



# Find Your Balance

ANNUAL ENROLLMENT:  
OCTOBER 31–NOVEMBER 14, 2022

**PEPPERDINE**  
Human Resources

2023 Annual Benefits Guide











**Dear Pepperdine Colleague:**

I am happy to present to you Pepperdine's 2023 benefit offerings.

We know there are many benefits to working at Pepperdine University—the influence of our distinctive mission, the positive work environment and exceptional people of character, the professional development opportunities, the wellness programs, the beautiful settings, the access to an outstanding academic community, and more.

As part of these opportunities, the University offers a competitive benefit plan designed to allow eligible employees the ability to choose coverage that best suits their individual and family needs. We also provide a generous holiday and vacation package; access to many facilities, activities, and services; and a tuition remission program to help defray the cost of higher education for eligible employees, their children, and their spouses.

Pepperdine provides the following coverage:

-  Medical
-  Dental
-  Vision
-  Life
-  Disability
-  Behavioral health

In addition to coverage options, Pepperdine provides you with tax savings through before-tax contributions, health savings accounts, two types of flexible spending accounts, and various voluntary insurance options.

These benefits are part of our effort to attract, develop, reward, and retain an exceptional workforce. With the changing health care market in this country, now more than ever personal responsibility and ownership of our health care options and choices are required. Please join me and **Own Your Wave**. Make an informed decision to protect you and your family by selecting the best plan options for you.

Sincerely,

A handwritten signature in cursive script that reads "Sean Michael Phillips".

**Sean Michael Phillips**

Associate Vice President, Human Resources and Business Services



## WHAT IS NEW IN 2023:

- While the University will no longer make a base contribution to an employee's Health Savings Account (HSA), employees will receive a matching contribution of 100% up to \$750 for single plans (increased from \$500) and up to \$1,500 (increased from \$1,000) for family plans on a per paycheck basis.
- VSP Vision insurance coverage has expanded to include more retailers and VSP KidsCare, which provides additional benefits for enrolled dependents under age 26.
- The voluntary Accident Plan has been enhanced to increase maximum benefit payments. The historical low/high coverage options have been consolidated into one cost-effective plan. All participants in the current Accident plans must elect to enroll in the new plan if they wish to continue coverage.
- The Critical Illness voluntary benefit has been modified to include coverage tier options of Employee, Employee + Spouse, Employee + Children, and Employee + Family. Coverage amounts have expanded to include options of \$10,000, \$20,000, and \$30,000 per tier. All participants in the current Critical Illness plan must elect to enroll in a new plan if they wish to continue coverage.
- The Legal Plan voluntary benefit has expanded to include up to four hours of general consultation services.

# Own Your Wave

Open Enrollment is your yearly opportunity to compare the plans offered and enroll in the medical coverage plan best suited for your situation. Navigating health insurance and making the right choices can be complex—but it is important to evaluate your options, even if you are short on time.

How do you choose benefits that fit your needs and your budget? Keep these suggestions in mind when choosing a plan:

- Identify your specific health care needs
- Consider monthly premiums, deductibles, copayments
- Consider which providers and hospitals are in your area
- Consider out-of-pocket costs

**ANNUAL OPEN ENROLLMENT RUNS FROM OCTOBER 31–NOVEMBER 14, 2022**

# 2023 Open Enrollment – What You Need to Know

Pepperdine University offers faculty and staff a set of core benefits with an opportunity to choose a variety of options in other benefit categories.

## CORE BENEFITS

*Pepperdine provides automatic enrollment in:*

- Life Insurance
- Accidental Death and Dismemberment Insurance
- Business Travel Accident Insurance
- Long-term Disability Insurance
- Employee Assistance Program
- Health Advocate Program



## OPTIONAL BENEFITS

*You may elect optional coverage for:*

- Dental
- Vision
- Health Savings Account (HSA) covering unreimbursed health expenses if enrolled in the Anthem PPO HSA Plan
- Flexible Spending Accounts (covering unreimbursed health and dependent care expenses)
- Voluntary Term Life Insurance
- MetLife Critical Illness Plan
- MetLife Pre-paid Legal Plan
- MetLife Accident Plan
- MetLife Hospital Indemnity Plan
- Nationwide Pet Insurance



## MEDICAL BENEFITS

*Your choice of medical benefits include:*

- Anthem Vivity HMO
- Anthem PPO HSA Plan
- Anthem Advantage HMO
- Kaiser HMO Health Plan



**If you do not enroll in a medical plan within 30 days of initial eligibility, you will automatically be enrolled in the Anthem Vivity plan with single coverage (CA employees) or the Anthem PPO plan with single coverage (out-of-state employees). You can also elect to waive coverage, but you must decline coverage and complete a Medical Plan Waiver online.**

## ADDITIONAL BENEFITS

Some benefits you receive from Pepperdine University are not included in the flexible benefits program. These benefits include Social Security, holidays, vacation, sick pay, service awards, tuition assistance, credit union membership, retirement plans, wellness programs, and professional development programs.



