

PLAN YEAR 2014
SEPTEMBER 1, 2013 - AUGUST 31, 2014

Published October 1, 2013

NEW EMPLOYEE BENEFITS GUIDE



HEALTH | LIFE | TEXFLEX | TEXA\$AVER | DENTAL | RETIREMENT | DISABILITY

ERS
EMPLOYEES' RETIREMENT
SYSTEMS OF TEXAS

ERS administers the excellent benefits provided to you by the State of Texas and your employer. ERS manages your insurance benefits under the Texas Employees Group Benefits Program (GBP). The GBP serves more than a half million employees, retirees, and family members.

Depending on where you work, benefits include:

- health and optional insurance,
- State of Texas retirement plan,
- voluntary retirement savings plan, and
- flexible spending accounts for health and day care.

For a limited time new employees can sign up for certain benefits—no questions asked.

If you enroll in certain benefits when they are first available, you will not need to produce proof of good health, also called evidence of insurability (EOI). EOI is an application process that requires you to provide information about your or your dependents' health. Even if you go through the EOI process, you or your dependents may not be approved for benefits if you don't qualify.

Don't miss your first opportunity to enroll in benefits. Otherwise, you will need to wait until you have a qualifying life event (QLE) or during the next Annual Enrollment period.

State agency employees are automatically enrolled in the Texa\$aver 401(k) at 1% of salary, and in the defined benefit retirement plan at 6.6% of salary. (See pages 11 and 18.)

THIS GUIDE PROVIDES INFORMATION ON BENEFITS FOR NEW EMPLOYEES OF:

- state agencies,
- higher education institutions, not including Texas A&M University or the University of Texas systems,
- Community Supervision & the Corrections Department (CSCD),
- the Texas Municipal Retirement System (TMRS),
- the Texas County and District Retirement System (TCDRS), and
- the Windham School District.

Enrollment opportunities

First 31 Days (from date of hire)



	PROOF OF GOOD HEALTH	
DENTAL INSURANCE	Never required	<input type="checkbox"/>
OPTIONAL TERM LIFE INSURANCE Levels 1 and 2	Not required in first 31 days	<input type="checkbox"/>
OPTIONAL TERM LIFE INSURANCE Levels 3 and 4	Always required	<input type="checkbox"/>
VOLUNTARY AD&D INSURANCE	Never required	<input type="checkbox"/>
DEPENDENT LIFE INSURANCE	Not required in first 31 days	<input type="checkbox"/>
DISABILITY INSURANCE	Not required in first 31 days	<input type="checkbox"/>
TEXFLEX	Never required	<input type="checkbox"/>

First 90 Days (from date of hire)



	PROOF OF GOOD HEALTH	
HEALTH INSURANCE	Never required	<input type="checkbox"/>

HHS ENTERPRISE EMPLOYEES

DADS, DARS, DFPS, DSHS, HHSC, CPRIT

The **HHS Employee Service Center** acts as your benefits coordinator. Contact the Center toll-free at (888) 894-4747.

NOTE: The New Employee Benefits Guide for Plan Year 2014 highlights benefits effective at the time of publication. Health and other insurance benefits for employees and retirees are subject to change based on available state funding. The Texas Legislature determines the level of funding for such benefits with no obligation to provide these benefits beyond each fiscal year.

TABLE OF CONTENTS



Overview.....	2
Welcome.....	4
Dependents.....	6
31 Dental.....	7
31 Life Insurance, AD&D.....	8
Disability.....	9
31 TexFlex.....	11
90 Health Benefits.....	14
90 Retirement.....	18
Beneficiaries.....	22
31 TexaSaver 401(k) and 457 Plans.....	23
Transfers.....	26
Resources.....	27
Contacts.....	34

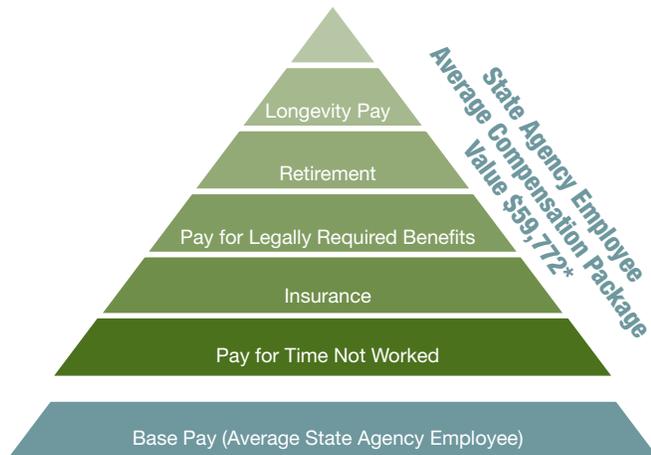
ERS SUPPORTS THE STATE WORKFORCE
 BY OFFERING COMPETITIVE BENEFITS
 AT A REASONABLE COST.

WELCOME



Congratulations on your new job. You have a **valuable benefits package**. For the average state agency employee, the State of Texas benefits package adds about 33% to your base salary. These comprehensive benefits are designed to enhance your wellness and your future.

Opportunities await and you want to make **informed decisions**. The decisions you make—some of which happen during a short window of time—will impact your health, financial security, and your take home pay. Choices you make in the next 31-90 days and beyond can provide peace of mind on many levels and cost savings for the near and long term.



*State Auditor's Office, Report on State Employee Benefits, March 2013; applies to employees of state agencies.

You are automatically enrolled in:

- HealthSelectSM of Texas health and prescription drug and \$5,000 Basic Term Life Insurance policy at no cost for full-time employees. Part-time employees are not automatically enrolled.
- Texa\$aver 401(k) account (state agency employees only) at an initial contribution rate of 1% of salary.
- Defined benefit retirement (state agency employees only) with employee contribution of 6.6% of salary. **NOTE:** Contributions will be 6.9% beginning September 2015. The Texas Legislature sets the contribution level.

When can you sign up for benefits?

You and your eligible dependents can sign up for some benefits the day you start working (see inside cover chart).

Your health and prescription drug coverage starts on the first day of the month after your 90th day on the job. This is your health coverage waiting period.

If you are an employee of a state agency, you become an ERS member and start a retirement account on the first of the month after your 90th day on the job.



FOR A QUICK OVERVIEW OF YOUR NEW EMPLOYEE BENEFITS, VISIT

www.ers.state.tx.us/Employees/Events/New_Employee/

Scan the code on the right with your smart phone to view the New Employee page on the ERS website.



Your benefits information is easy to find. Go to www.ers.state.tx.us and click the Sign In button.

Complete a few simple questions to register your account and then set up your username and password. After you log in, you will see your Member Home Page link, which provides access to your personal account information.

Here you can:

- sign up for benefits,
- update your personal information,
- designate / update your beneficiary information,
- review your insurance coverage, and
- track your retirement account contributions and account balance history.

Other enrollment opportunities:

- **Annual Enrollment:** You may make some changes to benefits and sign up for a TexFlex health care or day care account for the new plan year (September 1 to August 31).
- **Qualifying life events:** During the plan year, events—such as marriage, divorce, or birth of a child—may allow you to make benefit changes that are consistent with the QLE guidelines and within 31 days of the event.*
- **Year-round enrollment:** You can enroll in a Texa\$aver 401(k) or 457 Plan at any time.

*60 days when your child loses eligibility for the Children's Health Insurance Program (CHIP)

DISCOUNT

Purchase Program

administered by BENEPLACE

BENEFIT OF A DIFFERENT KIND: DISCOUNT PURCHASE PROGRAM

Get ready to save! You can shop online to buy products and services—such as computers, appliances, theme park tickets, and much more—at discounted prices.

There's no enrollment period or membership fee... just start shopping and save at www.DiscountProgramERS.com.



INCLUDE DEPENDENTS



In the first 31 days, you can sign up your dependents in dental, Dependent Term Life Insurance, and Voluntary Accidental Death and Dismemberment (AD&D) coverage—as long as you are enrolled in the same coverage.

31
DAYS

You must sign up your eligible dependents for health insurance coverage—their enrollment is not automatic.

During your first 90 days, you can sign up your eligible dependents in your health plan. Be prepared to show documents, such as birth and marriage certificates, to prove your dependent's eligibility. Eligible dependents also may be enrolled in health insurance within 31 days of their losing other health insurance.

90
DAYS

Eligibility

You can enroll your spouse and your children under age 26 (including married children), who meet one of the descriptions listed to the right, in health insurance. Other benefits, such as dental insurance and Dependent Term Life Insurance, are available to your spouse and your unmarried children under age 26. If your children are older than 26 and disabled, you also can apply for coverage. Coverage is not guaranteed. Currently, a dependent's employment or school enrollment has no bearing on benefits eligibility.

When you go to your account at www.ers.state.tx.us to enroll your eligible dependents, you must certify how each of your dependent children is eligible for Texas Employees Group Benefits Program (GBP) coverage. Dependents cannot be enrolled until the certification is completed. This online process is legally binding. Providing false information could result in the loss of benefits for you and your dependents. Intentionally providing false information may result in criminal penalties.

If you enroll a dependent or dependents, make sure you can provide documentation to prove that your dependents are eligible.

When enrolling dependents age 18 and older in health coverage, you also must certify whether or not they use tobacco. Tobacco users pay higher health insurance premiums. If you do not provide this certification, you will automatically pay the higher premium. **You must certify each dependent as a tobacco user or non-user.**

Add your newborn child to your insurance within 31 days of his or her birth to ensure coverage.

YOUR ELIGIBLE DEPENDENTS CAN INCLUDE:

- your spouse as recognized by the State of Texas;
- your natural or adopted child or stepchild—the child is not required to live with you;
- your foster child;
- your court-ordered ward child who is under your protection or custody;
- a child for whom you serve as a managing conservator;
- a child related to you by blood or marriage is eligible if he or she was claimed as a dependent on your federal income tax return for the previous tax year, and will continue to be claimed on your federal income tax return for each calendar year; and
- a child acquired or born in the current calendar year is eligible if he or she is related to you by blood or marriage and will be claimed on your next federal income tax return and each calendar year in the future.

New employees can request to add a disabled dependent over the age of 26 to insurance coverage by completing the Application to Request Continuation of Coverage for a Disabled Dependent Child, At Age 26 and Over. If approved, coverage will be effective once your health coverage waiting period ends. Optional coverage becomes effective the first of the month following approval, if requested within the first 31 days of employment.

CHOOSE YOUR DENTAL PLAN



You and your eligible dependents can enroll in one of two dental plans. You must be enrolled in dental coverage if you want your dependents to have dental coverage.



State of Texas Dental Choice PlanSM

The State of Texas Dental Choice Plan, the State's preferred provider organization (PPO) plan, is administered by the HumanaDental Insurance Company. It is available to you anywhere in the United States. The plan:

- lets you use any dentist, with your dental care covered according to a payment schedule, and
- helps you pay less out of pocket if you use a dentist who participates in the preferred provider network.

