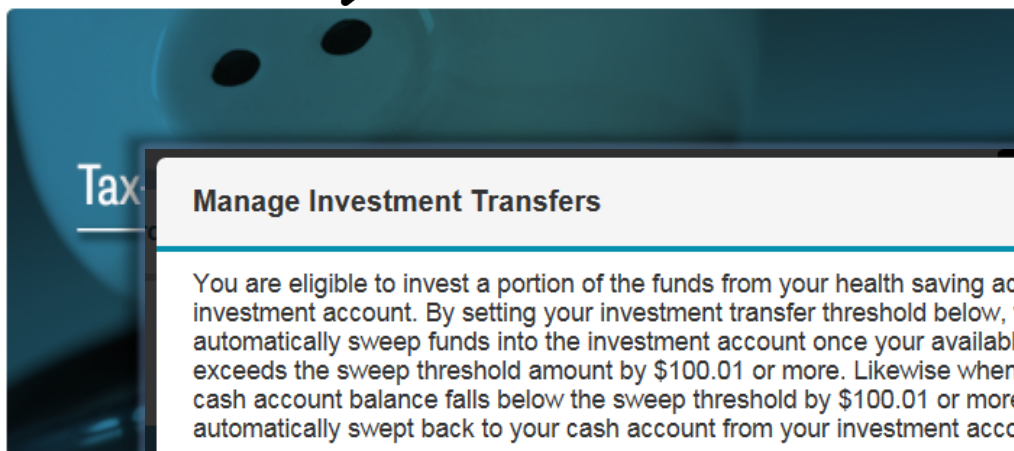
Investments

Statements

## Accounts / Investments / Summary

Update Investment Sweeps

Manage Investments



## How do I take

1. Set your investment transfer threshold. Your tax-deferred investment funds will be automatically swept into the investment account once your available cash balance exceeds the sweep threshold amount by \$100.01 or more. Likewise when your available cash account balance falls below the sweep threshold by \$100.01 or more, funds will be automatically swept back to your cash account from your investment account.
2. Set your investment transfer threshold over time.
3. Contribute to your investment account. Your designated contribution will be automatically swept into the investment account.

## Why should I invest now?

Investing now allows your funds to grow over time, giving you plenty of time to grow to cover future healthcare expenses.

## How will I know how my investments are doing?

When your account reaches your selected Investment Sweep amount and you have an investment balance from your first share purchase, you can visit this page to see helpful graphs, charts, and transaction history about your HSA Investments.

## Manage Investment Transfers



You are eligible to invest a portion of the funds from your health saving account into an investment account. By setting your investment transfer threshold below, we will automatically sweep funds into the investment account once your available cash balance exceeds the sweep threshold amount by \$100.01 or more. Likewise when your available cash account balance falls below the sweep threshold by \$100.01 or more, funds will be automatically swept back to your cash account from your investment account.

Your investment transfer threshold may be set equal to or above \$2000. Please enter a value that is an increment of 100.

Enable Investment Sweeps:



Transfer Funds to Investment When My Cash Balance Exceeds:

2000

Investment Services: Not FDIC Insured • No Bank Guarantee • May Lose Value

Close

Save

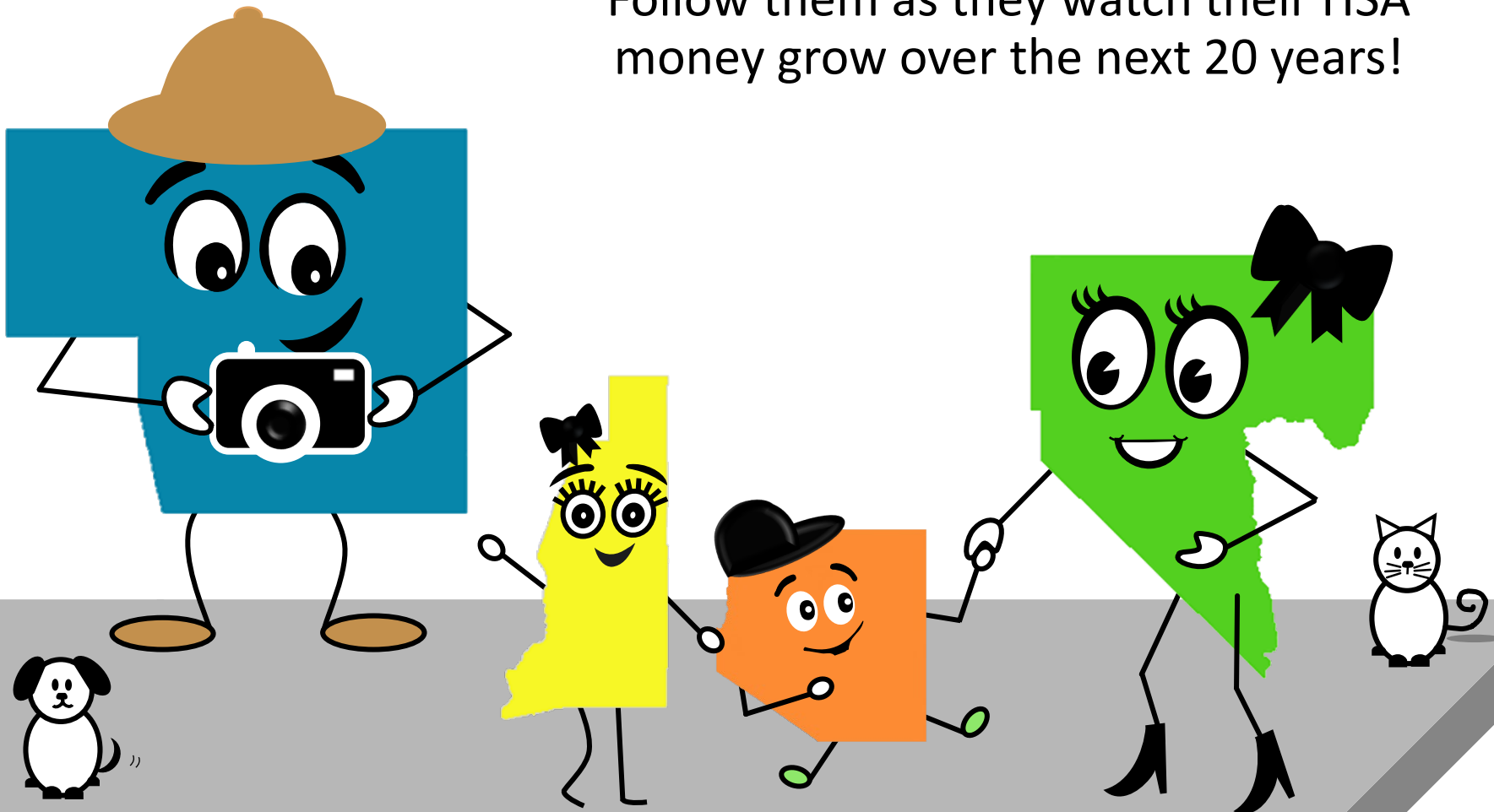


# How Can HSA Contributions Add Up?

## The Triple Tax Advantage

Meet the Adaven's. Kel and Clark are planning for their future. With two children and the concerns of health care cost in the future they are now taking advantage of the triple tax advantage of Kel's Health Savings Account.

Follow them as they watch their HSA money grow over the next 20 years!







**Pre-Tax  
Contributions**



**Tax-free Interest and  
Investment Earnings**



**Tax-free Payments for  
Qualified Medical Expenses**

# Tax Advantage #1

## Pre-Tax Contributions

Contributions to an HSA are 100% tax-free. This means you do not pay income taxes on the money you contribute to your HSA.

- If Kel Adaven earns \$35,000 per year, and invests \$4,000 in her HSA, she will only be taxed on \$31,000 of income. She saves an amount equal to her contribution multiplied by her tax rate.