Visit [mybenefits.pepperdine.edu](https://mybenefits.pepperdine.edu) or call 310.506.6967 to enroll in your benefits. Faculty and staff members hired after Open Enrollment will receive benefits information at orientation.

# Coverage Begins

## CURRENT FACULTY AND STAFF MEMBERS:

When you elect benefits during Open Enrollment, your choices take effect on January 1, 2023. Your benefits will last until December 31, 2023\*. Please contact Human Resources for more information, should either you or your enrolled dependents become hospital-confined on this day.

## NEW FULL-TIME FACULTY AND STAFF MEMBERS:

Benefits coverage begins the **first day of the month**, either coinciding with or immediately following, your date of full-time employment. Your benefits will last until December 31, 2023\*.



## OPEN ENROLLMENT: OCTOBER 31–NOVEMBER 14, 2022



**ENROLL  
ONLINE:**

[MYBENEFITS.PEPPERDINE.EDU](https://mybenefits.pepperdine.edu)



**ENROLL  
BY PHONE:**

310.506.6967  
855.847.6069 (TOLL-FREE)



**EXPLORE COVERAGE  
DETAILS OR LOCATE A  
MEDICAL PROVIDER WITH  
HEALTH ADVOCATE:**

866.799.2728

*\* contingent on continued employment in a benefit eligible class*

# Eligibility

You're eligible to enroll in benefits if:

- You are an active, regularly assigned, full-time staff employee, **working a minimum of 30 hours per week** (except where applicable law requires a lesser number of hours).
- You are an active, staff employee in **an approved "9–12 month" position**, working a minimum of 30 hours per week.
- You are an active, full-time faculty member employed under **a regular (non-adjunct) faculty contract**, serving in at least a three-quarter time appointment (.75 FTE) each academic year.

## ELIGIBLE DEPENDENT

As an eligible employee, you may be allowed to carry family members on your benefit plan with the following guidelines\*:

- Your legally married spouse (unless in active service in the Armed Forces)
- Your domestic partner (legally registered with the State of California under AB205 and SB30)
- Your children under age 26
  - Your children include your legally adopted children and children who are placed in your physical custody for adoption.
  - Your children also include each of your stepchildren and children for whom you or your spouse have been appointed legal guardian by a court of law.
  - Special rules apply for children with disabilities.

## SPOUSES WORKING AT PEPPERDINE

If you and your spouse work at Pepperdine University, you will generally be covered separately as employees. However, if you also have eligible children you wish to cover along with your spouse, you, your spouse, and your children may choose to be covered under just one of you with the other waiving individual medical coverage.

Enrolling as a single-family unit will allow you to take full advantage of family deductible maximums and other out-of-pocket costs. However, you may pay more in employee premiums, so please review the employee contribution rates carefully.

Each of you may also choose your own coverage under different plans; however, eligible children may be covered by only one of you. Check with your tax advisor on tax implications.

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\*Note: Plan coverage is governed by more formal legal plan documents. Applicable laws and insurance contracts may also affect coverage. While every effort has been made to provide clear and accurate information, in the event of any discrepancy between these materials and the official plan documents, the plan documents or contracts will govern.

Please do not interpret any statement in this booklet to mean that your participation in the University's benefits program is a guarantee of continued employment or is intended to be an employment contract of any form.

The University reserves the right to change, suspend, amend, or end the benefits program and the terms on which benefits, if any, will be available to its employees. The president and the executive vice president of the University, acting together, shall have the right to amend the Plan at any time and to any extent that they deem advisable, provided, however, that the Board of Regents shall retain the exclusive authority to terminate the plan.

Health care providers are not agents of Pepperdine University. Health care providers are solely responsible for the delivery of health care services. Pepperdine University is not liable for acts or omissions of any health care provider or plan you have chosen.



## HAVE A QUALIFYING EVENT?

If you have a qualifying event, you will need to submit your change on the benefits website within 30 days of the event date. Otherwise, you will have to wait until the next Open Enrollment period to change your benefit elections.

## QUALIFYING EVENT CHANGES

The only time you can change your benefit elections is during Open Enrollment, unless you have a qualifying event such as:

- 🌀 Marriage or registered domestic partnership
- 🌀 Birth or adoption of a child
- 🌀 Divorce or legal separation
- 🌀 Death of an enrolled dependent
- 🌀 Change in employment status
- 🌀 Change in coverage under another plan

# Medical Plans

Pepperdine University is committed to providing affordable and comprehensive health coverage to employees and their families.

## HOW THE PLANS COMPARE

With each plan, you will pay some of the expenses. The plans vary based on the amount of cost sharing, which will be your responsibility. Cost sharing is influenced directly by whether you choose in-network providers, preferred providers, or out-of-network providers each time you need care.

