



FY10 Optional Life Enrollment Dates: June 14–June 19, 2009

The dates for the FY10 Optional Life Enrollment have been set, **June 14–June 19, 2009**. **This enrollment will ONLY be for optional life**—for employees, spouses and dependent children. Employees who wish to enroll in or to increase or decrease existing optional life coverage may do so at this time. However, employees **ARE NOT REQUIRED** to participate in this enrollment, and those with existing optional life coverage will carry those amounts into FY10.

Facts for the FY10 Optional Life Enrollment

- FY10 Optional Life Enrollment: **Sunday, June 14, 2009–Friday, June 19, 2009**. The enrollment will close down at 11:59 p.m., MDT, on Friday, June 19.
- Find the FY10 Optional Life premiums, for employees, spouses and dependent children at www.colorado.gov/dpa/dhr/benefits—click “Insurance Premiums” in the gray buttons on the left.
- Optional Life Enrollment will only be completed in the State’s online Benefits Administration System (BAS). Access the BAS at www.colorado.gov/dpa/dhr/benefits—click on “Enroll/Change Your Benefits.” Log in with username and password (the same ones used in the recently completed open enrollment). Once on their BAS home page, start the process by clicking on the big, green button that will say, “Start Here.” Employees will only be taken through screens regarding basic life, optional life, spouse optional life, dependent optional life and beneficiaries. **No other benefits, such as medical or dental insurance, will be available for change through the FY10 Optional Life Enrollment.**
- Only those that want to enroll in or make changes to their employee, spouse or dependent child optional life coverage should participate. However, we encourage everyone to log into the BAS to review their optional life coverage and to designate a beneficiary or verify existing beneficiaries for their life insurance (which includes the basic, state-paid life insurance).
- Optional Life Enrollment is also an opportunity to update spouse and dependent information—social security numbers for both and tax status for dependent children (see “Your Children, Your Insurance, Your Taxes,” right).
- Employees with current optional life coverage (employee, spouse and/or dependent child) who *do not* participate in the Optional Life Enrollment will have their existing coverage continue in FY10.

- There is a new vendor for the State’s life insurance, both basic and optional life. Minnesota Life has been awarded the contract and was chosen as offering good value to the State, both in terms of premiums and services. It is the nation’s fourth largest life insurer and is a company that specializes in large employers. Colorado will be their 14th state as a customer. The company is highly rated by the major independent rating agencies that analyze the financial stability and claims-paying ability of insurance companies.
- The transition to Minnesota Life will be seamless for employees, as if there had been no change of vendor. Employees will not lose existing coverage, nor need to re-apply for their existing coverage.

Find more information at www.colorado.gov/dpa/dhr/benefits or contact your agency’s benefit administrator if you still have questions. Find a list of benefit administrators at the Web site above—**click on “Your department’s HR/benefits personnel.”**

Your Children, Your Insurance, Your Taxes

If you cover your children with medical/dental insurance, you MUST read this.

Starting in July 2009, you could pay more in taxes, based on the tax status of your children and your state medical and dental insurance choices. How?

If you cover your dependent children with medical and/or dental insurance and those children are listed in the State’s online Benefits Administration System (BAS) as NON-TAX DEPENDENTS, you will pay more in taxes. In these cases, the amount the State contributes to your medical/dental insurance is considered extra income, or as the IRS defines it, “imputed income,” which must be taxed appropriately. Why?

(see **Taxes** on page 2)

(Taxes from page 1)

Remember that the State, as your employer, contributes a portion of the total medical and dental premiums. Employer contributions to insurance plans are only a tax-free benefit to employees and employees' *tax dependents*. If the employer contributes to insurance for an employee's non-tax dependent, **the employer contribution counts as taxable income**, as the employee should not receive a tax-free benefit for a non-tax dependent.

Find More Info at www.colorado.gov/dpa/dhr/benefits

The most common type of non-tax dependent covered by an employee's medical/dental insurance is a 19–24 year-old who is not a full-time student (or any 24-year-old). But these are not the only cases. Visit the Employee Benefits Web site for the following information:

- Find out how to determine your dependent's tax status.
- Instructions on how to review your dependent's tax status in the State's online Benefits Administration System (BAS), and if necessary, how to change the status
- View a table showing how much your taxable income will increase when covering a non-tax dependent.
- A link to IRS Publication 501, which addresses the two types of tax dependents, Qualified Children and Qualified Relatives, and the tests to determine each.
- A list of FAQs on dependent tax status
- Find a list of each agency's benefit administrators, who can provide more information—**click on "Your department's HR/Benefits Personnel."**



Updates & Reminders

- **Spouses & Dependent Children SSNs Required**—The federal government (**the Centers for Medicare and Medicaid—CMS**) is requiring the State to provide social security numbers of employees' spouses and dependent children. Don't be surprised if your agency's benefit administrator asks you about this in the coming months. If you will be participating the FY10 Optional Life Enrollment (see page 1), take the time to review this information in the online Benefits Administration System (BAS). When you are on the dependent screen, click on the "edit" button next to each dependent to review their SSN information (and tax dependent status—see page 1 and above).
- **Your Agency's HR/Benefits Personnel**—Do you know who your agency (department or institution) benefits and human resources personnel are? You can find a complete list of HR personnel, including benefits administrators, and their contact information, at www.colorado.gov/dpa/dhr/benefits—**click on "Your department's HR/benefits personnel."**