Another year has passed and it is time to review your benefit elections and decide if you wish to make any changes. You have a great deal of flexibility in designing your own personalized benefits package. Please read this insert carefully (especially those items in bold and in the shaded boxes), since it provides important information about your University benefits as well as the 2006 Annual Benefits Open Enrollment. As in the past, this will be a negative open enrollment. That means you only need to complete the forms if you wish to make changes, except for the Health Care and Dependent Day Care Flexible Spending Accounts (Advantage Accounts). Internal Revenue Service regulations require that you must re-enroll for 2006 Flexible Spending Accounts even if you are currently participating in 2005.

**Personal Enrollment Form** – The enclosed Personal Enrollment Form contains information about the benefits you are eligible for as a University of Maine System employee and the applicable premiums. The form also shows whether you are enrolled in a particular benefit. The top part of the form contains general information about you and the form itself. Under “Your Options,” each benefit is listed with a brief description. The “Price and Option Codes” section provides the levels of coverage available, the applicable premiums, the option code assigned to that benefit (the number or letter in parentheses), and the “Option Code:____” field, which you use if you wish to enroll, make a change, or waive a benefit election during the open enrollment. Your current election is shown in bold for each benefit under the “Price and Option Codes” section. The statement in bold just below each benefit indicates whether you are currently enrolled in that benefit and at what level. If you do not want to enroll in the 2006 Flexible Spending Accounts (Advantage Accounts) shown on page 4 of the enclosed Personal Enrollment Form or change other current benefit elections, you do not have to complete the enclosed Forms. If you do wish to enroll in a new benefit, make changes to a current benefit election, or waive a benefit, please use the “Option Code:____” field to the right of each section.

**Flexible Spending Accounts** (Advantage Accounts) - If you are currently enrolled in the Advantage Accounts (Flexible Spending Accounts) and wish that participation to continue, the Internal Revenue Service (IRS) requires that you re-enroll for 2006 Advantage Accounts even if you are currently participating in 2005.

- If you wish to enroll or re-enroll in the Health Care or Dependent Day Care Flexible Spending Accounts, complete and sign the Flexible Spending Account (FSA) portion of the enclosed Personal Enrollment Form (page 4) and return it to your Campus Benefits Office. Be sure to indicate your annual election amount on the appropriate line. If the election amount is left blank, your current election will end on December 31 of this year. Please note that the “Dependent Care” description on this page refers to dependent day care services, not health care services.
If you use your Dependent Day Care Flexible Spending Account to pay for services for an adult dependent living with you, please note that the Working Families Tax Relief Act of 2004 provides the most sweeping changes to the definition of a dependent under the Internal Revenue Code in 50 years. Its purpose is to make the definition of dependent uniform throughout the Code.

In addition to the provision that continues to require that you provide more than one-half of the adult dependent’s support, the Act now requires that the adult dependent cannot earn more than $3,200 in 2005 (indexed in future years), which includes any Social Security Benefits they receive. The new indexed amount for calendar 2006 has not yet been determined. If your adult dependent’s earnings exceed this amount, you cannot use your Dependent Day Care Advantage Account to pay for these services on a tax-free basis.

If you do not want to enroll in the 2006 Advantage Accounts or change other current benefit program elections, you do not have to complete the enclosed Personal Enrollment Form.

- **Direct Deposit of Flexible Spending Account Reimbursements** – If you have payroll direct deposit and are enrolled in one or both of the Flexible Spending Accounts (Advantage Accounts), all reimbursements to you will also be direct deposited into your top priority account (also referred to as priority one account). To identify your top priority direct deposit account, go into PeopleSoft Employee Self-Service, Maintain Payroll Information, and Maintain Direct Deposit Information. You will now see all of your direct deposit accounts. The top priority account is the one with the lowest assigned number (for example, 1, 2, or 3). If you are unable or would like help to change your top priority direct deposit account, please contact your Campus Payroll Office.

- **Dependent Information** – Check the dependent information on page 5 of your enclosed Personal Enrollment Form for accuracy and completeness. If any dependent or other information is not correct, please update and return the Form in the enclosed envelope to your Campus Benefits Office.

- **Delta Dental Premiums** – Premiums for the University of Maine System Faculty Delta Dental program (excluding Law School Faculty) will remain unchanged. In accordance with their collective bargaining agreement, ALL AFUM unit members must enroll for single coverage in the dental plan – dependent coverage is optional. All other employee dental premiums (including Law School Faculty) will increase effective January 1, 2006 by approximately 7.75%. The dental premiums for biweekly employees will be deducted in 24 equal installments over the course of the calendar year, rather than 26. This will slightly increase each biweekly deduction; however, in those 2 months during the year when there is a third biweekly pay, you will have a dental premium holiday, with no premium deducted. Premium amounts (biweekly and monthly) can be obtained from your Campus Benefits Office or at our web site noted at the end of this insert. If you elect Delta Dental coverage during this open enrollment, the appropriate premium will be deducted beginning in January, 2006.

- **Short Term Disability Premiums** – Premiums for the full-time represented and non-represented faculty (excluding Law School Faculty) Short Term Disability program through Prudential will decrease effective January 1, 2006 by approximately 4.8%. Premiums for the Prudential Short Term Disability Premiums...
Disability program for all other eligible groups of employees (including Law School Faculty) will also decrease by approximately 6.9% effective January 1, 2006.