**“In-network”** refers to providers such as primary care physicians, specialists, and hospitals who participate in an HMO network in your service area.

- You and your covered dependent(s) must select a primary care physician from the HMO provider directory if enrolled in an HMO Plan
- The primary care physician of your dependent(s) may or may not be different from yours

**“Preferred Providers”** refers to physicians, health care facilities, and other health care providers who belong to the Anthem Blue Cross PPO Network.

- Providers are listed in the PPO provider directory
- In addition to cost savings, Anthem Blue Cross PPO Providers bill Anthem Blue Cross for you

**“Out-of-network”** refers to any doctor or other health care provider you choose who does not participate in the Anthem Blue Cross HMO or PPO provider network.

- The provider is not listed in the plan directory
- You are responsible for a percentage of costs or copayment, any charges that are more than the covered expense, and any applicable deductibles

**“Out-of-Area”** Medical Benefits refers to employees who live either outside or transferred from the service areas of Anthem Advantage HMO, Anthem Vivity HMO, and Kaiser Permanente HMO. The Anthem HSA PPO plan is available for employees residing outside the HMO service area.



## STAY ON TRACK WITH 90-DAY PRESCRIPTIONS

Do you take medication on an ongoing basis? Instead of visiting the pharmacist and paying for a refill every month, ask your doctor to write a 90-day prescription. Why? You're less likely to miss a dose with a larger supply. And you could also save money.

Pick up your medication at preferred pharmacies or get medication through mail delivery.

*Generic drugs contain the same active ingredients as brand-name drugs. They are also just as safe and effective as brand-name drugs while often costing less.*



## WAIVER OF MEDICAL BENEFITS

You will need to complete a Medical Plan Waiver for you and any dependents if:

- You have medical plan coverage through a spouse or other employer
- You wish to retain that medical coverage as your primary source of medical coverage for yourself and eligible dependents (spouse and/or children)

You will need to provide information regarding the other coverage online during enrollment.



## ANTHEM PPO HSA (HIGH DEDUCTIBLE) PLAN

This Anthem plan includes comprehensive medical and prescription coverage. If you choose this plan, you may be eligible to sign up for a Health Savings Account (HSA), a special tax-advantaged account to help cover out-of-pocket costs. Please see the HSA FAQ information on page 12.

While the University will no longer make a base contribution to an eligible employee's HSA, Pepperdine will match employee contributions 100% up to \$750 for single plans and up to \$1,500 for family plans on a per paycheck basis.

With this plan, coverage starts after a relatively larger deductible has been met. The plan will then pay a high percentage of eligible expenses until a designated out-of-pocket maximum amount is reached.

After the out-of-pocket maximum is reached, covered expenses are paid at 100% for the remainder of that year.

Preventive care, including certain physical exams, routine diagnostic tests, mammograms, and immunizations are covered 100% even before the deductible is met.

Deductible (Preferred):	Deductible (Out-of-Network):
\$1,500 (single)	\$3,000 (single)
\$3,000 (member) <sup>1</sup>	\$3,000 (member) <sup>1</sup>
\$3,000 (family)	\$6,000 (family)

University HSA Match Contribution:	
Up to \$750 single	Up to \$1,500 family

Coinsurance/Copays:	
Office visit: 90%	70%
Hospitalization: 90%	70%

Out-of-Pocket maximum:	Out-of-Pocket maximum:
\$3,000 single/\$6,000 family	\$9,000 single/\$18,000 family

*(1) Employees with dependents in the HDHP plan will have a per member deductible and per member out-of-pocket limit. No individual family member will be required to pay more than the per member limits, even if the full family deductible or full family out-of-pocket limit has not yet been satisfied. Claims incurred within an individual member limit will also concurrently accumulate against the overall family limit.*



## ANTHEM VIVITY HMO

Anthem and seven of the top-rated health systems in Southern California have joined together to create Vivity, a new kind of HMO plan that was built to provide access to the best care at an affordable price. You'll get:

- 🌀 Access to top-ranked doctors across Los Angeles and Orange Counties
- 🌀 High-quality, affordable care — you only have a copay
- 🌀 A wide choice of specialists with easy referrals
- 🌀 Tools to keep you connected around the clock
- 🌀 Wellness programs to help you get and stay healthy

With this partnership, you can visit a wide array of in-network doctors, hospitals, and other health care providers.

Your primary care physician provides the treatment you need, authorizes any needed tests or medications, or refers you to a specialist.

A referral is not needed to see these specialists in your assigned group:

- 🌀 Dermatologists
- 🌀 Ear, nose, and throat doctors
- 🌀 Obstetricians/gynecologists
- 🌀 Allergists

You must live in the Vivity Service area to enroll in this plan.