Dental DHMO

HumanaDental Dental Health Maintenance Organization (DHMO) is available if you live or work in Texas. The DHMO:

- offers discounted charges on services by a primary care dentist (PCD) on the list of approved providers,
- allows your dependents who live outside the DHMO Texas service area to still be covered; however, they must return to the service area and use their PCD to receive dental care, except for emergency services, and
- lets you and your covered dependents select different PCDs. For example, an employee in Austin could have a covered dependent who selects a PCD in Dallas while attending college. To select a PCD, call HumanaDental toll-free at (877) 377-0987. An ID card will then be sent to you.

DO YOU NEED DENTAL COVERAGE?

- Do you have a dentist? Is your dentist listed as a provider in the DHMO or on the preferred provider network of the State of Texas Dental Choice PlanSM?
- What dental procedures do you have coming up, and what procedures are covered by the dental plans? What would you pay for a routine cleaning, filling, or crown with and without insurance?
- Is your estimate of dental expenses higher than what you would pay for insurance premium rates? If not, you could pay for dental expenses with a TexFlex health care account. You could also use the TexFlex health care account to cover your out-of-pocket costs if you join a dental plan. See page 13 for more information.



DENTAL PLANS COMPARISON CHART IN RESOURCES (PAGE 27)



HUMANADENTAL

www.humanadental.com/ers
(877) 377-0987, TDD: 711

Dental Insurance Rates

DENTAL PLAN PREMIUMS FOR EMPLOYEES

Plan Name	You Only	You & Spouse	You & Child(ren)	You & Family
HumanaDental DHMO	\$9.12	\$18.24	\$21.88	\$31.01
State of Texas Dental Choice Plan (Humana)	\$23.58	\$47.16	\$56.60	\$80.18

PROTECT YOUR FAMILY'S FUTURE



You can enroll in Optional Term Life Insurance for up to four times your salary. (For three or four times your salary, you will need to provide proof of good health, also called EOI.) Minnesota Life Insurance Company administers this benefit.



In addition, you can enroll in Dependent Term Life Insurance and Voluntary Accidental Death and Dismemberment (AD&D) Insurance, also administered by Minnesota Life.

Your state health coverage includes \$5,000 Basic Group Term Life Insurance with \$5,000 of AD&D coverage provided for you at no cost.



**OPTIONAL COVERAGE RATES
CHART IN RESOURCES (PAGE 28)**

Additional Life Insurance

You can buy more life insurance to protect your family in the event of your death.

Optional Term Life Election 1 or 2 (one or two times your annual salary) is available without EOI during the first 31 days of employment.

You can apply for **Optional Term Life Election 3 or 4** (three or four times your annual salary) through Life EOI. Your application must be approved. Each election provides an equal amount of AD&D coverage, in case of an accidental death or dismemberment. Your monthly premiums and the amount your beneficiary will receive depend on your age, salary, and the level of coverage you purchase.

You can also apply when you have a QLE or during the Annual Enrollment period, but EOI is required, so coverage is not guaranteed.



MINNESOTA LIFE

(877) 494-1716, TDD: 711

Email: LifeBenefits@securian.com

Dependent Term Life Insurance

For a minimal monthly premium, you can enroll your eligible dependents in term life insurance. The benefit includes \$5,000 term life with \$5,000 AD&D for each covered family member. The benefit will be paid to you upon the death of your covered dependents or in the event of certain accidental injuries.

If you do not sign up as a new employee, you can apply when you have a QLE or during the Annual Enrollment period, but coverage is not guaranteed. Newborn coverage is guaranteed if the baby is added within 31 days of birth.

Voluntary AD&D Insurance

Voluntary AD&D coverage can provide additional financial protection for you and your family in the event of certain accidental injuries or accidental death.

If you are under age 70, you can choose the amount you want, in increments of \$5,000, starting at \$10,000 up to \$200,000. You can sign up for coverage for yourself only, or for you and your eligible family members. The benefit pays your beneficiaries the full amount of your coverage upon your death. If a covered family member dies, you will receive a percentage of the coverage amount.

There is no EOI application process required.

DO YOU NEED LIFE INSURANCE?

Although a person has only about a 3% chance of dying during his or her working years, you should consider your family's future if something were to happen to you. Use Minnesota Life's Insurance Needs Calculator to help determine how much life insurance coverage you might need. On the site, you also can find the Active Employees Benefits Book for information on limitations and exclusions to basic and optional term life insurance.

<https://web1.lifebenefits.com/lbwcm/pd/ers/>

MAINTAIN INCOME



If something happens to you and you are unable to work, how will you pay your bills after you use your sick leave? If you have disability insurance, your benefit will pay you part of your salary.



During your first 31 days of employment, you can enroll in short-term and long-term disability insurance offered through the Texas Income Protection PlanSM (TIPP). You can enroll in one or both types of coverage.

If you had a medical condition in the three months prior to when your coverage starts, that condition is not covered for the first six months after enrollment.

If you wait and apply during the Annual Enrollment period or when you have a QLE, EOI will be required.



LEARN MORE ABOUT APPLYING FOR EOI

www.ers.state.tx.us/Insurance/EOI/Application_Process/

Short-term Disability

BENEFIT AMOUNT

Your benefit will be up to 66% of your insured monthly salary (with a maximum covered salary of \$10,000) or \$6,600, whichever is less. For example, if your monthly salary is \$3,200, your benefit would pay you up to \$2,112 per month while you're unable to work because of your disability.

Your benefit will be less if you are also receiving Worker's Compensation, disability retirement, or other disability benefits. It will always be at least 10% of your insured monthly salary.

BENEFIT PERIOD

Once approved, benefits are paid to you for up to five months from the date of disability after you have been certified as totally disabled by an approved practitioner and:

- used all of your sick leave, extended sick leave, sick leave pool, or
- completed the waiting period of 30 consecutive days, whichever is greater.

Benefits end when you return to work or are no longer considered totally disabled under the plan.



TEXAS INCOME PROTECTION PLANSM

www.texasincomeprotectionplan.com

(855) 604-6230

Email: TIPP.claim.management@aonhewitt.com

CONSIDER THIS...

64% of wage earners believe they have a 2% or less chance of being disabled for at least three months during their working career. The actual odds for a worker entering the workforce today are about 25%.

The most common diagnoses for disability insurance are:

short-term

- musculoskeletal and connective tissue disorders,
- injuries and poisonings, and
- maternity.

long-term

- musculoskeletal and connective tissue diseases,
- cancer and neoplasms,
- injuries and poisonings,

Council for Disability Awareness, 2012

Long-term Disability

BENEFIT AMOUNT

Your benefit will be up to 60% of your insured monthly salary (with a maximum covered salary of \$10,000) or \$6,000, whichever is less. For example, if your monthly salary is \$3,200, your benefit would pay you with up to \$1,920 per month while you're unable to work.

Your benefit will be less if you receive any Social Security disability, Worker's Compensation, disability retirement, or other group disability benefits. It will always be at least 10% of your insured monthly salary.



**OPTIONAL COVERAGE RATE CHARTS
IN RESOURCES (PAGE 28)**

BENEFIT PERIOD

Once approved, benefits are paid after you have been certified as totally disabled by an approved practitioner and:

- used all of your sick leave, extended sick leave, sick leave pool, or
- completed the waiting period of 180 consecutive days, whichever is greater.

For participants with dates of disability occurring on or after September 1, 2013, benefits are paid to you up to the maximum benefit period, which depends on your age when you become totally disabled. Benefits end when you return to work or are no longer considered totally disabled under the plan.

Under 69 Payable up to full Social Security retirement benefit age*

69 and over Payable for 12 months*

*Benefits end the first day of the plan month after you reach this age.



SAVE WITH TEXFLEX



TexFlex **health care and day care flexible spending accounts** let you pay for planned out-of-pocket health and day care costs tax-free up to \$5,000 per household for day care expenses, or \$2,500 per person for health care expenses. The program is authorized and regulated by the Internal Revenue Service (IRS) under Section 125. The IRS requires documentation to show that expenses qualify. You can sign up for a TexFlex health care account, day care account, or both. Tax savings may vary based on your earned income and tax filing status.

To increase your take-home pay, sign up for a TexFlex health care and/or day care account.

Use your TexFlex health care account money like an interest- and tax-free loan for health-related expenses.

Health Care Expenses

You can use your health care account funds to pay for doctor copays, dental visits, prescription drugs, and glasses and contact lenses. Other eligible expenses include certain over-the-counter items such as reading glasses, first-aid supplies, and contact lens solution.

You can open a TexFlex health care account even if you aren't enrolled in state health insurance. You can also use your TexFlex health care account funds to pay eligible medical expenses of your spouse and children, even if they aren't enrolled in your health plan. Children are eligible up to age 26, regardless of marital status, if you claim them as dependents on your tax return.

Day Care Expenses

The day care account is for day care for a child under age 13 or for adult day care expenses for qualifying individuals.

You can only spend the amount that is in your account each month. You or your spouse cannot pay an older dependent to watch a younger dependent(s)—check specific eligibility rules on the TexFlex website at www.ers.state.tx.us/Employees/Programs/TexFlex.

In most cases, depending on your income, you will save more in taxes with a day care account than by claiming the federal Child Care Tax Credit.

How It Works

You decide up front how much to contribute to an account for health care or day care costs for the year. You contribute from your paycheck each month before income and FICA tax. You can pay for an eligible health care or day care expense with a TexFlex debit card or submit an online or paper claim for reimbursement.

The minimum amount you can contribute to a TexFlex day care account is \$15 monthly, and the maximum is \$416 monthly. If you are married but filing separately, and both you and your spouse have a TexFlex day care account, the maximum household limit is still \$416 monthly.

The minimum amount you can contribute to a TexFlex health care account is \$15 monthly, and the maximum is \$208 monthly if your spouse receives insurance benefits through ERS. You and your spouse can have separate TexFlex health care accounts.

During the plan year, you can only enroll in TexFlex or increase your contribution if you have a QLE and the change is consistent with the event. On September 1 of each year, you will be automatically re-enrolled in your TexFlex account at the same annual contribution amount unless you make a change during Annual Enrollment.

You can only drop TexFlex during the plan year or decrease your contribution if you:

- go on a leave of absence that is protected by the Family and Medical Leave Act (FMLA),
- have a QLE that is the loss of the spouse or a dependent child of the employee, or
- have a child covered for day care who turns 13.



USE THE SAVINGS CALCULATOR AT

www.ers.state.tx.us/Insurance/Texflex_FSA/Contribution_Amounts

Reduce Your Taxable Income, Take Home More Money

Examples are for general information and guidance only. Assumes tax filing status of a married employee with two allowances.

ENROLLED IN TEXFLEX	NOT ENROLLED IN TEXFLEX
\$38,461 Annual Salary	\$38,461 Annual Salary
-\$5,400 TexFlex (\$4,800 day care account and \$600 health care account)	\$0 TexFlex
\$33,061 Taxable Salary	\$38,461 Taxable Salary
-\$3,604 Income Tax and FICA	-\$4,717 Income Tax and FICA
Paid health and day care expenses with \$5,400 tax-free account funds	Paid -\$5,400 out of salary for health and day care expenses
\$29,457 Take-home Income	\$28,344 Take-home Income

The employee with TexFlex paid \$1,113 less in federal income tax.

