



# BENEFITS ALERT

December 2009

A Benefits News Bulletin from Benefits Services

*For Campus-wide distribution*

## ➤ **403(b) Tax Sheltered Annuity Changes**

- TSA limits remain the same for 2010.
- Beginning this month, the monthly cutoff date to enroll, or make changes to a TSA in Retirement Manager is the 5th of month, by 9:59 pm PST, (or the next business if weekend.)
- Loans, hardship withdrawals and in-service contract exchanges are available with the following Fund Sponsors: ING, MetLife, TIAA/CREF, VALIC (formerly AIG Retirement)  
Fidelity does not offer loans, however, hardship withdrawals and in-service contract exchanges are available.
- Legacy Vendor Information
  - Loans and hardship withdrawals are currently available with the following “legacy” vendors:
    - Ameriprise
    - ING Reliastar
    - Jefferson National Life Insurance Company
    - Life Insurance Company of the Southwest (LSW)Employees who have account balances with the above four legacy vendors can access the Retirement Manager to request loans and hardship withdrawals.
  - Currently, the only way employees who have accounts with other “legacy” vendors can access their funds is to transfer money to one of the five Fund Sponsors and then request a loan, hardship withdrawal, or in-service contract exchange.
  - The other legacy vendors are working on the necessary certification to share data for the purpose of offering loans and hardship withdrawals.
- The CSU Benefits Portal has been updated to include Retirement Manager "How To" videos for active employees! <http://www.calstate.edu/hr/benefitsportal/>

## ➤ **COBRA Subsidy Update**

The American Recovery and Reinvestment Act (ARRA) provides that eligible individuals has the right to pay reduced COBRA premiums for specific periods of time. The provisions of ARRA are set to expire December 31, 2009. However, several bills have been induced that would extend the duration of and eligibility for the 65 percent COBRA premium subsidy for qualified individuals. One bill, if passed, would extend the duration of the subsidy from nine months to 15 months, and extend the deadline for eligibility from December 31, 2009 to June 30, 2010. We will provide an update when more information is available.

## ➤ **Claims Extension Period Implementation for HCRA and DCRA Plans**

Effective immediately, the CSU will adopt the 2 ½ month grace period extension allowed by the U.S. Department of Treasury for flexible spending plans. Only employees who are enrolled in HCRA and/or DCRA through December 31st can continue to incur claims under the grace period extension against the previous plan year for services provided through the following March 15<sup>th</sup>. As a result, current participants with balances in the Health Care Reimbursement Account Plan and/or the Dependent Care Reimbursement Account Plan as of December 31, 2009, will be allowed to utilize remaining 2009 balances toward reimbursement of eligible medical and/or dependent care

expenses incurred from January 1, 2010 through March 15, 2010. The deadline to submit claims for 2009 expenses is June 30, 2010.

➤ **Blue Shield/Blue Shield Net Value Update**

CalPERS introduced two new Blue Shield HMO plans effective January 1, 2010. The new plans, Blue Shield Advantage and Blue Shield NetValue Advantage, provide the same coverage and provisions as the current Blue Shield plans (Blue Shield Access+ and Blue Shield NetValue). Current Blue Shield enrollees who have eligible zip codes will be switched automatically to the corresponding “Advantage” plan effective January 1, 2010. Current enrollees who are not in the eligible zip code areas will remain in their current respective Blue Shield plan. New health plan identification cards will be issued as appropriate. Enrollees are not required to take any action.

For questions, please contact Benefits Services at (562) 985-2381.