



**LET'S TALK**  
**ABOUT YOUR**  
**2025**  
**BENEFITS**  
***NON-UNION/AFSCME***



# ENROLL FOR 2025 BENEFITS



## BENEFITS OVERVIEW

City of Farmington is proud to offer a comprehensive benefits package to eligible, full-time employees who work 30 hours or more per week. The complete benefits package is briefly summarized in this booklet. You will receive plan booklets, which give you more detailed information about each of these programs.

You share the costs of some benefits (medical).

### Benefit Plans Offered

- Medical
- HSA and/or VEBA
- FSA
- Retirement Savings Options
- Holiday Pay & PTO
- Employee Assistance Program

### Eligibility

You and your dependents are eligible for City of Farmington benefits on the first of the month after 30 days from date of hire.

Eligible dependents are your spouse, children under age 26, disabled dependents of any age, or City of Farmington eligible dependents. Elections made now will remain until the next open enrollment unless you or your family members experience a qualifying event. If you experience a qualifying event, you must contact HR within 31 days.

This document is an outline of the coverage proposed by the carrier(s), based on information provided by your company. It does not include all of the terms, coverage, exclusions, limitations, and conditions of the actual contract language. The policies and contracts themselves must be read for those details. Policy form for your reference will be made available upon request.

The intent of this document is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It does not necessarily fully address all of your specific issues. It should not be construed as, nor is it intended to provide, legal advice. Questions regarding specific issues should be addressed by your general counsel or an attorney who specializes in this practice area.





# Medical Benefits

Through The Better Health Collective—Sourcewell, Administered by Blue Cross Blue Shield

Comprehensive and preventive healthcare coverage is important in protecting you and your family from the financial risks of unexpected illness and injury. A little prevention usually goes a long way—especially in healthcare. Routine exams and regular preventive care provide an inexpensive review of your health. Small problems can potentially develop into large expenses. By identifying the problems early, often they can be treated at little cost.

PLAN	\$3,300—100% HSA PLAN AWARE NETWORK	\$6,300—100% HSA PLAN AWARE NETWORK
<b>IN-NETWORK PLAN DESIGN FEATURES</b>		
Deductible	\$3,300 / person \$6,600 / family	\$6,300 / person \$12,600 / family
Coinsurance	100%	100%
Medical Out-of-Pocket Maximum (includes Medical & Rx)	\$3,300 / person \$6,600 / family	\$6,300 / person \$12,600 / family

## MEDICAL

Preventative Care	100% coverage	100% coverage
Office Visit/Urgent Care	100% after deductible	100% after deductible
Convenience/Retail Care Clinic	100% after deductible	100% after deductible
Lab & Pathology	100% after deductible	100% after deductible
X-ray & Other Imaging	100% after deductible	100% after deductible
Inpatient Hospitalization	100% after deductible	100% after deductible
Outpatient Hospitalization	100% after deductible	100% after deductible
Emergency Room Facility	100% after deductible	100% after deductible
Emergency Room Physician	100% after deductible	100% after deductible

## PRESCRIPTION DRUGS - PREFERRED RX FORMULARY

Retail - 1 month Supply Mail Order - 3 Month Supply	Generic formulary and brand formulary 100% after deductible Generic non-formulary and brand non-formulary Not Covered	Generic formulary and brand formulary 100% after deductible Generic non-formulary and brand non-formulary Not Covered
Preventive Drugs	<u>Rx - preventive drugs -</u> generic: \$0 copay; brand: \$50 copay <u>Rx - preventive mail order drugs -</u> generic: \$0 copay; brand: \$100 copay	<u>Rx - preventive drugs -</u> generic: \$0 copay; brand: \$50 copay <u>Rx - preventive mail order drugs -</u> generic: \$0 copay; brand: \$100 copay
Specialty	Generic formulary and brand formulary \$100% after deductible Generic non-formulary and brand non-formulary Not Covered	Generic formulary and brand formulary \$100% after deductible Generic non-formulary and brand non-formulary Not Covered

## OUT-OF-NETWORK PLAN DESIGN FEATURES

Deductible	\$6,600 / person \$13,200 / family	\$12,600 / person \$25,200 / family
Coinsurance	80%	80%
Medical Out-of-Pocket Maximum (includes Medical & Rx)	\$9,900 / person \$19,800 / family	\$18,900 / person \$37,800 / family

This analysis is an outline of the coverage proposed by the carrier(s), based on information provided by your company. It does not include all of the terms, coverage, exclusions, limitations, and conditions of the actual contract language. The policies and contracts themselves must be read for those details. Policy forms for your reference will be made available upon request.

