



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION

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TO: Eligible Union and Non-Union Classified/Unclassified Employees

FROM: Richard A. Licht, Director
Department of Administration 

DATE: June 13, 2014

SUBJECT: Wage and Benefit Information

Negotiations have occurred between the Department of Administration and the unions representing state employees and memoranda of settlement have been entered into with state unions. For applicable union and nonunion employees, the two percent salary increase that was effective Sunday April 6, 2014 will be included in the June 20, 2014 pay check. The remaining eligible employees will receive their increase in the July 4, 2014 pay check provided that contract ratification occurs prior to payroll generation. An additional communication will be forthcoming on the timing of the retroactive payments covering the period back to April 6, 2014.

The following is a summary of the agreement:

Wage Increases:

You will be receiving the following wage increases:

- two percent (2 %) salary increase effective Sunday April 6, 2014;
- two percent (2 %) salary increase effective Sunday, October 5, 2014;
- two percent (2 %) salary increase effective Sunday, October 4, 2015.

Medical/Rx Plan Design:

Effective July 1, 2014, the following plan changes will occur:

- Primary Care Physician Co-Pay changing from \$10 to \$15
- Specialist Co-Pay changing from \$20 to \$25
- Urgent Care Co-Pay changing from \$35 to \$50
- Emergency Room Co-Pay changing from \$100 to \$125
- Prescriptions Drug Co-Pays:
 - Tier 1 – changing from \$ 5 to \$ 7
 - Tier 2 – changing from \$20 to \$25
 - Tier 3 – changing from \$40 to \$45

Effective January 1, 2015, the following additional changes will occur:

In Network Calendar Year Deductible	\$250 Individual \$500 Family*
In Network Out-of-Pocket Calendar Year Maximum	\$250 Individual \$500 Family
Out-of-Network Calendar Year Deductible	\$500 Individual/Family
Out-of-Network Out-of-Pocket Calendar Year Maximum	\$3,250 Individual \$6,500 Family

*The \$500 family deductible is cumulative, meaning once any combination of family members has paid \$500 toward items covered by the deductible, the deductible has been met.

Note: Detailed information regarding deductibles and how they work under the medical plan will be available this fall. There will also be an open enrollment period in December prior to the implementation of the plan deductible for employees who wish to participate in the Flexible Spending Account effective January 1, 2015. Information regarding Flexible Spending Accounts and how they work is available on the benefits website at www.employeebenefits.ri.gov.

Health Insurance Co-Shares:

The co-share contribution salary level for full-time employees of \$47,741 which is based on the eligible employee's annualized total rate has gone up by 2% to \$48,696, and will go up an additional 2% to \$49,670 effective October 5, 2014. All other co-share contribution percentages and salary levels remain the same as shown on the table below.

Note: Your biweekly co-share deductions listed below reflect a decrease from your current biweekly co-share amounts and will be reflected in your July 18th pay check.

<u>Annualized Total Rate</u>	<u>Percentage</u>	<u>Medical</u>	<u>Dental</u>	<u>Vision</u>	<u>Total 07/01/14</u>
<i>Individual:</i>					
Less than \$95,481	20%	\$54.79	\$3.02	\$0.44	\$58.25
\$95,481 and above	25%	\$68.48	\$3.78	\$0.55	\$72.81
<i>Family:</i>					
Less than \$48,696*	15%	\$115.19	\$6.34	\$0.91	\$122.44
\$48,696* to less than \$95,481	20%	\$153.59	\$8.46	\$1.21	\$163.26
\$95,481 and above	25%	\$191.99	\$10.57	\$1.51	\$204.07

*will increase to \$49,670 effective 10/5/14

Health plan contributions will continue to be made on a pre-tax basis (similar to Employees Retirement System contributions). Under current tax law, employee pre-tax health plan contributions are not subject to federal, state or FICA (Social Security/Medicare) tax.

If you choose to remain covered by the state health plan, you will be deemed to have elected pre-tax contributions under Section 125 of the Internal Revenue Code. However, if you wish to cancel your participation or change your coverage level from family to single, please contact your Human Resources Department immediately.

Health Insurance for Married Employees who both work for the State:

If spouses are both employed by the state and one of them is hired on or after June 29, 2014, and one of them elects family coverage, the co-share for the family coverage will be determined based on the income of the higher earner of the two spouses. Further, the spouse who does not elect and pay for the family coverage will not be eligible to receive a state waiver payment.

You will not receive new ID cards for your CVS/Caremark prescription coverage so continue to use your current card. You will receive new cards from UnitedHealthcare for the medical plan changes but should continue to use your current UnitedHealthcare cards until your new cards arrive.

Should you have any questions, please feel free to contact your local Human Resources Department or the Office of Employee Benefits at 222-3160.