TEXFLEX FACTS

- On average, people save 23% in taxes (assuming federal, state, and Social Security taxes), by paying out-of-pocket health care and day care expenses on a pre-tax basis through a flex plan.
- Actual savings depend on several variables, including state and local tax rates and tax bracket:
 - Someone in the 15% tax bracket can save up to 22.65%
 - Someone in the 27% tax bracket can save up to 34.65%
- You may participate in TexFlex even if you do not enroll in your employer's medical or dental plans.
- Financial planners and tax advisors encourage participation in flexible spending accounts.

Children who are 13 or older are not eligible for TexFlex day care expenses. **A child turning 13 is a QLE**, which allows you to change your TexFlex contributions.

Annual Fee

You're charged a \$12 annual administration fee for each account, unless you enroll mid-year due to new employment or a QLE. In that case, the fee is \$1 per month for each month enrolled.

Need a dental procedure or elective surgery? Planning to start a family? Put money in TexFlex. When you enroll in a TexFlex health care account, the entire amount you pledge to contribute for the plan year is available at the beginning of the plan year. While you're in your health coverage waiting period, your TexFlex account can help if you have out-of-pocket medical expenses.

Use It, Don't Lose It

The money you contribute to your TexFlex account doesn't roll over and cannot be spent in the next plan year, so you need to use it all. You have until November 15, 2014, to spend your TexFlex money—and you have until December 31, 2014, to file claims for reimbursement.

**WORKSHEETS AVAILABLE ONLINE AT**

www.ers.state.tx.us/employees/programs/textflex

- How much should I contribute to TexFlex for both health and day care expenses?
- How much will be deducted from my check each month?

Easy Way To Pay

The optional TexFlex debit card lets you pay for expenses directly from your TexFlex account. When you have an eligible TexFlex expense, you can use the card instead of paying with your own cash or credit card and then getting reimbursed later. The debit card can be used for eligible expenses at merchants, doctor's offices, or day care providers that accept the card (check with your day care provider). Keep all debit card receipts in case you are asked for them.



If you elect a debit card, you'll be charged one \$15 annual administrative fee. This fee also covers additional cards, which is especially helpful for parents with children in college.

**TEXFLEX PAYFLEX SYSTEMS USA, INC.**

www.texas.payflex.com
 (866) FLEX-TEX (353-9839)
 Paper Claims fax: (866) 286-6897

File Claims

If you don't use the debit card, you can submit your claims online through Express Claims or file paper claims with your receipts via mail or fax. You can also upload claim information directly from your insurance carrier's website. You can have your reimbursement direct-deposited into your checking or savings account, or have a check mailed to your home. To set up direct deposit for your TexFlex account, call PayFlex, the vendor that manages your account. Make sure to save **all** receipts and explanation of benefits (EOB) forms from your health care and/or day care expenses so you can provide documentation with your reimbursement claims, or later, if requested.

ENROLL IN JUST A FEW STEPS

1. Decide how much you want to contribute to a TexFlex account. During your first month of employment, log in to your account on the ERS website. Click Benefits Enrollment or Post-Hire Change under My Insurance Information.
2. Click Edit next to Texflex Health Care Account or TexFlex Day Care Account.
3. Tell us how often you are paid. If you are paid nine, 10, or 11 months in a year, choose the nine-month option. If you are paid 12 months in a year, choose the 12-month option. You can only choose the option that applies to you.
4. Enter how much you want to set aside in each account for the plan year. Include the administrative fee, which is \$12 for each account, or, if you are enrolling outside of the Annual Enrollment period, add \$1 times the number of months left in the plan year. If you want a TexFlex debit card, add the administrative fee. Add \$15 for the debit card, or, if you are enrolling outside of the Annual Enrollment period add \$1.25 for each month left in the plan year.
5. Indicate whether or not you want the debit card.
6. Click Store then Submit to save your changes. Once enrolled, you can check your account balance online anytime at www.texasaver.com.

WHAT IF YOU LEAVE EMPLOYMENT BEFORE AUGUST 31?

If you go on leave without pay or end your employment, you must pay the remainder of your TexFlex health care account annual contribution. You can continue using the health care account for eligible expenses until November 15, 2014. You will not be able to use your debit card.

Your TexFlex day care account contributions end when you leave employment or go on leave without pay.

ENROLL IN HEALTH BENEFITS



Under current state law, the State of Texas automatically provides you with comprehensive health coverage that includes prescription drug benefits, \$5,000 Basic Group Term Life Insurance, and \$5,000 of AD&D coverage. The State pays all of the monthly premium contribution cost for full-time employees and half of the dependent contribution.



Full-time employees—those working 30 hours or more per week—are automatically enrolled in HealthSelect of Texas. Your dependents are not automatically enrolled in health coverage. You may switch to a health maintenance organization (HMO), if one is available in the county where you live or work.

You must take action to opt out of health coverage for yourself if you are a full-time employee.

If you are a part-time employee, you will not be enrolled automatically. If you decide to enroll, the State pays 50% of your premiums and 25% of your dependents' premiums. If you are an adjunct faculty member, contact your benefits coordinator or human resources office to determine your eligibility for state and/or employer contributions to health premiums.

If you turn down health coverage, you will not have health benefits, prescription drug coverage, or Basic Group Term Life Insurance with AD&D coverage.

HEALTHSELECTSM OF TEXAS

HealthSelect is administered by UnitedHealthcare. HealthSelect lets you choose your providers and save money by using network benefits throughout Texas.

To use network benefits, choose a HealthSelect primary care physician (PCP) and have the PCP refer you to specialists and providers in the HealthSelect network. When you stay in the network, you reduce your costs—and the costs to the health plan.



HEALTHSELECTSM OF TEXAS

www.healthselectoftexas.com

UnitedHealthcare

(866) 336-9371 TTY: 711

24/7 myNurseLineSM: (877) 731-8306



YOU ALSO CAN GET HELP LOCATING HEALTHSELECT PHYSICIANS, SPECIALISTS, OR OTHER PROVIDERS BY CALLING HEALTHSELECT TOLL-FREE AT (866) 336-9371.

YOU MUST TAKE ACTION IF...



You are a full-time employee and want to:

- enroll family members in health coverage.
- change coverage from HealthSelect to an HMO.
- opt out of health coverage.

You are a part-time employee and want to:

- enroll yourself and/or your family in HealthSelect or an HMO.

HMOs

You can enroll yourself and your eligible dependents in either Scott & White Health Plans or Community First Health Plan if you live or work in one of their service counties.

You must use providers (such as doctors and hospitals) in the HMO network for your services to be covered. Only emergency care services are covered outside the network, unless the health plan has authorized your treatment.



DECIDING BETWEEN HEALTHSELECT AND AN HMO? HEALTH BENEFITS COMPARISON CHARTS IN RESOURCES (PAGES 29-30).



A RATE CALCULATOR IS AVAILABLE AT
www.ers.state.tx.us/Rates

HMO SERVICE AREAS

You can select an HMO if you live or work in the service area counties.

Community First Health Plans (serves the following counties in the San Antonio area): Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, and Wilson

Scott & White Health Plan (serves the following counties in the Central Texas area): Austin, Bastrop, Bell, Bosque, Brazos, Burleson, Burnet, Coke, Coleman, Concho, Coryell, Crockett, Falls, Freestone, Grimes, Hamilton, Hill, Irion, Kimble, Lampasas, Lee, Leon, Limestone, Llano, Madison, Mason, McCulloch, McLennan, Menard, Milam, Mills, Reagan, Robertson, Runnels, San Saba, Schleicher, Somervell, Sterling, Sutton, Tom Green, Travis, Waller, Washington, and Williamson

Choose Your Primary Care Physician

If you enroll in Community First Health Plans or if you want HealthSelect network coverage, you must choose a primary care physician (PCP) for yourself and your covered dependents. Each member of your family can have a different PCP. Select PCPs for yourself and your family early to get your new ID cards sooner. You can change your PCP any time during the year.

Scott & White Health Plan does not require that you select a PCP. However, you must use providers within the Scott & White network.

Need Treatment Before You Receive Your ID Card?

If your health coverage begins and you have not received your ID card, you should be able to obtain health care and prescription drugs for yourself or your covered dependents by giving your provider or pharmacy the group number of your new plan, along with your Social Security number (SSN).

GROUP NUMBERS

HealthSelect

Medical: UnitedHealthcare 744260

Prescription Drugs: Caremark RX1292

Community First Health Plans 0010180000

Scott & White Health Plan 000058

Find Provider Directories



HEALTHSELECT www.healthselectoftexas.com



COMMUNITY FIRST www.cfhp.com/members/ers2014



SCOTT & WHITE ers.swhp.org/2014

The Employees Retirement System of Texas has created a Summary of Benefits and Coverage (SBC) for each health plan offered under the Texas Employees Group Benefits Program, excluding Medicare Advantage plans. Each SBC provides an overview of the benefits and services the health plan covers and what you can expect to pay for such services. You can access and print the SBCs at the following web address: www.ers.state.tx.us/Insurance/SBC/. Paper copies of the SBCs are also available to you, free of charge, upon request. If you have any questions or would like to request a paper copy of an SBC, please contact the appropriate health plan at the toll-free phone number listed below.

Para obtener asistencia en Español, llame al:

HealthSelect of Texas:
(866) 336-9371, TTY: 711

Community First Health Plans:
(877) 698-7032, TTY: (800) 390-1175

Scott & White Health Plan:
(800) 321-7947, TTY: (800) 735-2989

Prescription Drug Program

From September 1 to August 31, you and each of your covered dependents have separate \$50 prescription drug deductibles before the plan begins to cover drug costs. For example, if you have three dependents, you would have a total family deductible of \$200 per plan year for prescription medications if all of you fill at least \$50 worth of prescriptions.

HealthSelect and HMOs include three tiers of prescription drugs. After you pay a \$50 deductible, you pay the copay based on the tier of the medication.

If you enroll in HealthSelect, you will get two ID cards in separate mailings—a medical card from UnitedHealthcare and a prescription drug card from Caremark. A number of participating retail pharmacies are part of the HealthSelect Extended Days Supply (EDS) Network. Pharmacies in the EDS Network will fill a 31- to 90-day supply of maintenance medicines and charge no retail maintenance fee. If you do not use an EDS Network pharmacy, you will only be able to fill up to a 30-day supply of medication at a retail location.

Generic drugs (usually Tier 1) save you money, so ask your doctor to prescribe a generic drug when possible or to prescribe the least expensive medication available. Your doctor will make the final decision about your medications.

When a generic drug is available and you get a brand-name drug, you will pay the generic copay plus the difference between the brand-name and generic drug costs. Generic drugs are pharmaceutically and therapeutically the same as their brand-name counterparts.

How Much Will My Prescription Cost?

To find out, go to your provider's website.