# Medical Benefits

**Carrier: The Better Health Collective—Sourcewell, Administered by Blue Cross Blue Shield**

**Choosing your health insurance is easy as 1-2-3!**

- **Who do you want to put on your health insurance?**  
Just you? Your Spouse? Kids? The whole family?
- **Which spending account do you want?**  
A Health Savings Account (HSA) or a Health Reimbursement Account (HRA)
- **Which Plan do you want?** There are two to choose from:  
\$3,300 -100% HSA Plan  
\$6,300 -100% HSA Plan

Both plan options are offered on the Aware Network with BCBS. The Aware Network is the largest network that BCBS offers and includes both the Mayo Clinic Rochester location as well as Mayo Clinic Health Systems locations. This network covers nearly every physicians and hospital in MN.

Visit [bluecrossmn.com/FindADoctor](http://bluecrossmn.com/FindADoctor) to see if your doctor is in network. Click on "Employer-provided or individual & family plans" and make sure the Network dropdown "Aware" is selected. You can then search the directory to lookup your provider or find other doctors and clinics in your area

## Monthly Rates

AWARE - BROAD \$3,300 DEDUCTIBLE	SINGLE	SINGLE + SPOUSE	SINGLE + CHILD(REN)	FAMILY	WAIVER
Total Employer Contribution	\$963.25	\$1,464.11	\$1,546.31	\$1,931.64	\$236.87
Basic Life AD&D \$50,000	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70
HSA or HRA Contribution	\$140.00	\$280.00	\$280.00	\$280.00	N/A
Aware - Broad \$3,300 Deductible	\$778.00	\$1,679.00	\$1,745.00	\$2,404.00	
*Net Remaining for optional benefits OR employee costs for required benefits	\$0.00	-\$497.59	-\$481.39	-\$755.06	\$234.17
AWARE - BROAD \$6,300 DEDUCTIBLE	SINGLE	SINGLE + SPOUSE	SINGLE + CHILD(REN)	FAMILY	WAIVER
Total Employer Contribution	\$838.25	\$1,229.54	\$1,298.19	\$1,622.29	\$236.87
Basic Life AD&D \$50,000	\$2.70	\$2.70	\$2.70	\$2.70	\$2.70
HSA or HRA Contribution	\$140.00	\$280.00	\$280.00	\$280.00	N/A
Aware - Broad \$6,300 Deductible	\$653.00	\$1,410.00	\$1,465.00	\$2,019.00	
Net remaining OR employee cost for required benefits	\$0.00	-\$463.16	-\$449.51	-\$679.41	\$234.17

\*Leftover amounts can be put towards other benefits, pretax 457 deferred compensation accounts, or as cash back (taxable income).

# H.S.A. and H.R.A. Saving Accounts

## HEALTH SAVINGS ACCOUNT (HSA)

Administered by UMB

A Health Savings Account (HSA) is an individually owned, tax-advantaged account that is used to pay for current or future medical expenses, for you, yourself, and your tax dependents.

HSA contributions are from **pretax** dollars. For 2025, the maximum contributions into the HSA as established by the US Department of Treasury are:

- \$4,300 single coverage
- \$8,550 family coverage (including single + spouse and single + children coverage).

Employees age 55 and older who are covered by one of the HSA high deductible health plans can make additional catch-up contributions of up to \$1,000 each year until they enroll in Medicare.

Any funds left in your HSA account at year-end will automatically roll over from year to year. The HSA account is yours to keep even when you change jobs, health plans or retire.

### HSA Eligibility

It is important to note that you may be enrolled in both an HSA and a “limited scope” FSA or HRA. An HSA account holder cannot be covered by another health insurance plan, unless that plan is also an HDHP/HSA. If you are covered by a spouse’s medical insurance plan or full flexible spending account, you are not eligible to participate in an HSA plan. Other ineligible coverages include a full HRA (not limited to dental and vision), those enrolled in Medicare, those claimed as a dependent on another’s tax return or those covered under TRICARE.