*Example: \$4,000 (contribution) x 25% (tax rate) = \$1,000 (tax savings)*



**What is the Advantage?**

Kel keeps more of the money she earns, instead of paying it out in taxes. So, her \$4,000 contribution is only costing her \$3,000.

## Tax Advantage #2

### Any Interest On Earnings Are Tax-free

- Instead of paying their investment gains out in taxes, they allow their HSA investment earnings to grow.
- The net result is the Avaden's money will be worth more over time.
- If Kel continues making monthly pre-tax contributions to her HSA, through long term investments, she can grow the money into a nest egg for medical expenses or retirement.



**What is the Advantage?**

Kel will not owe taxes on the interest income or earnings that accrue in the HSA. The net result is that her money will be worth more over time.

# Tax Advantage #3

## Tax-free Payments

- The Avaden's understand the primary purpose of their HSA is to use the funds to pay, or be reimbursed, for qualified medical expenses for their family – tax free.
- However, they understand that at age 65, they can take money out of the HSA for non-medical reasons, penalty free, but subject to normal income taxes.



**What is the Advantage?**

Kel can keep her account and 100% of the funds even if she retires or changes jobs. Unspent funds can remain in a HSA from year to year, and are portable.

# Let's revisit Kel's situation

She makes \$35,000 a year.	Contributes \$4,000 to her HSA, pre-tax.	Spends an average of \$1,500 from her HSA to pay for OOP medical expenses.	Her tax bracket is 25%.	She anticipates a 3% annual return on her HSA investment.
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After 20 years, she has contributed \$80,000, spent \$30,000 and still has **\$69,191** in her HSA account.

Contribution Year	Annual HSA Contribution	Qualified Medical Expenses	Accumulated Net HSA Contributions	Accumulative Tax Savings on Contributions	Accumulative Earnings on Investment	Accumulative Tax Savings on Earnings	Future Value
Year 1	\$4,000	(\$1,500)	\$2,500	\$1,000	\$75	\$18.75	\$2,575
Year 5	\$4,000	(\$1,500)	\$12,500	\$5,000	\$1,171	\$293	\$13,671
Year 10	\$4,000	(\$1,500)	\$25,000	\$10,000	\$4,520	\$1,130	\$29,520
Year 15	\$4,000	(\$1,500)	\$37,500	\$15,000	\$10,392	\$2,598	\$47,892
Year 20	\$4,000	(\$1,500)	\$50,000	\$20,000	\$19,191	\$4,798	\$69,191
<b>Totals</b>	<b>\$80,000</b>	<b>(\$30,000)</b>	<b>\$50,000</b>	<b>\$20,000</b>	<b>\$19,191</b>	<b>\$4,798</b>	<b>\$69,191</b>

Important: The figures entered in this example are for hypothetical purposes only. To estimate your savings, you should use figures that are appropriate for your individual situation. PEBP employees are not tax or legal advisors and this illustration is not intended to offer any tax, legal, financial or investment advice.

# Estimated Tax Savings

Without HSA		With HSA	
Gross Annual Pay	\$35,000	Gross Annual Pay	\$35,000
Tax Rate (25%)	\$8,750	Annual Contribution amount	(\$4,000)
Net annual pay	= \$26,250	Adjusted gross pay	= \$31,000
Current and future healthcare expenses	(\$4,000)	Tax Rate (25%)	(\$7,750)
Final take home pay	= \$22,250	Final Take home pay	= \$23,250

Additional Take Home Pay Each Year:

**\$1,000**

*Salary, tax rate, expenses and savings will differ depending on individual situation.*



Although insurance may seem a little more complex than other retirement-savings vehicles, doing some research and understanding your plan options can become an important financial planning tool and really pay off.



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[mservices@peb.state.nv.us](mailto:mservices@peb.state.nv.us)

Krystle Borgman, Education and Information Officer