-  **COMMUNITY FIRST** www.cfhp.com/members/ers2014
(210) 358-6262 or (877) 698-7032
-  **SCOTT & WHITE** ers.swhp.org/2014 (800) 321-7947
-  **CAREMARK** www.caremark.com/ers (888) 866-8490

Prescription Drug Copays

	TIER 1	TIER 2	TIER 3
Deductible	Each participant must pay a \$50 annual deductible before copays apply (each plan year, September 1 to August 31).		
Participating retail – non-maintenance	\$15 Up to a 30-day supply	\$35 Up to a 30-day supply if generic is not available*	\$60 Up to a 30-day supply if generic is not available*
Participating retail – maintenance medication	\$20 Up to a 30-day supply	\$45 Up to a 30-day supply if generic is not available*	\$75 Up to a 30-day supply if generic is not available*
All carrier mail-order programs	\$30 For 31- to 60-day supply	\$70 For 31- to 60-day supply if generic is not available*	\$120 For 31- to 60-day supply if generic is not available*
	\$45 For 61- to 90-day supply	\$105 For 61- to 90-day supply if generic is not available*	\$180 For 61- to 90-day supply if generic is not available*
HealthSelect Extended Days Supply (EDS) Pharmacy Network	\$30 For 31- to 60-day supply	\$70 For 31- to 60-day supply if generic is not available*	\$120 For 31- to 60-day supply if generic is not available*
	\$45 For 61- to 90-day supply	\$105 For 61- to 90-day supply if generic is not available*	\$180 For 61- to 90-day supply if generic is not available*

*If generic is available and you choose to buy the brand-name drug, you will pay the generic copay plus the cost difference between the brand-name and the generic drug.

NOTE: For HealthSelect only, if you go to a pharmacy that is not in the network, you will be reimbursed 60% of the lesser of the amount you pay for the prescription, minus your copay OR the average wholesale price of the drug, plus a dispensing fee, minus your copay. The deductible will be subtracted if not yet paid.



DEDUCTIBLE EXAMPLE

An employee buys a Tier 1 maintenance prescription that costs \$40. That \$40 will count toward the \$50 plan year deductible. When refilling that prescription, the employee will pay \$10 to complete the deductible and \$20 as the copay, with the plan paying the remaining \$10.

Tobacco Use

If you are tobacco-free, congratulations! You are protecting your health **AND** saving money. As a reward, you'll pay the non-tobacco user premium.

However, if you or any dependents you cover in Texas Employees Group Benefits Program (GBP) health insurance uses tobacco, you'll pay a higher tobacco-user premium. The additional premium depends on how many tobacco users you are covering. The addition ranges from \$30 to \$90 each month.

All adults enrolled in GBP health insurance plans must certify their status as tobacco users or non-users. GBP members and covered adult dependents who do not certify their tobacco-use status will be charged a monthly tobacco user premium—even if they don't use tobacco.

READY TO QUIT? Take advantage of the tobacco cessation programs offered by the GBP. If you're tobacco-free for at least three consecutive months, you won't pay the higher premiums if you re-certify as a tobacco non-user.



LEARN MORE AT

www.ers.state.tx.us/Employees/Programs/Wellness

Opting Out of Health Insurance

If you don't need GBP health insurance or prescription drug coverage, you can decline (waive) your coverage. If you can certify that you have comparable health insurance to what the State provides, you can waive health coverage and get the Health Insurance Opt-Out Credit to apply toward dental insurance and/or Voluntary AD&D premiums.

NOTE: Medicare and dependent GBP coverage are not considered comparable health insurance for opting out.

Carefully consider your decision to turn down health insurance coverage. If you waive health insurance coverage, you also lose prescription benefits and the Basic Term Life policy.

OPTION 1: DECLINE HEALTH INSURANCE, ELECT OPT-OUT CREDIT

Sign up for the Health Insurance Opt-Out Credit if you don't need the State's health insurance and prescription drug coverage now or in the future.

To qualify for the Opt-Out Credit, you must be:

1. eligible for the state contribution toward health insurance (100% for full-time employees, 50% for part-time employees) **AND**
2. able to certify that you have health insurance coverage that is equal to or better than the GBP coverage. For example, you can enroll in your spouse's health plan or another health plan.*

This credit is not available to you if your other insurance is Medicare or if you have GBP coverage as a dependent, or if you receive a state contribution for other insurance coverage.

If you meet the conditions above and decline the State's health insurance, you will receive a monthly credit toward dental and/or Voluntary AD&D premiums under the GBP. The credit is up to \$60 for full-time employees and up to \$30 for part-time employees.

Important: You may enroll in GBP health coverage if you lose the other coverage and enroll within 31 days of losing the other coverage.

* Individuals who are not eligible for the state contribution toward their health insurance premium, such as adjunct faculty members, are not eligible for the Opt-Out Credit.

OPTION 2: WAIVE HEALTH INSURANCE

If you don't want the Opt-Out Credit or health insurance, you can waive coverage and still enroll in optional benefits such as dental coverage and TexFlex.

FOR STATE AGENCY EMPLOYEES HIRED ON OR AFTER SEPTEMBER 1, 2013

YOUR SERVICE CAN EARN YOU A LIFETIME BENEFIT

Information on pages 20-21 does not apply to employees of the Community Supervision and Corrections Department (CSCD), higher education institutions, the Windham School District, TCDRS, or the TMRS.

As a state agency employee, you can earn the **security of a retirement benefit** that provides a lifetime of monthly payments when you qualify for retirement. The benefit amount is based on your average salary, service credit, and retirement date.

Your retirement program is a **defined benefit pension plan**. It is qualified under Section 401(a) of the Internal Revenue Code. Your eligibility to retire is determined by two factors: your age and service credit.

You may retire when you meet with the Rule of 80 retirement eligibility. To be eligible to retire under the Rule of 80, your age plus your years and months of service credit (at least five years) must equal or exceed 80. **If you retire before age 62, your annuity is reduced by 5% for each year you retire before age 62.**

Starting the month after your 90th day of employment:

- From September 1, 2013 to August 31, 2014, 6.6% of your monthly salary will be deducted pre-tax and deposited into your personal state retirement account. If you are a law enforcement or custodial officer, you contribute an additional 0.5% to the Law Enforcement and Custodial Officer Supplemental Retirement Fund. On September 1, 2014, that rate changes to 6.9%.
- The State and your employer contribute an amount equal to 8.0% of your salary to the ERS retirement fund (not your personal state retirement account).

This information is written for employees hired on or after September 1, 2013, and is based on laws in effect at the time of publication.

If you were hired before September 1, 2013, and continue to have money on account with ERS, you have different retirement benefits than those hired on or after that date. If you are returning to state employment, it is important to find out if your benefits will be provided under a previous plan.

Once you qualify and retire, you will get a retirement payment, called your annuity, every month for as long as you live. Depending on the option you choose, your retirement is based on a formula authorized by the Texas Legislature. The formula uses the average of your **highest 60 months salary** over your state career and your years and months of established service credit. The percentage value of service credit, or multiplier, for regular class state employees is 2.3% for each year. The plan is not designed to provide cost-of-living adjustments or increases after retirement. Your personal savings will be needed to supplement your retirement annuity payments.

If you leave state employment, you can withdraw your personal contributions, plus interest (2% interest as of January 1, 2014).

You can also leave your contributions "on account" with ERS. This preserves your service credit and benefits.

Retirement eligibility contributions and benefits are different for law enforcement and custodial officers, elected state officials, district attorneys and judges. Find details on page 20 or online at www.ers.state.tx.us/Employees/Your_ERS_Retirement/.

Did You Work for a State Agency and Withdraw Your Money?

If you once worked for a state agency and withdrew your ERS retirement account money, you no longer have service credit for the time you worked. However, you can buy it back to help you retire earlier or increase your annuity. The cost is the total withdrawn amount plus 10% interest for each fiscal year from the refund date to the purchase date. To buy back withdrawn ERS service, you must be a member of ERS or an entity that participates in the Proportionate Retirement Program (PRP). At least six months must have passed since the date of your withdrawal.



ESTIMATE YOUR RETIREMENT BENEFIT

Sign in to your account at www.ers.state.tx.us, select Retirement Estimate. In one click, you will get an estimate of when you will first be eligible to retire and the estimated amount of your retirement benefit. After your birthday each year, ERS will send you a Statement of Retirement Benefits that shows your earliest retirement date, retirement age, and projected annuity.

Add Service Credit, Increase Your Retirement Benefit

If you are eligible to buy service credit, you should buy it as early as possible, as interest is added every year. Added service credit increases your retirement payment or helps you retire sooner.

You can purchase your retirement account waiting period time to add to your service credit. Your waiting period ends the first of the month after your 90th day on the job. ERS can estimate the cost of this waiting period service after you make your first retirement account contribution.

You can also add to your service credit by purchasing other service credit you may be eligible for: withdrawn ERS service and up to 60 months of active duty military service. You can also purchase up to three years of Additional Service Credit (ASC) if you are an active employee and have at least 10 years of actual ERS service credit (not counting military service).

Service credit can be purchased with lump sum payments or through a rollover from your Texa\$aver account or other fund sources such as Individual Retirement Accounts. You must purchase the service credit before you apply for retirement.

Do You Have Other Texas Retirement System Service?

PROPORTIONATE RETIREMENT PROGRAM SERVICE

If you worked for any of the Texas retirement systems participating in the Proportionate Retirement Program (PRP), you may purchase withdrawn ERS service without being re-employed by the State. Also, if you are an ERS member, you may purchase withdrawn service from any of the retirement systems that participate in the PRP, including:

- Central Texas Community Health Centers (CTCH) (This service must be certified by City of Austin Retirement System.)
- City of Austin Retirement System
- City of Austin Police Retirement System
- El Paso City Employees' Pension Fund
- El Paso Firemen & Policemen's Pension Fund
- ERS
- Judicial Retirement System of Texas Plan 1
- Judicial Retirement System of Texas Plan 2
- Texas County and District Retirement System (TCDRS)
- Texas Municipal Retirement System (TMRS)
- Teacher Retirement System of Texas (TRS)

You can combine service from two or more of these systems to become eligible for retirement. Once you qualify, you will receive an annuity from each system when you retire based on your service with each system.

HAVE TRS SERVICE? ERS SERVICE CREDIT CAN WORK WITH TRS SERVICE CREDIT

When you apply for retirement, you may transfer service between ERS and the Teacher Retirement System of Texas (TRS). To increase your annuity, you can purchase TRS service that you had previously withdrawn. You can then transfer this service to ERS when you retire. Buy it as early as possible — it costs more later. An ERS member

with at least three years of ERS service can re-establish TRS service for transfer without becoming a TRS member. Likewise, a TRS member with at least three years of TRS service can re-establish ERS service for transfer without becoming an ERS member. TRS rules govern how much TRS service is creditable.

BUY YOUR MILITARY SERVICE DURING YOUR FIRST YEAR

After the first of the month following your 90th day at work, you can purchase up to 60 months of your active duty U.S. military service without paying interest. If you purchase military service after your first year of employment, you will be charged 10% penalty interest per year.