## Highlights:

- 🌀 No deductible
- 🌀 Office visits: \$25 primary or \$45 specialist
- 🌀 Hospitalization: \$500 copay
- 🌀 Copayment maximum: \$2,500 single/\$5,000 family
- 🌀 No claim forms are required

## Covered health systems include:

- 🌀 Cedars Sinai
- 🌀 Huntington Hospital
- 🌀 MemorialCare
- 🌀 PIH Health and Good Samaritan Hospital
- 🌀 Providence
- 🌀 Torrance Memorial
- 🌀 UCLA Health



## ANTHEM ADVANTAGE HMO

A Health Maintenance Organization that limits you to visit doctors in the Advantage HMO network and live within the plan's service area.

Your primary care physician provides the treatment you need, authorizes any needed tests or medications, or refers you to a specialist.

No claim forms are required.

### Highlights:

- 🌀 No deductible
- 🌀 Office visits: \$25 or \$45 copay based on medical group
- 🌀 Hospitalization: \$500 copay
- 🌀 Copayment maximum: \$2,500 single/\$5,000 family

## KAISER PERMANENTE HMO

A Health Maintenance Organization that limits you to visit doctors in the Southern California Kaiser network and live within their service area. Your primary care physician coordinates treatment in a Kaiser medical center.

No claim forms required.

### Highlights:

- 🌀 No deductible
- 🌀 Office visit: \$20 copay
- 🌀 Hospitalization: \$500 copay
- 🌀 Copayment maximum: \$1,500 single/\$3,000 family

# Pepperdine University 2023 Medical

	Kaiser Permanente HMO	Anthem Vivity HMO	
<b>Plan Concept</b>	A Health Maintenance Organization requires that you use their facilities and reside within their service area. No claim forms are required.	A Health Maintenance Organization and partnership between Anthem and seven top Southern California health systems that requires that you use their facilities and reside within their service area. No claim forms are required.	
<b>Deductible (Calendar Year)</b>	No Deductible	No Deductible	
<b>University HSA Contribution<sup>(1)</sup></b>	N/A	N/A	
<b>Coinsurance or Copays*</b> • Office Visits • Hospitalization • Surgical • <b>Prescription Drugs<sup>(2)</sup></b> (including dental Rx's through participating pharmacies only)	\$20 \$500 \$250 out-patient Generic - \$15 Brand - \$35 Specialty - 30% (\$150 maximum)	\$25 Primary/ \$45 Specialist \$500 \$250 out-patient Tier 1 - \$15 Tier 2 - \$35 Tier 3 - \$55 Tier 4 - 30% (\$150 maximum)	
<b>Out-of-Pocket Maximum</b> The Coinsurance Out-of-Pocket Maximum refers to expenses you have paid toward eligible expenses	N/A	N/A	
<b>Copayment Maximum</b> (refers to calendar year limit of copayments for office visits, emergency room, coinsurance, etc.)	\$1,500/Individual \$3,000/Family	\$2,500/Individual \$5,000/Family	
<b>Lifetime Maximum</b>	Unlimited	Unlimited	
<b>2023 Employee Monthly Contribution Rates</b>			
<b>Employee Only</b>	\$97	\$86	
<b>Employee + Child(ren)</b>	\$212	\$193	
<b>Employee + Spouse</b>	\$232	\$204	
<b>Employee + Family</b>	\$311	\$278	

\*Including Mental Health and Substance Abuse Care.

**(1)** In plan year 2023, the University will match any employee contributions up to \$750 for individual plans and \$1,500 for employee + dependent(s). Employees who currently have a 2022 FSA account and enroll in the 2023 HDHP plan should make every effort to submit all 2022 Health FSA claims by December 31, 2022 or enrollment in an HSA account may be delayed. Participants with less than \$570 in unclaimed funds in their FSA account as of December 31, 2022, will have their remaining 2022 Health FSA balance rolled to a Limited Purpose FSA (LPFSA) for 2023. A LPFSA may be used for the reimbursement of dental and vision expenses in 2023. Employees who do not meet the IRS eligibility rules to participate in an HSA account will receive their contribution into a Health FSA account.

