

November is Beneficiary Month Time to Update Your Beneficiaries

Naming beneficiaries (for life insurance or retirement accounts) is typically something we do once and then forget about. Why? One reason is that the connections to those we name as beneficiaries don't change often. But another reason is that thinking about beneficiaries forces us to think about our own death.

Yet choosing beneficiaries (or reviewing and updating them) is important. It ensures that your wishes are followed and that your loved ones are taken care of after your passing.

Very often employees pass away with no beneficiary listed or with out-of-date beneficiaries, such as ex-spouses, former friends or deceased family members. If no beneficiary is listed, the life insurance typically follows a set order of your spouse, your children, your parents, and then your brothers and sisters. While this eventually works out, it places an unnecessary burden (and delay) on your family at the wrong time. The situation is worse when a person no longer part of your life is listed as a beneficiary, bringing words like "contested" and "challenge" into the process.

The Employee Benefits Team for the State has declared **November as Beneficiary Month** to encourage employees to review and update beneficiaries, taking care of this important task now rather than leaving it to their families (and the State, the insurance companies, the financial institutions, the lawyers and the courts) to figure out later.

You can find instructions on how to update your beneficiaries at the Employee Benefits Web site, www.colorado.gov/dpa/dhr/benefits. There are instructions on updating beneficiaries for the State's life insurance (basic and supplemental), offered through Minnesota Life, and separate instructions for updating beneficiaries for PERA products, including retirement accounts and PERA life insurance.

Review this information and update your beneficiaries (and their contact information) in November. You'll feel better about it and your family will thank you.

Important Beneficiary Terminology and Information

Primary Beneficiary—These are the first people who will be the beneficiaries of the proceeds of your life insurance or financial accounts. There can be multiple primary beneficiaries. For example, if you have two children and you want them to each have an equal share of your life insurance, you would list each as a primary beneficiary, with each designated to receive 50%.

Contingent Beneficiary—These are the people who will be the beneficiaries if the primary beneficiaries have passed away or cannot be located. Think of them as the "back-up" beneficiaries. For example, if you have two children and you designate one as a primary beneficiary and the other as a contingent, and they are both alive at the time of your passing, one child will get everything and the other child will get nothing.

State Life Insurance (Basic and Supplemental)—The beneficiaries you list for the State life insurance apply to *both* the basic, state-paid coverage, as well as any employee supplemental life insurance you have.

State Spouse and Dependent Supplemental Life—Be aware that only the state employee can be the beneficiary for these policies.



Keeping Your Prescription Costs Down



INTERESTING FACT: For the period of January to June 2009, the State's self-funded medical plan (administered by Great-West/CIGNA) experienced an increase in plan costs for prescriptions of only 1.4% over the same period in 2008.

Why is this good news and why should you care?

This 1.4% increase in plan prescription costs is good news because many employers are experiencing higher increases (for example, 3.2% for all other government plans using the same drug plan management company). Keeping the plan's prescription cost increases down is an important factor in keeping premium increases from becoming too large.

Generics Keep Costs Down—For You and the Plan

The use of generic drugs is one of the keys in keeping prescription costs down, not only for the plan, but for you as well. A 5% increase in generic utilization by plan members can be worth \$5 million to the self-funded plan, and the use of generic prescription drugs by you and your family can save you hundreds or even thousands of dollars over the course of the year.

Remember that the \$150 prescription deductible for the OA-750, OA-1500, and OA-3000 options of the self-funded plan is **WAIVED FOR GENERIC DRUGS**. This means you do not have to worry about meeting the prescription deductible before the generic drug co-pay of \$10 applies.

Generic Drugs—Safe, Effective & Affordable

Generic drugs are as safe and effective as brand-name drugs. They have the same active ingredients in the same dosage and strength as brand-names. A generic drug may even be made by the same company that makes the brand-name version. And the Food and Drug Administration (FDA) reviews and approves generic medications before they are marketed or sold in the U.S.

If you are not already asking your doctor for generic drug alternatives, you may be spending too much on your prescriptions. By choosing a generic medication, you'll pay a lower prescription co-pay, and you get the same quality and effectiveness as a brand-name drug.

The State encourages its employees and their families to use generic drugs when possible. Of course the use of generics will be better for the State's plan, but more importantly, it can save you money as you avoid paying the higher co-payments for brand-name drugs.

More Information

At www.myCIGNAforhealth.com (formerly MyGreatWest.com) there is a feature that lets you price prescription medications and view generic or lower-cost options to brand-name medications. This tool takes into account your coverage and even shows the specific costs at retail pharmacies based on your ZIP code and CIGNA Home Delivery Pharmacy. For additional questions, contact Great-West/CIGNA's customer service line dedicated to State of Colorado employees, **1.888.788.6326 (1.888.ST80FCO)**, and choose the prescription/pharmacy option.

FSA Reminders

FSA Forum



If you have a Flexible Spending Account (FSA), now is a good time to start thinking about your claims. Take a look at the following topics to ensure that you make appropriate claims. Remember, ASI Flex is the State's FSA administrator—www.asiflex.com.

Filing a claim—Claim reimbursement is quick, unless your information is incomplete. Avoid needless delays by submitting all the required documentation and information. See www.asiflex.com/claim-filing-procedures.htm for details on claim filing procedures.

FSA eligible expenses—Find a list of expenses eligible for reimbursement from your FSA at www.asiflex.com/Eligible%20Expenses/eligibleexpenses.htm.

OTC—Over-the-counter (OTC) medicines and products are reimbursable under your health care FSA when the OTC product is used for medical purposes. However, OTC products that are not medicines or that only benefit your general health are not reimbursable. For more information on OTC products and FSAs go to www.asiflex.com/ASIOTC.pdf.

Dependent Day Care FSA (DCFSA)—The purpose of a DCFSA is to enable you and, if married, your spouse, to work, look for work or be a full-time student. While you may still use day care if you have a stay-at-home spouse, those day care expenses would be *ineligible* for reimbursement. Also remember that you cannot claim day care expenses for children over **age 13**. See www.asiflex.com/Programs/dcfsa.htm for more information.

FSA FAQs—Many FSA questions can be answered at the FSA FAQ (Frequently Asked Questions) listing—www.asiflex.com/faq/faq.htm.

Updates & Reminders

- Do you know who your agency (department or institution) human resources personnel are? You can find a complete list of HR personnel, including benefits administrators, and their contact information, on the Employee Benefits Website—www.colorado.gov/dpa/dhr/benefits, click on “Your department’s HR/Benefits personnel.”
- **31-day Window for Changes**—For events such as **BIRTH** or **MARRIAGE** or when a spouse **GAINS** or **LOSES** benefits with their job, any change to your State benefits must be completed **within 31 days** of the event. Day One is the date of the event itself. If you miss this 31-day window, you’ll have to wait until the next Open Enrollment to make your change.
- **Working Together Needs Your Donations**—Working Together is a non-profit foundation established in 1992 by a group of state employees who wanted to help fellow state employees in times of crisis. For more information about the Working Together Foundation, making donations, or volunteer opportunities, call 303-831-8645 (voice message) or visit www.state.co.us/dhr/wt.