You must have at least five years of regular ERS service (not counting the military service) credited before your purchased military service can be used to determine eligibility for service retirement or nonoccupational disability retirement benefits.

You cannot purchase active duty military service if you are eligible for military retirement based on 20 or more years of active military duty or its equivalent, or if you were dishonorably discharged from the military.



LEARN MORE AT

www.ers.state.tx.us/Employees/Retirement/Service_Credit/

Information for Law Enforcement and Custodial Officers

If you have 20 or more years of creditable service in the Law Enforcement and Custodial Officer Supplemental Retirement Fund (LECOSRF), you can earn more retirement pay. Your Supplemental Retirement Program provides a higher retirement multiplier (2.8% for each year of service credit) and different eligibility criteria.



LEARN MORE AT

www.ers.state.tx.us/Employees/Your_ERS_Retirement/

You are included in this Supplemental Retirement Program if you are one of the following:

- a law enforcement officer who has been commissioned by the Texas Department of Public Safety, Texas Alcoholic Beverage Commission, Texas Parks and Wildlife Department, or the Office of Inspector General at the Texas Juvenile Justice Department, and whose commission is recognized by the Texas Commission on Law Enforcement Officers Standards and Education;
- a custodial officer for the Texas Department of Criminal Justice (TDCJ) Institutional Division, certified as having normal duties that require you to have direct contact with inmates; or
- a parole officer or caseworker employed and certified by the Board of Pardons and Paroles or TDCJ.

Disability Retirement Available

If you become disabled, your retirement plan may pay you monthly benefits called occupational and non-occupational benefits. An occupational disability is one that is job-related, and a non-occupational disability is one that is not related to your job.

If you qualify, you could receive monthly benefits if your disability is likely to be permanent and you are unable to continue working. You must meet certain conditions.

You must have at least one month service credit before you can apply for occupational disability retirement. A qualifying example for occupational disability retirement is when a state trooper in the line of duty is shot by a suspect, resulting in a permanently disabling injury.

You must have 10 years of service credit before you can apply for non-occupational disability retirement. A qualifying example of a non-occupational disability retirement is when an employee is diagnosed with a terminal illness and cannot continue employment with the State or any other employer in a position with comparable pay.

ERS must approve disability retirement benefits according to state law. The ERS Medical Board must certify that your disability is likely to be permanent and prevents you from continuing your current employment or any other occupation.

Learn More About Your Retirement Plan and Benefits

OUR WEBSITE: WWW.ERS.STATE.TX.US

The ERS website has information and tools to help you take advantage of your benefits. Use the Search function to find detailed information on ERS benefits and retirement.

YOUR ACCOUNT

Access your personal account information 24/7 by signing into your account at www.ers.state.tx.us. Ask your benefits coordinator/Human Resources (HR) representative or call ERS for assistance logging in the first time.

YOUR STATEMENT OF RETIREMENT BENEFITS

This statement provides you important retirement planning information including benefit estimates and vesting information. If you are an ERS member, you can get an estimate of the amount of your retirement annuity by signing into your account at www.ers.state.tx.us.

After your birthday each year, ERS will send you a personalized statement that shows your earliest retirement date, retirement age, and projected annuity.

PRESENTATIONS AND FAIRS

ERS holds an Ask ERS webinar on the first Tuesday of each month. You can ask questions and hear the latest news from ERS. Ready, Set, Retire!, conducted throughout the state and by webinar, is a free half-day seminar on ERS retirement and the Texa\$aver 401(k) and 457 Plans.

To register for Ask ERS or Ready, Set, Retire!, go to www.ers.state.tx.us/Customer_Support/Event_Calendar.

During the summer Annual Enrollment period, fairs are held in locations throughout the state to inform you of benefit options for the upcoming plan year.

YOUR ANNUAL PERSONAL BENEFITS ENROLLMENT STATEMENT

Every summer, ERS will send you a personalized statement listing your current coverage, costs, and choices for the next plan year.

NEWS ABOUT YOUR BENEFITS

This e-newsletter provides information on available programs, wellness, health care plans, and other benefits. You can sign up to receive it directly on the ERS website at www.ers.state.tx.us.

PLANNING YOUR RETIREMENT BOOKLET

Find information on retirement eligibility, calculating retirement benefits, and your benefits after retirement. The booklet is available at www.ers.state.tx.us/Customer_Support/Publications.

YOUR BENEFITS COORDINATOR

See your benefits coordinator/HR representative for help signing up for benefits if you work for a state agency, higher education institution, Community Supervision and Corrections Department, the Windham School District, the Texas County and District Retirement System, or the Texas Municipal Retirement System.

ERS INTERACTIVE VOICE RESPONSE SYSTEM

For 24/7 access to automated information on your insurance and retirement benefits, call toll-free (877) 275-4377.

TEXA\$AVER QUARTERLY STATEMENT

You will receive a statement each quarter from Texa\$aver administrator Great-West Retirement Services® detailing your Texa\$aver account balance and investment choices.

PROTECT THOSE YOU LOVE

Once you have started contributing to the retirement system and you are enrolled in life insurance, it's important to select the individuals who will receive your retirement account and life insurance benefits—**your beneficiaries**—in the event of your death.

You can have more than one beneficiary and may change your beneficiaries any time before retirement.

Before calling ERS or going online to select your beneficiary or beneficiaries, make sure you have each beneficiary's Social Security number, date of birth, and mailing address.

You can designate your beneficiaries online, but you must send in a signed form once you have completed the process.

- Go to your account at **www.ers.state.tx.us** and click Beneficiary Summary under My Beneficiaries.
- To add or update your beneficiary, click the Change Information or Add New Beneficiary(s).
- To begin the process to designate a beneficiary, click the link under Plan Description and follow the steps.
- ERS will send you a Beneficiary Designation form by mail or email.
- You and a witness must sign the Beneficiary Designation form. When you return the form to ERS, we will send you a letter letting you know when your beneficiary change request is accepted and complete.

If ERS doesn't have your beneficiary's SSN, he or she may have to wait longer to receive benefits.

If you are a state agency employee, when you sign into your account you need to designate your beneficiaries for both the ERS Active Account (your retirement account) and ERS Life Insurance. You do not need to designate a beneficiary for the \$5,000 ERS Retiree Lump Sum Death Benefit or ERS Retiree Annuity Benefit until you retire.

If you are not a state agency employee, you only need to designate a beneficiary for ERS Life Insurance.



PLAN AHEAD WITH TEXA\$AVER



New state agency employees* are automatically enrolled in the Texa\$aver 401(k) plan at 1% of monthly salary. Texa\$aver is a voluntary deferred compensation program that can help you save more for retirement.

Saving with Texa\$aver is easy. Contributions are deducted from your paycheck automatically—before income taxes are taken out.** ERS administers the Texa\$aver Program and partners with Great-West Retirement Services for the recordkeeping. Texa\$aver offers two plans—the 401(k) plan and the 457 plan—that help you save more for retirement.

*Texa\$aver is not available to employees of CSCD, Windham School District, TCDRS, or TMRS. Automatic enrollment does not apply to higher education employees.

**This is not true for the Roth contribution option, as it uses after-tax dollars.

Meet Your Retirement Goals

Your state retirement annuity does not automatically increase to keep up with inflation.

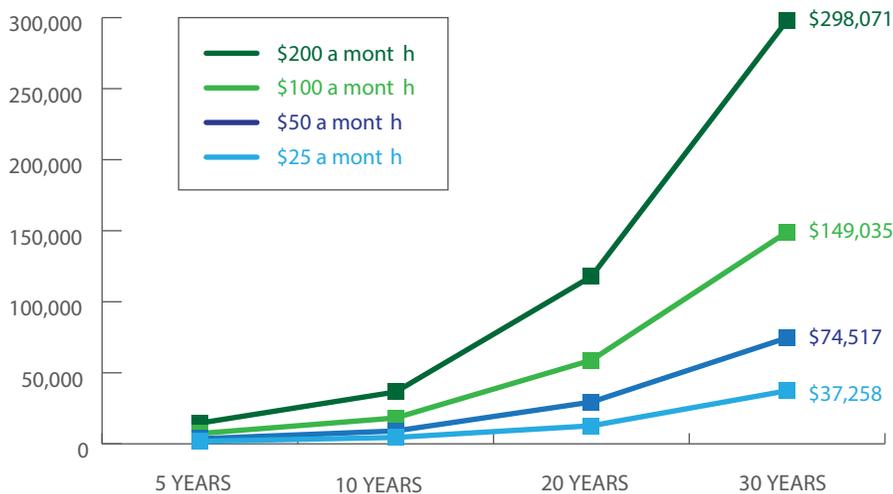
It's helpful to think of your retirement savings as a three-legged stool, which includes your ERS retirement annuity, Social Security, and personal savings (such as your

Texa\$aver account) or other investments. To cover rising costs when you retire, you'll probably need to draw on your own personal savings and investments.

Unlike a traditional savings account, the Texa\$aver pre-tax option lets you save for retirement and on income taxes. Your Texa\$aver contributions are not taxed until you withdraw them from your account at retirement. With the Roth after-tax option, you save on taxes when you reach age 59 1/2 and are eligible for a qualified distribution.

Enrollment is Automatic

As a new state agency employee, you are automatically enrolled at 1% of your salary in the standard Wells Fargo Advantage Dow Jones Target Date FundSM. You can choose not to participate before your first deferral if you call Great-West toll-free at (800) 634-5091 within 30 days of employment. You also can increase your contribution if you'd like to save more of your salary. You can make other changes, including stopping enrollment, or changing how your account is invested, throughout the year.



Invest early and your savings can grow without taxes over a longer period of time. The sooner you start saving, the more you have when you retire. See how much \$25 a month could grow.

These are estimates based on regular monthly deposits earning 8% interest. These rates are for illustration only and do not represent actual or guaranteed rates of return.

PROGRAM ENROLLMENT

If you are not automatically enrolled, you can enroll in the 401(k) or 457 plan (or both), if offered by your employer*** at any time of the year. Enroll online or by telephone.

1. Choose which account—the 401(k), 457, or both—is right for you.



RESOURCE: 401(k)/457 Comparison charts are available in Resources (pages 32 - 33)

2. Decide how much you want to put toward your retirement savings. This amount is deducted from your paycheck each month, before taxes unless you choose the Roth option (see below). This is called your deferral.

The most you can contribute from your salary to each account each year is \$17,500. If you are over age 50, you can contribute up to \$23,000.

TexaSaver offers a Roth contribution option in both the 401(k) and 457 plans. Roth contributions allow participants to contribute to TexaSaver plans with after-tax dollars. Both plans give you the flexibility to designate all or a portion of your contribution as Roth contributions.

3. Choose your investment(s) from the funds offered within the TexaSaver Program.
4. Enroll and designate a beneficiary at www.texasaver.com or call Great-West toll-free at (800) 634-5091.

Some groups of employees are not enrolled automatically in TexaSaver, such as:

- higher education employees,
- TMRS participants,
- TCDRS participants,
- CSCD participants, and
- employees who return to state employment within 30 days of leaving.