# Plan Highlights

	Anthem Advantage HMO	PPO HSA Plan	
		Preferred	Out-of-Network
	A Health Maintenance Organization requires that you use their facilities and reside within their service area. No claim forms are required.	A High Deductible Health Plan (HDHP) is a medical program benefit design with coverage that starts after a relatively larger deductible has been met. The plan will then pay a high percentage of eligible expenses until a designated out-of-pocket maximum amount is reached. Covered expenses are paid at 100% for the remainder of that year. Preventive care, including certain physical exams, routine diagnostic tests, mammograms, and immunizations are covered 100% even before the deductible is met.	
	No Deductible	\$1,500/Single \$3,000/Member <sup>(3)</sup> \$3,000/Family	\$3,000/Single \$3,000/Member <sup>(3)</sup> \$6,000/Family
	N/A	Up to \$750/Single Up to \$1,500/Family	
	\$25 or \$45 based on medical group \$500 \$250 out-patient Tier 1 - \$15 Tier 2 - \$35 Tier 3 - \$55 Tier 4 - 30% (\$150 maximum)	90% 90% 90% Tier 1 - \$15* Tier 2 - \$30* Tier 3 - \$50* Tier 4 - 30% (\$150 maximum)*	70% 70% 70% See Plan Documents
	N/A	\$3,000/Single \$3,000/Member <sup>(3)</sup> \$6,000/Family	\$9,000/Single \$9,000/Member <sup>(3)</sup> \$18,000/Family
	\$2,500/Individual \$5,000/Family	After your out-of-pocket maximum is reached, the coverage pays 100% for the balance of the calendar year.  The in-network out-of-pocket limits are separate limits from the out-of-network limits.	After your separate out-of-pocket maximum is reached, the coverage pays 100% for the balance of the calendar year. The out-of-network limits are separate limits from the in-network limits.
	Unlimited	Unlimited	Unlimited
	\$138	\$175	
	\$267	\$339	
	\$296	\$375	
	\$410	\$516	

\*HDHP Rx copays do not apply until after the deductible is met.

**(2)** All Anthem plans use the Essential Drug Formulary effective January 1, 2019. The plan also uses an RX Tier Choice pharmacy network. Prescriptions filled outside the preferred tier pharmacy network will incur an additional \$10 non-preferred pharmacy copayment.

**(3)** Employees with dependents in the HDHP plan will have a per member deductible and per member out-of-pocket limit. No individual family member will be required to pay more than the per member limits, even if the full family deductible or full family out-of-pocket limit has not yet been satisfied. Claims incurred within an individual member limit will also concurrently accumulate against the overall family limit.

# Health Savings Account (HSA)

You can qualify for a Health Savings Account if you are enrolled in a high-deductible health insurance plan (Anthem PPO HSA) and meet other IRS criteria.

With an HSA, you decide how many pretax dollars to contribute to your account each year, up to the IRS-mandated maximum, and use the money to cover eligible medical expenses like deductibles, copays, and coinsurance.

The best benefit is your HSA balance will roll over from year to year. Check out our FAQ below to learn more.

**Q. Is the Anthem PPO HSA plan right for me?**

**A.** Only you can decide. However, it is important to understand if you choose this coverage option the plan will pay no benefits other than for preventive services until you meet the annual deductible of \$1,500 if you have individual coverage or \$3,000 if you have family coverage.

**Q. If I choose the Anthem PPO HSA plan, do I have to participate in a Health Savings Account (HSA)?**

**A.** No. The decision to participate in an HSA is completely up to you. You may pay your medical deductible expenses however you choose via credit card, cash, etc. However, you will not receive the University contribution if you do not elect to participate in the University's HSA account.

**Q. Why would I want to consider the Anthem PPO HSA Plan coverage?**

**A.** By choosing the Anthem PPO HSA coverage, you may be able to participate in a Health Savings Account, and you will only pay for the care that you receive. If you do not incur medical expenses, you will save and accumulate the money you contribute to the HSA account annually.

**Q. If I choose the Anthem PPO HSA plan now, will I be able to elect coverage under a different medical option in the future?**

**A.** Yes. You may change your election during any subsequent annual open enrollment. If you experience a qualified work or family status change, you will be able to elect, change or waive coverage as permitted by IRS and HIPAA regulations.

**Q. What will happen to the money in my HSA if I retire, separate from employment, or select a different plan option in the future?**

**A.** The money in your HSA belongs to you and is portable upon retirement or separation. It will remain in your account until you elect to receive it.

**Q. What are the eligibility requirements for contributing to an HSA account?**

- A.** To be eligible to contribute, the individual:
- Must be covered by a qualifying High Deductible Health Plan (i.e., the Anthem PPO HSA Plan).
  - Cannot be enrolled in Medicare, including automatic Part A coverage. This typically means that once participants turn age 65, they can no longer fund a HSA account.
  - Cannot be covered by other health insurance that is not a HDHP (excluding accident plans or dental insurance plans).
  - Cannot be eligible to be claimed as a dependent on another person's tax return.

**Q. How much can I contribute to an HSA each year?**

**A.** Each year you can contribute an amount equal to the annual IRS limit for HSA contributions. The 2023 limit is \$3,850 for single coverage and \$7,750 for family coverage. This amount includes any University contributions made to the account. If you are age 55 or older, you can make an additional catch-up contribution of \$1,000.

**Q. Can I open an HSA with any HSA provider?**

**A.** Pretax<sup>1</sup> salary reduction contributions may only be made to Pepperdine's chosen HSA Provider. HSA accounts will be established automatically with Pepperdine's chosen HSA provider, Chard Snyder. If you choose your own provider, your contributions will be made on an after-tax basis and you will receive a tax deduction at the time you file your tax return.