## HEALTH REIMBURSEMENT ARRANGEMENT (HRA/VEBA)

Administered by WEX

The Health Reimbursement Arrangement (HRA) account is intended to provide pre-tax contribution and tax free interest growth to either pay qualified out-of-pocket medical expenses and/or save for qualified medical expenses after retirement.

Money is contributed by the City on behalf of the employee to a tax exempt, trust account called a VEBA. This is an account that is funded only by the employer, no employee contributions.

HRA plans are not “use it or lose it”, but claims must be submitted within one year of the date they were incurred in order to be reimbursed.

### How do they compare?

#### Health Savings Account (HSA)

- Individual tax exempt trust or custodial account
- Health Plan requirements (other coverage-FSA or HRA accessibility, etc.)
- Contributions can be made by both employers and employees
- All 213(d) expenses and certain insurance premiums (Medicare Supp premiums not allowed)
- Portability - individually owned, COBRA does not apply
- No substantiation of claims required at time of withdrawal (keep receipts for IRS)
- Participants will not be reimbursed for amounts that exceed the balance of their HSA
- Participants designate a beneficiary of the account

#### Health Reimbursement Arrangement (HRA)

- Sponsored solely by the employer - may establish a trust (VEBA)
- No requirements other than employer plan design choice
- Employer funded only - no employee contributions
- All 213(d) expenses and certain insurance premiums (Medicare Supp premiums are allowed)
- May be continued under COBRA or by plan design (spend down feature)
- Claims may need to be substantiated at time of withdrawal
- Participants will not be reimbursed for amounts that exceed balance in the HRA
- No beneficiary designation

# Flexible Spending Accounts

## Flexible Spending Accounts (FSAs) – Health and/or Dependent Care Reimbursement

### Administered by WEX

You can save money on your healthcare and/or dependent day care expenses with an FSA. You set aside funds each pay period on a pretax basis and use them tax-free for qualified expenses. You pay no federal income or Social Security taxes on your contributions to an FSA. (That's where the savings comes in.) Your FSA contributions are deducted from your paycheck before taxes are withheld, so you save on income taxes and have more disposable income.

The Flexible Spending Account allows you to set aside “pre-tax” dollars to pay for:

- Dependent Care Expenses (up to a maximum of **\$5,000** per year)
- Health Care Reimbursement (up to a maximum of **\$3,200** per year, with the ability to roll over **\$640** per year)
- Limited Scope Reimbursement for vision and dental only (up to a maximum of **\$3,200** per year)

### Here's How an FSA Works

1. You decide the annual amount (up to **\$3,200** or **\$5,000** based on account type) you want to contribute to either or both FSAs based on your expected healthcare and/or dependent childcare/elder care expenses.
2. Your contributions are deducted from each paycheck before income and Social Security taxes, and deposited into your FSA.
3. You can pay with the Healthcare FSA debit card for eligible healthcare expenses. For dependent care, you pay for eligible expenses when incurred, and then submit a reimbursement claim form or file the claim online.
4. You are reimbursed from your FSA. So, you actually pay your expenses with tax-free dollars.

*NOTE: If you participate in the HSA health plan you may ONLY participate in the Limited Scope Reimbursement Plan for vision and dental claims, and not the Health Care Reimbursement plan. You may also participate in the Dependent Care Reimbursement Plan.*



# Retirement



## Public Employees Retirement Association

As a local government employee, you're automatically a member of the Public Employee's Retirement Association (PERA) and you don't have to manage a thing. A pension is a retirement account that your employer maintains to give you a fixed payout when you retire. You contribute a percentage of total annual earnings to PERA and the City contributes a certain percentage too. You are vested in PERA after 60 months of public service if you started your government career after 2010.