*** State agency employees can enroll in either or both of the TexaSaver 401(k) and 457 plans. Four-year higher education institution employees and community college employees can enroll in the 457 plan or the Roth contribution option, if their institution offers it. Check with your benefits coordinator/HR representative.

Investment Choices

The TexaSaver 401(k) and 457 plans offer the same investment choices, which offer a wide array of risk factors that enable you to invest at conservative, moderate, or aggressive levels. You should review all of the investment products offered within the TexaSaver Program to select choices that are right for your situation.

It is important to diversify your investment choices. By diversifying your investments, you may minimize your portfolio's risk and increase your return.

Target Date Funds offer a simple solution to retirement investing by selecting an investment mix based on your birth date and expected retirement date.



TEXASAVER OFFERS OBJECTIVE, PERSONALIZED INVESTMENT ADVICE THROUGH THE TEXASAVER ADVISOR SERVICE. CONTACT AN ADVISOR TOLL-FREE AT (800) 634-5091.

(There is no charge for the Online Investment Guidance or Advice services, but there are additional fees for Managed Accounts.)

Transfer Money Into Your TexaSaver Account

If you have money in a previous employer's 401(k) or 457 plan, you can transfer or consolidate your accounts into a TexaSaver account and take advantage of low fees. This makes it easy to grow your accounts and track your investments with TexaSaver.

You may also roll over all or a portion of the amount currently invested in an Individual Retirement Account (IRA) to your TexaSaver 401(k) plan, if the entire balance in the IRA is from pre-tax contributions and earnings. Roth IRA rollovers are not permitted.



LEARN MORE

[www.ers.state.tx.us/Employees/Programs/TexasSaver_401\(k\)_and_457](http://www.ers.state.tx.us/Employees/Programs/TexasSaver_401(k)_and_457)
(800) 634-5091

Understanding TexaSaver Fees

The TexaSaver Program negotiates low administrative fees for participants. ERS oversees the administration of the TexaSaver Program. No money is appropriated by the State for administrative costs. Fees and expenses based on your account balance and services chosen are deducted from your account on a monthly basis.

ADMINISTRATIVE FEES

This covers the cost of program management and recordkeeping expenses. Fees are assessed to the 401(k) and 457 plans separately. Fees are assessed to before-tax and Roth after-tax contributions separately.

ACCOUNT BALANCE	MONTHLY FEE	ANNUALIZED FEE
\$10.00 or less	No fee	No fee
Between \$10.01 and \$1,000.00	\$1.18	\$14.10
Between \$1,000.01 and \$16,000.00	\$3.99	\$47.90
Between \$16,000.01 and \$32,000.00	\$6.32	\$75.89
Between \$32,000.01 and \$48,000.00	\$9.49	\$113.83
Between \$48,000.01 and \$64,000.00	\$12.65	\$151.78
\$64,000.01 or more	\$15.81	\$189.72

Note: Monthly fees are rounded to the nearest cent.



TO LEARN MORE ABOUT TEXASAVER FEES

www.fascore.com/PDF/Texas/TX_fees.pdf

Roth Contribution Option: There is an additional \$5 monthly flat fee per plan to participate.

Managed Account Fees: The Managed Account service is an optional service for TexaSaver participants who want help managing how their accounts are invested. For each account, monthly fees are charged to the total balance. Fees are assessed for the calendar month, regardless of how many days your account is enrolled in the Managed Account service that month.

Online Investment Guidance and Online Investment Advice is available for no additional fees at www.texasaver.com.

TexaSaver Managed Account Fees

ACCOUNT BALANCE	MONTHLY FEE
<\$100,000	0.0375%
Next \$150,000	0.0292%
Next \$150,000	0.0208%
>\$400,000	0.0125%

NOTE: Managed Account fees are based on account balance.

TexaSaver Managed Account Fees

EXAMPLE ACCOUNT BALANCE	MONTHLY FEE CHARGED
\$10,000	\$3.75
\$20,000	\$7.50



EMPLOYMENT TRANSFERS

Did you transfer to your new job from another public state employer? Or have you had insurance with ERS without a break in coverage? If so, some of the enrollment rules below may not apply.

Retirement Account

If you transfer from one state agency to another within the same calendar month, you will not have an ERS retirement account waiting period.

If you transfer to a state agency from an employer that is not in the ERS retirement program, you will have a waiting period before your first contribution to your ERS retirement account. Your contributions start the first of the month after your 90th day on the job.

Health Coverage

If you transfer as an employee in the GBP—employees at state agencies, higher education institutions*, CSCD, Windham School District, TMRS, or TCDRS—to another GBP entity with no break in coverage, you will not have a health coverage waiting period and will have 31 days to make health coverage changes. Your coverage begins the first of the next month, unless you start on the first day of the month.

You are a member of the GBP while you are employed at:

- a state agency;
- a Texas public institution of higher education that is not part of the University of Texas or Texas A&M University systems;
- the Community Supervision and Corrections Department (CSCD);
- the Windham School District;
- the Texas Municipal Retirement System (TMRS); or
- the Texas County and District Retirement System (TCDRS).

*If you were employed for 90 or more days and you transfer directly from employment at Texas A&M University or the University of Texas systems, you do not have the health coverage waiting period.

If you are enrolled in the GBP as a dependent, or if you are paying for your coverage in the GBP or University of Texas at Austin/Texas A&M University benefit program through COBRA, your coverage with your new employer starts the first of the month after your official hire date. You must pay the COBRA premium for the month in which you are hired to avoid the health coverage waiting period. All coverage, including optional coverage, will begin the first of the month following your employment date.

Your coverage date with your new employer depends on the date you actually begin employment.

QUESTIONS? Please contact your benefits coordinator/HR representative. HHS Enterprise employees can contact the HHS Employee Service Center toll-free at (888) 894-4747 TTY, (866) 839-2747 7 a.m. to 7 p.m., Monday through Friday.



RESOURCES

Dental Plans Comparison Chart

DENTAL PLAN PREMIUMS FOR EMPLOYEES			
	HumanaDental DHMO	State of Texas Dental Choice Plan SM Preferred Provider Organization (PPO) Administered by HumanaDental Insurance Company	
Dentists	Must use a participating dentist. Note: Not all participating dentists accept new patients. Dentists are not required to stay on the plan for the entire year.	If you see a participating dentist, the following benefits apply:	If you see a non-participating dentist, the following benefits apply:
Deductibles (Calendar Year)	None	Preventive—Individual-\$0; Family-\$0 Combined Basic/Major/Prosthodontic—Individual-\$50; Family-\$150 Orthodontic services—no deductible	Preventive—Individual-\$50; Family-\$150 Combined Basic/Major/Prosthodontic—Individual-\$100; Family-\$300 Orthodontic services—no deductible
Copays/Coinsurance	Primary Dentist – Copays vary according to service and are listed in the “Schedule of Dental Benefits” booklet. Specialty Dentistry – You pay 75% of his/her usual and customary fee. DHMO pays nothing.	You pay nothing for Diagnostic and Preventive services. You pay 10% of the allowed amount for basic services up to Maximum Calendar Year Benefit after the Basic Services Deductible is met. You pay 50% of the allowed amount for Major services up to Maximum Calendar Year Benefit after the Major Services Deductible is met. You will not be charged for amounts over the allowed amount. After you reach the Maximum Calendar Year Benefit, you pay 100% until the next calendar year begins on January 1.	You pay 10% of the allowed amount for Preventive services up to Maximum Calendar Year Benefit after the Diagnostic and Preventive Deductible is met. You pay 30% of the allowed amount for Basic services up to Maximum Calendar Year Benefit after the Basic Services Deductible is met. You pay 60% of the allowed amount for Major services up to Maximum Calendar Year Benefit after the Major Services Deductible is met. You may be required to pay the difference between the allowed amount and billed charges. After you reach the Maximum Calendar Year Benefit, you pay 100% until the next calendar year begins on January 1.
Maximum Calendar Year Benefit	Unlimited	\$1,500 (excludes orthodontic services)	\$1,500 (excludes orthodontic services)
Maximum Lifetime Benefit	Unlimited	\$1,500 for orthodontic services	\$1,500 for orthodontic services
Average cost of cleaning/oral exams	Vary according to service and are listed in the “Schedule of Dental Benefits” booklet. Up to two cleaning/oral exams per calendar year allowed.	No cost Up to two cleaning/oral exams per calendar year allowed.	10% of the allowed amount after deductible is met. Up to two cleaning/oral exams per calendar year allowed.
Orthodontic Coverage	Orthodontic services performed by a general dentist listed in the directory with an “O” treatment code — child - \$1,800, adult - \$2,100. Orthodontic services performed by specialist – You pay 75% of his/her usual fee. DHMO pays nothing.	Orthodontic services are only available to dependents age 19 or younger. You pay 50% of the allowed amount.	Orthodontic services are only available to dependents age 19 or younger. You pay 50% of the allowed amount. You may be required to pay the difference between the allowed amount and billed charges.

The Dental Plans Comparison Chart is only a summary of the benefits offered by the two dental plans. See plan booklet for actual coverage and limitations.

Note: Prior to starting treatment, discuss with your dentist the treatment plan and all charges.

In the State of Texas Dental Choice PlanSM (PPO), deductibles and annual maximums are per calendar year. Non-participating dentists can bill you for charges above the amount covered by your HumanaDental plan. To ensure you do not receive additional charges, visit a participating PPO Network dentist.

NOTE: Most employee out-of-pocket premiums are automatically paid with pre-tax dollars authorized by the Internal Revenue Code. This includes premiums deducted from your paycheck for health and dental coverage, Optional Term Life Insurance, and Voluntary AD&D.

Optional Coverage Rates

Premiums for Optional Term Life (up to a certain amount) and Voluntary AD&D insurance are taken out of your paycheck pre-tax, which lowers your taxable income.

All premiums are monthly.



YOU CAN ALSO USE THE RATE CALCULATOR AT

www.ers.state.tx.us/Rates.

EMPLOYEE OPTIONAL TERM LIFE*

MONTHLY RATE PER \$1,000 OF ANNUAL SALARY

Age	Election 1 Annual Salary x 1	Election 2 Annual Salary x 2	Election 3** Annual Salary x 3	Election 4** Annual Salary x 4
Under 25	\$ 0.05	\$ 0.10	\$ 0.15	\$ 0.20
25-29	0.05	0.10	0.15	0.20
30-34	0.06	0.12	0.18	0.24
35-39	0.06	0.12	0.18	0.24
40-44	0.08	0.16	0.24	0.32
45-49	0.12	0.24	0.36	0.48
50-54	0.19	0.38	0.57	0.76
55 - 59	0.33	0.66	0.99	1.32
60 - 64	0.57	1.14	1.71	2.28
65 - 69	0.93	1.86	2.79	3.72
70 - 74	1.48	2.96	4.44	5.92
75 - 79	2.41	4.82	7.23	9.64
80 - 84	3.92	7.84	11.76	15.68
85 - 89	6.79	13.58	20.37	27.16
90+	10.57	21.14	31.71	42.28

After the first 31 days of employment, Elections 1 and 2 require approval through evidence of insurability (EOI, also called proof of good health).