**Q. Will the earnings in my account be tax-free?**

**A.** Any earnings on your account may be tax-free<sup>1</sup> as long as you use this money to pay qualified medical expenses. If you use them for another type of expense, this money will become taxable income. **You have an obligation to report this money to the IRS if you use it for purposes other than qualified medical expenses.**

**Q. My spouse and I turn 65 this year and will be enrolled in Medicare Part A. Will we still be able to use the money in our HSA?**

**A.** Yes. Even though you cannot contribute to an HSA after you sign up for Medicare, you can keep the account and use the money for qualified medical expenses.

**<sup>1</sup> IMPORTANT TAX INFORMATION**

*Contributions to an HSA account are currently tax-free for federal income tax purposes. **Contributions to an HSA are subject to California state taxes.** This includes the University's contribution to your HSA account. The University will make its HSA Contributions on a per payroll basis for the 2023 calendar year.*

**IRS regulations govern all HSA accounts and transactions and are subject to change.**

## HSA CONTRIBUTIONS IN 2023:

- 🌀 Beginning in 2023, the University will no longer make base (nonmatching) contributions to employee HSAs.
- 🌀 For those who enroll in the Anthem PPO HSA plan, the University will match employee contributions up to \$750 for individual plans and up to \$1,500 for family plans.
- 🌀 While employer HSA contributions were previously made in January (or on a quarterly prorated basis for employees hired midyear), all employer contributions in 2023 will be made automatically on a per paycheck basis.

# Flexible Spending Account (FSA)

Your benefits package includes a lot more than medical insurance. Pepperdine's Flexible Spending Account (FSA) allows employees to set aside pretax money for eligible health care expenses and dependent care costs.

You should know:

- 🌀 Using pretax dollars means the deductions from your paycheck, which are set aside in your FSA, are not subject to federal income taxes, Social Security, Medicare taxes, and most state income taxes.
- 🌀 Either you or your dependents must cover any expenses (for federal income tax purposes).
- 🌀 What you pay out-of-pocket for eligible medical expenses (such as deductibles, copayments, coinsurance, eye exam fees, eye glasses/contacts costs, prescribed over-the-counter drugs, and dental expenses) are typically reimbursable expenses.
- 🌀 Unused contributions in a Health FSA and Limited Purpose FSA, up to \$570, will roll over from 2022 to 2023.

*Note: Many retailers allow you to make eligible purchases with your FSA and HSA card in-store and online.*



## HEALTH CARE & DEPENDENT CARE (DAY CARE) SPENDING ACCOUNTS

We offer these FSA accounts:

- 1. Health Care:** pretax dollars to cover out-of-pocket health care expenses.
- 2. Dependent Care (Day Care):** pretax dollars to cover child and elder care expenses.
- 3. Limited Purpose FSA:** pretax dollars to cover out-of-pocket dental and vision care expenses. This type of flexible spending account is available to those who enroll in the Anthem PPO plan with HSA election.

You must actively elect either a Health Care, Limited Purpose, and/or Dependent Care FSA. Your 2022 election will not carry over into the new plan year.

Your account will be effective January 1, 2023.



# Dental

Dental insurance can help you pay for most types of dental care and protect your wallet should you incur large dentist bills.

We offer two dental plans and a “dental waiver”:

## DELTA DENTAL

Delta Dental offers a traditional indemnity plan with a PPO option. Under this plan, you may choose any dentist you wish. Delta Dental offers you the option of using a Preferred Provider from a list of participating Delta Dentists.

By using the Preferred Dentists, you will automatically receive a higher benefit including a waived deductible. The maximum annual benefit is \$2,000/insured.

## DELTACARE USA HMO

A managed dental program provides dental benefits through specific providers.

If you select this plan, you must use only these providers to receive benefits. There is no annual deductible, and you will not have to fill out claim forms. Copayments range from \$0 to \$300 for certain procedures.

### Dental Coverage and Costs Table

	Delta		DeltaCare USA HMO
	Preferred Option	Premier	
Plan Concept	Delta Dental offers you the choice of using their Preferred Providers or any dentist you choose. <b>By using Preferred Dentists, you will automatically receive a higher benefit as illustrated below.</b>		This is a Pre-Paid Dental Plan and care is provided by Network dentists. If you select the plan, you must use these providers to receive benefits.
Annual Deductible	None	\$50 Basic & Major Services combined (No deductible for Diagnostic & Preventive & Orthodontia); \$150 Maximum Family Deductible.	No Annual Deductible. Certain procedures require a copayment.
Annual Benefit Maximum	\$2,000	\$2,000	None
Orthodontia Maximum (Lifetime)	\$2,000	\$2,000	None
Coinsurance and Copays			
Preventive and Diagnostic	100%	100%	100%
Basic and Restorative and Oral Surgery	95%	80%	Copays vary according to procedure (\$0 to \$280)
Major Services	50%*	50%*	Copays vary according to procedure (\$10 to \$300)
Implants (pre-authorization required)	50%*	50%*	No Coverage
Orthodontics	50%*	50%*	Copayments vary
2023 Employee Monthly Contribution Rates			
Employee Only	\$ 8.26		\$ 3.83
Employee + 1	\$21.56		\$ 7.62
Employee + 2 or more	\$45.98		\$11.72

\*Waiting period may apply for prosthodontic, orthodontic, and implant benefits.