**Group Health Premiums for Non-Represented Employees and Part-Time Faculty (PATFA)**

Total premiums for the University of Maine System Anthem Blue Cross and Blue Shield program will increase effective January 1, 2006 by approximately 10.5% for non-represented employees, and part-time regular (and eligible part-time temporary) faculty in the PATFA unit. In accordance with University policy, the premium deduction amounts for non-represented classified employees, supervisors, professional employees (including Law School Faculty) and PATFA unit members will increase as well. In addition, starting January 1, 2006, employees will pay 13% of the single health premium and 15% of the dependent portion of the health premium. Part-time regular non-represented employees and part-time regular PATFA unit members will pay 50% of the new assessed health premiums. Eligible part-time temporary PATFA unit members will pay 40% of the new assessed health premiums. Part-time regular PATFA unit members who have the equivalent of 5 years of full-time regular service will continue to pay the same premium as non-represented full-time faculty. These amounts can be obtained from your Campus Benefits Office or our web site (see end of insert).

**Health Plan Changes for Non-Represented Employees and Part-Time Faculty (PATFA)**

In addition, the following changes to the prescription benefit under both the COMP-CARE and Point of Service (POS) health plans will occur for non-represented employees, PATFA unit members, and retirees (which include widows/widowers and former employees receiving Long Term Disability benefits):

**3-Tier Prescription Plan Design** – Your prescription drug benefits now have three levels (“tiers”):

1. Tier 1 ($10 copay) per 30-day supply. Tier 1 (lowest level copayment) generally includes generic drugs.
2. Tier 2 ($25 copay) per 30-day supply. Tier 2 (mid-level copayment) includes preferred brand name drugs.
3. Tier 3 ($40 copay) per 30-day supply. Tier 3 (highest level copayment) includes non-preferred brand name drugs, which are generally more expensive and/or less effective.

This mailing includes a list of the 100 most commonly prescribed medications and their tiers. If the medication you are taking is not on this list, you can find out its tier by searching the online formulary (drug list) at [www.anthem.com](http://www.anthem.com). You may also call Anthem Blue Cross and Blue Shield’s customer service representatives at 1-800-527-7706. “Your Prescription Drug Coverage”, also enclosed, provides some additional information.

**Generic Incentive Program** – The Generic Incentive Program will become effective January 1, 2006. Beginning that day, if you purchase a brand name medication when a generic medication is available, you will pay your Tier 2 or Tier 3 copay plus the difference between the price of the brand medication and the generic medication. You will pay this even if your doctor specifies the brand name drug. If you are taking a brand name drug, you may wish to ask your doctor if a generic drug is available. (Note: Under current Maine law, pharmacies must fill prescriptions with a generic medication unless your doctor checks “Dispense as Written” on the prescription.)
Out-of-Pocket Maximum – The current out-of-pocket maximums under the prescription benefit ($1,200 for an individual or $1,800 for a family) will be eliminated. This means that you will pay the copay for all prescriptions.

Mail Order – When you use the convenient mail order option, you will be able to get a 90-day supply of your medication and pay only 2 (30-day) copays, instead of 3. In addition, Anthem Prescription has contracts with some local pharmacies throughout Maine that have agreed to provide the 90-day supply for just 2 copays. This mailing includes a list of these “Mail Match” pharmacies (referred to by Anthem as “Participating Mail Order Pharmacies”). You will save on your copay through mail order or through any of the pharmacies on this list.

- Group Health Premiums and Plan Changes for Represented Employees - Please note that the employee group health premium deduction and prescription plan changes described above are subject to collective bargaining and will not change at this time for full-time regular employees in the AFUM (including non-represented faculty), COLT, Service & Maintenance, UMPSA, and Police bargaining units. However, in accordance with collective bargaining agreements, the health premium deduction amounts for all part-time regular represented employees will be deducted at 50% of the new assessed health premiums, effective January 1, 2006. Please be aware that the total health premiums assessed the University of Maine System by Anthem Blue Cross and Blue Shield for represented employees will increase by approximately 13.5%, effective January 1, 2006. The reason that the increase is greater than the increase noted under the non-represented section above is that the represented rate is for the plan with current prescription coverage – the non-represented rate increase is lower because of the prescription changes noted above.

Total monthly premiums as well as employee premium deduction amounts (biweekly and monthly) can be obtained from your Campus Benefits Office or our web site (see end of insert). If you elect Anthem group health coverage during this open enrollment, the appropriate premium will be deducted beginning in January, 2006.

Please note that the increase amounts noted above include 4%, which represents the Dirigo health plan savings offset payment (SOP). If the SOP is less than 4%, these rates will be adjusted accordingly. If you would like to know more about the State of Maine Dirigo Health Plan or the SOP, please visit www.dirigohealth.maine.gov

If you have enrolled in the group health plan an eligible domestic partner who is not a tax-qualified dependent as defined under Internal Revenue Service Code 152, federal regulations require that you be taxed on the value of group health coverage as though you received it as income. That amount is determined by taking the difference between the total monthly two-person health premium and the total monthly single health premium, which is approximately $500 per month.

PLEASE REMEMBER, if you do not want to enroll in the 2006 Flexible Spending Accounts (Advantage Accounts) or change other current benefit program elections, you do not have to complete the enclosed Personal Enrollment Form.

If you have any questions regarding this year’s annual benefits open enrollment period, obtaining an enrollment kit booklet, your eligibility, the benefits available, or how to complete enrollment forms, please contact the Human Resources/Benefits Office at your campus or visit www.maine.edu/bene.html