Elections 3 and 4 always require approval through EOI.

Beginning at age 70, Optional Term Life coverage is reduced to a percentage of your annual salary as follows:

Age 70 - 74	65%
Age 75 - 79	40%
Age 80 - 84	25%
Age 85 - 89	15%
Age 90+	10%

DEPENDENT TERM LIFE

\$1.38 per month for \$5,000†

EMPLOYEE ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)

You may apply for Voluntary AD&D coverage according to the following table:

Age	Minimum Coverage	Maximum Coverage	Minimum Increments
Under 70	\$ 10,000	\$ 200,000	\$ 5,000
70-74	6,500	130,000	3,250
75-79	4,000	80,000	2,000
80-84	2,500	50,000	1,250
85-89	1,500	30,000	750
90+	1,000	20,000	500

*Surviving dependents and people enrolled through COBRA and COBRA Disability are not eligible for these plans.

**Optional Term Life Insurance is limited to a maximum of \$400,000 or four times your annual salary, whichever is less.

†Dependent Term Life Insurance includes \$5,000 AD&D coverage per dependent.

You Only

\$0.02 per \$1,000 of coverage

You + Family

\$0.04 per \$1,000 of coverage

TEXAS INCOME PROTECTION PLAN

Short-term disability \$0.30 per \$100 of monthly salary

Long-term disability \$0.63 per \$100 of monthly salary

Most employee out-of-pocket premiums are automatically paid with pre-tax dollars authorized by the Internal Revenue Code. This includes premiums deducted from your paycheck for health and dental coverage, Optional Term Life Insurance, and Voluntary AD&D. Premiums for Dependent Term Life and Disability insurance are paid with after-tax money, so that you do not pay tax on any benefits you may receive. Should you have Optional Term Life Insurance of more than \$50,000, a portion of that premium could be taxed.

Employee Health Plans Comparison Chart

Benefits	HealthSelect SM of Texas			HMO Community First Health Plans and Scott & White Health Plan
	In-Area		Out-of-Area Employees/dependents living outside of Texas	
	Network Providers	Non-network Providers		
Calendar year deductible	None	\$500 individual \$1,500 family ³	\$200 individual, \$600 family ³	None
Out-of-pocket coinsurance maximum	\$2,000 per person ⁴ per calendar year	\$7,000 per person ⁴ per calendar year	\$3,000 per person ⁴ per calendar year	\$2,000 per person ⁴ per plan year
Lifetime maximum	None	None	None	None
Primary care physician required	Yes	No	No	Contact your HMO
Primary care physicians' office visits	\$25	40%	30%	\$25
Physicals*	No Charge	40%	Network provider - No Charge; Non-network provider - 30%	No charge
Specialty physicians' office visits	\$40	40%	30%	\$40
Routine eye exam, one per year per participant*	\$40 ³	40% ³	30% ³	\$40 ⁷
Family planning services*	20%	40% ³	30% ³	\$40 ⁷
Well woman exam*	No Charge	40%	Network provider - No Charge; Non-network provider - 30%	No charge
Speech and hearing testing/therapy	20% without office visit; \$40 copay plus 20% with of- fice visit	40%	30%	20% without office visit; \$40 copay plus 20% with office visit
Allergy antigens/serum	No charge without office visit; \$25 or \$40 ⁶ with office visit	40%	30%	20%
Allergy injections	No charge without office visit; \$25 or \$40 ⁶ with office visit	40%	30%	20%
Allergy testing	No charge without office visit; \$25 or \$40 ⁶ with office visit	40%	30%	20%
Diagnostic x-rays, lab tests and mammography	20% ⁵	40%	30%	20%
Office surgery and diagnostic procedures	20%	40%	30%	20%
High-tech radiology (CT scan, MRI, and nuclear medicine) ^{8,9}	\$100 ¹¹ plus 20%	\$100 ¹¹ plus 40%	\$100 ¹¹ plus 30%	\$100 ¹¹ plus 20%
Urgent Care Clinic	\$50 plus 20%	\$50 plus 40%	30%	\$50 plus 20%
Chiropractic care a. Coinsurance b. Maximum benefit per visit c. Maximum visits each Participant each calendar year	20% ⁵ without office visit; \$40 copay plus 20% ⁵ with office visit \$75 30	40% \$75 30	30% \$75 30	Not covered
Immunizations:				
Any age	No charge	40%	Network provider - no charge; Non-network provider - 30%	No charge
Delivering doctor charges only; inpatient hospital and specialty provider copays and coinsurance apply	\$25 or \$40 ⁶ for first post-natal office visit	40%	30%	\$40 for first office visit

For behavioral health care benefits, contact your plan's customer service department. This comparison chart offers a general overview of benefits and their associated out-of-pocket expenses under HealthSelect and the HMOs. Contact your plan's customer service department for specific questions.

*Under the Affordable Care Act, certain preventive and women's health services are paid at 100% (at no cost to the member) dependent upon physician billing and diagnosis. In some cases, you will still be responsible for payment on some services.

Employee Health Plans Comparison Chart

Benefits	HealthSelect ¹			HMO
	In-Area		Out-of-Area ²	
	Network Providers	Non-network Providers		
Inpatient hospital (semi-private room and days board, and intensive care unit)	\$150/day copay plus 20% (\$750 copay max-up to 5 days per hospital stay, \$2,250 copay max per calendar year per person ⁶)	\$150/day copay plus 40% (\$750 copay max-up to 5 days per hospital stay, \$2,250 copay max per calendar year per person ⁶)	\$150/day copay plus 30% (\$750 copay max-up to 5 days per hospital stay, \$2,250 copay max per calendar year per person ⁶)	\$150/day copay plus 20% (\$750 copay max-up to 5 days per hospital stay, \$2,250 copay max per plan year per person ⁶)
Emergency care	\$150 plus 20% (if admitted copay will apply to hospital copay)	\$150 plus 20% (if admitted copay will apply to hospital copay)	30%	\$150 plus 20% (if admitted copay will apply to hospital copay)
Outpatient surgery other than in physician's office	\$100 plus 20%	\$100 plus 40%	\$100 plus 30%	\$100 plus 20%
Bariatric surgery^{8,10}	a. Deductible \$5,000 b. Coinsurance 20% c. Lifetime max. \$13,000	Not covered	a. Deductible \$5,000 b. Coinsurance 20% c. Lifetime max. \$13,000	Not covered
Skilled nursing facility	20% ⁸	40%	No charge (no deductible ⁸)	20%; 60-day max. per plan year ⁷
Hospice	20% ⁸	40% ⁸	30% (no deductible) ⁸	20% ⁸
Home health care	20% ⁸	40%; 100 visits/ \$3,500 max. per calendar year ⁹	No charge; 100 visits max. per calendar year (no deductible ⁹)	20% ⁸
Hearing aids	Plan pays up to \$500 per ear every three years (no deductible).			
Durable medical equipment	20% ^{8,12}	40% ^{8,12}	30% ^{8,12}	20% ⁸
Ambulance services	20% ⁸	20% ⁸	30% ⁸	20% ⁸

1. Benefits are paid on allowable amounts; using providers who contract with UnitedHealthcare will protect you from liability for amounts over the allowable amount.

2. Out-of-area applies to members living outside of Texas.

3. Applies to calendar year, January 1-December 31.

4. Does not include copays.

5. Charges could vary when performed during an office visit.

6. Copay depends on whether treatment is given by PCP or specialist.

7. Applies to plan year, September 1- August 31.

8. Preauthorization required. For ambulance service, authorization required for non-emergency use only.

9. Outpatient testing only. Does not apply to inpatient services.

10. Active employees only; see health plan for additional requirements/limitations.

11. No copay if high-tech radiology is performed during ER visit or inpatient admission.

12. \$2,500 limit on non-essential DME. Replacement limit of one every three years unless change in condition or physical status.

Prescription Drugs

Deductible:	Each participant must pay a \$50 annual deductible before copays apply (for the plan year, September 1 to August 31).	
Participating pharmacies:	Copays for up to a 30-day supply of non-maintenance medications are \$15 for Tier 1 drugs, \$35 for Tier 2 drugs, and \$60 for Tier 3 drugs. For up to a 30-day supply of maintenance medication, you will be charged a retail maintenance copay of \$20 for Tier 1 drugs, \$45 for Tier 2 drugs, and \$75 for Tier 3 drugs.	
Non-participating pharmacies:	For up to a 30-day supply, you will be reimbursed 60% of the lesser of the amount you pay for the prescription, minus your copay OR the average wholesale price of the drug, plus a dispensing fee, minus your copay. Deductible will be subtracted if not met.	HMOs may not provide benefits at non-participating pharmacies.
Extended Days Supply (EDS) Network	If you order prescription drugs through an EDS network pharmacy, you pay the following copays for up to a 90-day supply: \$45 for Tier 1 drugs, \$105 for Tier 2 drugs, and \$180 for Tier 3 drugs.	Does not pertain to HMOs.
Mail Order:	If you order prescription drugs through the mail service program offered by your health plan, you pay the following copays for up to a 90-day supply: \$45 for Tier 1 drugs, \$105 for Tier 2 drugs, and \$180 for Tier 3 drugs.	
Important:	If you purchase a brand-name drug when a generic alternative is available (regardless of the reason), you will pay your generic copay plus the cost difference between the brand-name and the generic drug.	

Network pharmacies and covered drugs are listed on each health plan's website.

Monthly Health Premium Rates Full-Time Active Employees

	PREMIUM*	STATE PAYS	YOU PAY
HEALTHSELECTSM OF TEXAS			
You Only	\$ 503.14	\$ 503.14	\$ 0.00
You + Spouse	1,079.18	791.16	288.02
You + Children	888.86	696.00	192.86
You + Family	1,464.90	984.02	480.88
COMMUNITY FIRST HEALTH PLANS			
You Only	\$ 447.82	\$ 447.82	\$ 0.00
You + Spouse	960.26	704.04	256.22
You + Children	790.94	619.38	171.56
You + Family	1,303.38	875.60	427.78
SCOTT & WHITE HEALTH PLAN			
You Only	\$ 490.86	\$ 490.86	\$ 0.00
You + Spouse	1,052.78	771.82	280.96
You + Children	867.10	678.98	188.12
You + Family	1,429.02	959.94	469.08

*Includes premium for Basic Term Life Insurance

Monthly Health Premium Rates Part-Time Active Employees

	PREMIUM*	STATE PAYS	YOU PAY
HEALTHSELECTSM OF TEXAS			
You Only	\$ 503.14	\$ 251.57	\$ 251.57
You + Spouse	1,079.18	395.58	683.60
You + Children	888.86	348.00	540.86
You + Family	1,464.90	492.01	972.89
COMMUNITY FIRST HEALTH PLANS			
You Only	\$ 447.82	\$ 223.91	\$ 223.91
You + Spouse	960.26	352.02	608.24
You + Children	790.94	309.69	481.25
You + Family	1,303.38	437.80	865.58
SCOTT & WHITE HEALTH PLAN			
You Only	\$ 490.86	\$ 245.43	\$ 245.43
You + Spouse	1,052.78	385.91	666.87
You + Children	867.10	339.49	527.61
You + Family	1,429.02	479.97	949.05

*Includes premium for Basic Term Life Insurance

In addition to the state contribution to your insurance rates, the State also pays \$2.22 per month for Basic Term Life and AD&D coverage, which are included in these rates.