# Vision

Vision insurance offers savings on routine vision exams, eyeglass frames and lenses, and even contact lenses.

## VSP CHOICE VISION CARE PLAN

This plan is similar to an indemnity plan with a PPO option, offering two ways for you to receive services and benefits. You have the option of receiving services at a participating in-network provider or an out-of-network provider.

Plan details include the following:

- Your benefits are paid at a higher rate by using the VSP providers
- Benefits for an eye exam and lenses are available every 12 months
- Frames are available every 24 months
- Claim forms are not required within the network

For out-of-network services, you will need a claim form. Vision care does not have to be coordinated through your primary care physician from your medical plan.

### Vision Plan Highlights Chart

VSP Choice Plan Highlights		
Plan Concept	VSP offers you the choice of using their Preferred Providers or any optometrist you choose. By using an optometrist from the VSP network, you receive a vision exam and lenses with a \$20 copayment and receive a \$175 allowance for frames. No claim form is required within the network. However, preauthorization and claim forms are required out of network.	
	In-Network	Out-of-Network
Examination	\$20 copayment	Plan reimburses up to \$45
Lenses (single to trifocal)	Included	Plan reimburses from \$30 to \$65
Frame	\$175 allowance (\$195 Featured Frame Brand) \$100 allowance at Costco (20% savings over allowance)	Plan reimburses up to \$70
Contact Lenses (in lieu of lenses and frame benefit)	\$175 allowance for contacts Up to \$60 copay for contact lenses exam (fitting and evaluation)	Plan reimburses up to \$105
2023 Employee Monthly Contribution Rates		
Employee Only	\$10.35	
Employee + 1	\$15.07	
Employee + 2 or More	\$27.06	

### EXPANDED VISION BENEFITS IN 2023:

- VSP Vision insurance now includes access to Walmart/Sam's Club for frame allowances as well as VSP's KidsCare program.
- KidsCare provides two comprehensive eye exams each year, an additional set of lenses/contacts in the same plan year with a minimum prescription change, and Vision Therapy for enrolled dependents under age 26.

# Voluntary Benefits

We offer a suite of voluntary benefits like supplemental life insurance and pet insurance to protect all that is important to you.

We offer voluntary benefits including:

- Optional Term Life Insurance
- MetLife Critical Illness Plan
- MetLife Pre-paid Legal Plan
- MetLife Accident Plan
- MetLife Hospital Indemnity Plan
- Nationwide Pet Insurance

Additional information on these benefits can be found under Voluntary Benefits on the benefits platform dashboard.

MetLife Hospital Indemnity Plan	
<b>Plan Concept</b>	Group Hospital Indemnity Insurance can complement your medical coverage by helping to ease the financial impact of a hospitalization. It provides a lump sum payment that can be used as you see fit for hospital admission, accident-related inpatient rehabilitation, and hospital stays.
	<b>Hospital Indemnity Monthly Costs</b>
<b>Employee Only</b>	\$15.07 (Low) \$29.93 (High)
<b>Employee + 1</b>	\$23.22 (Low) \$46.53 (High)
<b>Employee + 2 or More</b>	\$36.84 (Low) \$73.79 (High)
MetLife Accident Plan	
<b>Plan Concept</b>	Group Accident Insurance complements your medical coverage by helping to ease the financial impact of an accident. It provides you with a payment to use as you see fit and can help with any of the out of pocket expenses you may incur as a result of an accident, such as insurance deductibles, copays, and transportation to/from medical centers, child care, and more.
	<b>Accident Plan Monthly Costs</b>
<b>Employee Only</b>	\$9.27
<b>Employee + 1</b>	\$17.98
<b>Employee + 2 or More</b>	\$24.01
MetLife Legal Plan	
<b>Plan Concept</b>	MetLife Legal provides you, your spouse, and your dependents with fully covered legal services from experienced attorneys at a low monthly group rate. When you use a Plan Attorney for covered services, there are: <ul style="list-style-type: none"> <li>• No deductibles</li> <li>• No copayments</li> <li>• No waiting periods</li> <li>• No claim forms</li> <li>• No limits on usage</li> </ul>
<b>Monthly Cost</b>	\$20.79
MetLife Critical Illness Plan	
<b>Plan Concept</b>	If you experience one of the covered conditions within any category and meet all of the group policy and certificate requirements, you will receive a lump-sum benefit payment to use as you see fit. This payment can help you keep your family finances on track if you experience a covered condition.
<b>Covered Conditions</b>	MetLife Critical Illness Insurance covers the following medical conditions: <ul style="list-style-type: none"> <li>• Full Benefit Cancer*</li> <li>• Partial Benefit Cancer*</li> <li>• Heart Attack</li> <li>• Stroke*</li> <li>• Kidney Failure</li> <li>• Coronary Artery Bypass Graft</li> <li>• Alzheimer's Disease*</li> <li>• Additional Listed Conditions*</li> </ul> <b>A Major Organ Transplant Benefit is also included.</b> You will receive an additional lump-sum payment of 100% of your Selected Benefit Amount for Major Organ Transplant. This coverage would be in addition to the Total Benefit Amount payable for the previously mentioned Covered Conditions.
<b>Coverage Tiers</b>	Employee, Employee + Spouse, Employee + Child(ren), and Employee + Family
<b>Coverage Amounts</b>	Available options for each tier include \$10,000, \$20,000, and \$30,000. The Critical Illness Monthly Costs are dependent on the employee's age, selected tier, and coverage amount.*
Nationwide Pet Insurance	
<b>Plan Concept</b>	Pet Insurance provides benefits for veterinary treatments related to accidents and illness, including cancer. For more information or to enroll, call <b>877.738.7874</b> or visit <b>PetsNationwide.com</b> .