Employer Required Contribution	Employee Required Contribution
7.5% of salary	6.5% of salary

Participation in the **PERA Police and Fire Fund** requires employment as a law enforcement officer or firefighter meeting certification and job related duties specified by statute. You contribute a percentage of pre-tax annual earnings to PERA and the City contributes a certain percentage as well. (see contribution percentages below)

Employer Required Contribution	Employee Required Contribution
17.70% of salary	11.80% of salary

Visit MY PERA at [www.member.mnpera.org](http://www.member.mnpera.org) to gain instant online access to benefit estimates, account balances and personal data. Members can also register for PERA's educational programs and individual conferences on line with instant reservation confirmation.

## Deferred Compensation for Retirement

If you are just starting your career or if you are nearing the end, it's never too early or too late to save. You have the option to open pre- or post-tax retirement accounts with Mission Square or the Minnesota State Retirement System Deferred Compensation Plan (MNDCP). Each vendor offers Section 457 & Roth IRA plans. The City of Farmington will match an employee contribution up to \$50/month on any **pre-tax** retirement plan.

You can contact the companies listed below for more information or to set up an account or to change your deductions/investments at any time.

MissionSquare (formerly ICMA)	MNDCP
Christina Clemons <a href="mailto:cclemons@missionsq.org">cclemons@missionsq.org</a>	<a href="mailto:info@msrs.us">info@msrs.us</a>
202-759-7039	651-296-2761
<a href="http://www.missionsq.org">www.missionsq.org</a>	<a href="http://www.msrs.state.mn.us">www.msrs.state.mn.us</a>

## Annual Limits

Total annual contributions to the plan cannot exceed statutory limitations.

### 2024

Annual Contribution Limit (Normal Deferral):	\$23,000
"Age 50" Catch Up Limit (Additional \$7,500):	\$30,500
"Pre-Retirement" Catch Up Limit (Double Normal Deferral):	\$46,000



\*The "age 50" catch-up provision increases the annual 457 contribution limits for participants who are 50 or older.

\*The "pre-retirement" catch-up provision allows eligible participants to make up for years in which they did not contribute the maximum that they were allowed. Using this provision, you can contribute up to double the regular contribution limit for a period of three years immediately preceding your declared normal retirement age. You can't use both types of catch-up provisions in the same calendar year. Contact HR/Payroll to determine if you are eligible for the catch-up provision.

# Additional Employee Benefits

## Holidays

The City of Farmington recognizes 12 days as paid holidays for full-time employees.

New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve Day, Christmas Day, plus Floating Holiday(s).

## PTO or Vacation/Sick Time

Based on employee or union group either Paid Time Off (PTO) or vacation and sick time is offered and accrued per pay period based on years of service.

## Employee Assistance Program

The Employee Assistance Program (EAP) is a **free** and confidential service provided by your employer that offers help with personal and work-related issues.

Professionally trained advisors are available to help with family problems, marital concerns, financial and legal matters, stress, depression, and other issues affecting your personal or work life.

### 1. Call

If you're using the mobile app, you can call Tulus Health with one tap from your smartphone.

### 2. Provide your name

Provide your name and employer's name to an advisor. **Your information will be kept confidential.**

### 3. Share your concerns

Share your concerns with a professional advisor for expert advice, strategies, and next steps.

### 4. Arrange with the advisor

Arrange with an advisor about how, when, and where you want to be contacted if follow-up is required. Your advisor will ask for your employer's name (or other sponsoring organization's name) so we can confirm the type of service available to you, along with other important health insurance and benefits information.

If you are or someone close to you is going through a difficult time,  
remember the EAP is only a phone call away. Contact us today.

Call toll-free, 24/7: 1-866-443-9435

Online: [one.telushealth.com](https://one.telushealth.com) or download TELUS Health One.

# Contact Information

If you have specific questions about a benefit plan, please contact the administrator listed below, or the human resources department.

BENEFIT	ADMINISTRATOR	PHONE	WEBSITE
Medical	Blue Cross Blue Shield	800.382.2000	<a href="http://www.bluecrossmn.com">www.bluecrossmn.com</a>
HSA	UMB	833.537.3873	<a href="http://www.hsa.umb.com">www.hsa.umb.com</a>
HRA and FSA	WEX	833.225.5939	<a href="http://www.wexinc.com">www.wexinc.com</a>



*This benefit summary prepared by*



**Gallagher**

Insurance | Risk Management | Consulting