Monthly Health Premium Rates Surviving Dependents of Employees

PARTICIPANT	HEALTHSELECT OF TEXAS	COMMUNITY FIRST HEALTH PLANS	SCOTT & WHITE HEALTH PLAN
Spouse Only	\$ 576.04	\$ 512.44	\$ 561.92
Children Only	385.72	343.12	376.24
Spouse + Children	961.76	855.56	938.16

Tobacco User Premium

TOBACCO USER(S) OF ANY AGE OR NON-CERTIFIED ADULTS	MONTHLY TOBACCO USER PREMIUM
Member OR Spouse OR Adult Children* Only	\$30
Member + Spouse or Member + Adult Children* OR Spouse + Children*	\$60
Family (Member + Spouse + Children*)	\$90

*The charge for a child is the same regardless of how many children in the household use tobacco, or how many adult children are not certified.

	CERTIFIED TOBACCO USER	CERTIFIED NON-USER	FAILED TO CERTIFY
Member	Pays	Doesn't Pay	Pays
Covered adult dependent (18 years and older)	Pays	Doesn't Pay	Pays
Covered child dependent (younger than 18 years)	Pays	Doesn't Pay	Doesn't Pay

TexaSaver 401(k) Plan

For more information on each Plan, call toll-free at (800) 634-5091.

Eligibility	Part-time and full-time state employees, upon date of hire or anytime thereafter. Excludes higher education employees. ¹
Contribution options	You have the flexibility to designate all or a portion of your contributions as either traditional before-tax or Roth after-tax.
Maximum annual deferral	99% of 401(k) eligible compensation or \$17,000 ² per year, whichever is less. The 2014 annual contribution limit is \$22,500 if you are 50 or older. You may put money in the 401(k), 457, or both as either before-tax, Roth, or both.
Transfer of funds to purchase service	You may purchase military service, Additional Service Credit, or refunded or other eligible ERS service by transferring funds from your TexaSaver account while employed. Teacher Retirement System (TRS) of Texas service may be purchased when distribution eligibility is met. This is not a taxable distribution.
Rollovers in	If eligible, you may roll funds into the TexaSaver 401(k)/457 Program from another eligible retirement plan or individual retirement account (IRA). Roth IRAs are not accepted.
Loans	Loans may be approved for \$1,050 to \$50,000 (subject to Plan and IRS provisions). You must have an account balance of at least \$1,050, as there is a \$50 loan application fee that is deducted from the loan proceeds. There is a \$2.08 monthly maintenance fee assessed to your account.
Financial hardship withdrawals³ Only allowed through approval when you have no other resources, including plan loans.	Reasons for hardship include purchase of primary residence, prevention of eviction or foreclosure from your primary residence, tuition expenses, non-reimbursed medical expenses, funeral expenses, or repair of damages to your principal residence.
Distributions while employed for before-tax contributions	You may take a distribution from your 401(k) Plan after age 59 1/2 while still employed without a 10% penalty; 20% will be withheld for federal income taxes unless the funds are rolled to a qualified plan.
Distributions after separation from employment for before-tax contributions	You can start taking distributions after separation from state employment. You may roll over funds into other types of employer-sponsored plans, IRAs, or other eligible options. Lump-sum distributions have 20% automatically withheld for federal taxes. Periodic distributions are allowed.
Distributions from Roth contributions	Roth money may be withdrawn tax-free no earlier than five years after your first Roth contribution and you reach the age of 59 1/2, separated from service with your employer, become disabled, or death. Otherwise, earnings on Roth contributions may be considered earned income and may be penalized when you take a distribution.
Required Minimum Distributions	Must begin no later than April 1 following the year in which you turn 70 1/2, unless you are still employed.
Tax penalties	A 10% federal penalty tax applies to distributions made before age 59 1/2. A 50% federal tax penalty applies if RMDs are not taken at age 70 1/2, unless you are still employed with the employer sponsoring the Plan.

¹ Community college employees may enroll in the 457 Plan if their community college offers the Plan.

² Ceiling is adjusted each year per cost of living index.

³ Please refer to the IRS website for 457 information on hardship withdrawals.

Both Plans are governed by the provisions of the Internal Revenue Code. The State of Texas 401(k) Plan began in 1985 and the 457 Plan began in 1974.

Core securities, when offered, are offered through GWFS Equities, Inc. GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Representatives of GWFS Equities, Inc. are not registered investment advisers and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

Highlighted area indicates the same for 401K and 457 Plans

TexaSaver 457 Plan

For more information on each Plan, call toll-free at (800) 634-5091.

Eligibility	Part-time and full-time state and higher education employees, upon date of hire, or anytime thereafter. ¹
Contribution options	You have the flexibility to designate all or a portion of your contributions as either traditional before-tax or Roth after-tax.
Maximum annual deferral	99% of 457 eligible compensation or \$17,000 ² per year, whichever is less. The 2014 annual contribution limit is \$22,500 if you are 50 or older. You may put money in the 401(k), 457, or both as either before-tax, Roth, or both.
Transfer of funds to purchase service	You may purchase military service, Additional Service Credit, or refunded or other eligible ERS/TRS service by transferring funds from your TexaSaver account while employed. This is not a taxable distribution.
Rollovers in	If eligible, you may roll funds into the TexaSaver 401(k)/457 Program from another eligible retirement plan or individual retirement account (IRA). Roth IRAs are not accepted.
Loans	Loans may be approved for \$1,050 to \$50,000 (subject to Plan and IRS provisions). You must have an account balance of at least \$1,050, as there is a \$50 loan application fee that is deducted from the loan proceeds. There is a \$2.08 monthly maintenance fee assessed to your account.
Financial hardship withdrawals³ Only allowed through approval when you have no other resources, including plan loans.	Reasons for financial hardship include prevention of eviction or foreclosure from your primary residence, non-reimbursed medical expenses, funeral expenses, casualty loss, or similar extraordinary and unforeseeable circumstances.
Distributions while employed for before-tax contributions	If your 457 Plan account has less than \$5,000 and has been inactive for two years, you may take it as a de minimis distribution; 20% may be withheld for federal income tax purposes. You can take a distribution if you are 70 1/2 and still employed.
Distributions after separation from employment for before-tax contributions	You can start taking distributions after separation from state or higher education employment. You may roll over funds into other types of employer-sponsored plans, IRAs, or other eligible options. Lump-sum distributions have 20% automatically withheld for federal taxes. Periodic distributions are allowed.
Distributions from Roth contributions	Roth money may be withdrawn tax-free no earlier than five years after your first Roth contribution, you reach the age of 59 1/2 and separate from service with your employer, become disabled, or death. Otherwise, earnings on Roth contributions may be considered earned income when you take a distribution.
Required Minimum Distributions	Must begin no later than April 1 following the year in which you turn 70 1/2, unless you are still employed.
Tax penalties	No 10% federal penalty tax applies to distributions of 457 money made before age 59 1/2. A 50% federal tax penalty applies if RMDs are not taken at age 70 1/2, unless you are still employed with the employer sponsoring the Plan.
Special 457 Catch-up provision Cannot be used with the Age 50 and over catch-up in the 457 plan.	Subject to eligibility. If you have unused deferrals, the 457 Catch-up limit is \$34,000 in 2012. You may participate only during the three years before the taxable year in which you attain normal retirement age.

¹ Community college employees may enroll in the 457 Plan if their community college offers the Plan.

² Ceiling is adjusted each year per cost of living index.

³ Please refer to the IRS website for 457 information on hardship withdrawals.

Both Plans are governed by the provisions of the Internal Revenue Code. The State of Texas 401(k) Plan began in 1985 and the 457 Plan began in 1974.

Core securities, when offered, are offered through GWFS Equities, Inc. GWFS Equities, Inc., a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Representatives of GWFS Equities, Inc. are not registered investment advisers and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax adviser as needed.

Highlighted area indicates the same for 401K and 457 Plans

CONTACT INFORMATION

HEALTH PLANS

HealthSelectSM of Texas
www.healthselectoftexas.com

UnitedHealthcare
(866) 336-9371
TTY: 711
24/7 myNurseLineSM: (877) 731-8306

Caremark
(pharmacy benefits for HealthSelect)
www.caremark.com/ers
(888) 886-8490
TDD: (800) 231-4403

Community First Health Plans
(an affiliate of the University Health Systems)
www.cfhp.com/members/ers2014
(877) 698-7032
(210) 358-6262
TDD: (800) 390-1175
NurseLink: (210) 358-6262

Scott & White Health Plan
ers.swhp.org/2014
(800) 321-7947 (24 hours a day)
TTY: (800) 735-2989
VitalCare Nurse Advice line:
(877) 505-7947

DENTAL PLANS

State of Texas Dental Choice PlanSM
Administered by HumanaDental Insurance Company
www.humanadental.com/ers
(877) 377-0987, TDD: 711

HumanaDental DHMO
Insured by DentiCare, Inc. dba CompBenefits, a member of the HumanaDental family of companies
www.humanadental.com/ers
(877) 377-0987, TDD: 711

ADDITIONAL BENEFITS

TEXFLEX

PayFlex Systems USA, Inc.
www.texas.payflex.com
(866) FLEX-TEX (353-9839)
Paper Claims fax: (866) 286-6897

TEXA\$AVER 401(K) AND 457

Great-West Retirement Services
www.texasaver.com
(800) 634-5091

DISCOUNT PURCHASE PROGRAM

www.DiscountProgramERS.com

OPTIONAL BENEFITS

TEXAS INCOME PROTECTION PLANSM

Aon Hewitt
www.texasincomeprotectionplan.com
(855) 604-6230
Email: TIPP.claim.management@aonhewitt.com

LIFE INSURANCE AND VOLUNTARY AD&D

Minnesota Life
www.LifeBenefits.com/plandesign/ers
(877) 494-1716, TDD: 711
Email: LifeBenefits@securian.com

ERS

Always available online at www.ers.state.tx.us.
24/7 access to automated information on your insurance and retirement benefits:
(877) 275-4377, TDD: 711

The ERS website offers information and tools to help you take advantage of your benefits. Use the Search function to find details on ERS benefits and retirement, including:

- your account,
- your annual Personal Benefits Enrollment Statement,
- your Statement of Retirement Benefits,
- health and dental carrier websites,
- presentations and events,
- News about Your Benefits e-newsletter, and
- Planning Your Retirement booklet.

Records of members, retirees and their beneficiaries are confidential. ERS will not release certain information about your account without your written authorization.

Information in this book is correct as of the publication date and is subject to change.

You can help manage many of your benefits online at www.ers.state.tx.us:

- check your insurance coverages,
- enroll in benefits,
- designate a beneficiary, and
- update your mail or email address, and other contact information.