\*Details provided under Voluntary Benefits on the benefits platform dashboard.

# Benefits Highlight: Health Advocate

Pepperdine provides an advocacy service at no cost to benefit eligible employees to assist with a variety of life's challenges which include the following:

## EMPLOYEE ASSISTANCE PROGRAM (EAP)

Our EAP provides eligible employees and their family members with confidential access to a licensed professional counselor to assist with short-term concerns impacting their life. The program provides 10 in-person, telehealth, or virtual counseling sessions, per situation, per person, each year.

### Licensed professional counselors can help address:

- 🌀 Anger, grief, loss, depression
- 🌀 Job stress, burnout, work conflicts
- 🌀 Marital relationships, family/parenting issues
- 🌀 Addiction, eating disorders, mental illness

## BALANCING WORK AND PERSONAL TIME

Employees are encouraged to contact a Work/Life Specialist for assistance with balancing their professional and personal responsibilities.

### Work/Life Specialists can help with:

- 🌀 Locating childcare centers and preschools
- 🌀 Researching/locating assisted living, nursing home, and adult day care services
- 🌀 Support with personal/family/elder law and reconciling identity theft
- 🌀 Assisting with time management, debt management, budgeting, and credit issues

Support is available to you, your spouse/domestic partner, your dependent children, parents, and parents-in-law 24/7/365 at **866.799.2728**. You or your family member will be connected with a professional who will assess the needs at issue and either provide the necessary help or make a cost-effective referral.

For a full list of available services through Health Advocate, visit [myhealthadvocate.pepperdine.edu](https://myhealthadvocate.pepperdine.edu).

# Benefits Highlight: Transamerica Retirement Plan

Transamerica serves as Pepperdine's administrator for its 403(b) retirement savings plan.


*Note: Annual re-enrollment is not required for the retirement savings plan.*


## EMPLOYEE CONTRIBUTIONS

Employees gain access to create an online account and may choose to contribute pretax and/or after-tax dollars to their retirement savings account after their first routine paycheck with the University. Employees should visit **pepperdine.trsretire.com** and select the option to Create An Account or contact Transamerica at **800.755.5801** to establish their retirement savings elections.

## AUTO-ENROLLMENT FEATURES

Pepperdine makes every effort to assist employees in saving for retirement. Auto-enrollment features are in place to help with this endeavor.

 **New Hires.** If an eligible new hire/rehire does not take action to elect their desired retirement savings contributions, they will be automatically enrolled in a 3% pretax contribution, per paycheck, after 90 days of continuous employment with the University.

 **Annually.** On August 1 of each year, employees who opted out of retirement contributions will be automatically enrolled in a 3% pretax contribution, per paycheck. Additionally, employees who did not disable the auto-increase feature will have their personal contributions increased by 1% on August 1 of each year.

Employees will receive a notice from Transamerica one month prior to August 1 to remind them of the annual automatic enrollment and increase features.

## EMPLOYER CONTRIBUTIONS

Employees are eligible to receive the base and match retirement savings contributions from Pepperdine upon reaching age 26 and one year of creditable service with the University\*.

Once an employee meets both criteria, Pepperdine will automatically begin depositing a **4% base** contribution and up to a **6% match** contribution into the employee's Transamerica account. Employer contributions are offered on a pretax basis, and all funds are immediately vested.

\*Eligible employees must be employed directly through Pepperdine and work at least 1,000 hours within one year to meet the creditable service requirement.

## RETIREMENT PLANNING SERVICES

Employees have access to retirement planning resources, workshops, webinars, and one-on-one consultations with Transamerica professionals. To schedule a retirement savings consultation, please submit your request at **go.pepperdine.edu/hr-benefits**.

# Legal and Notice Requirements

## HUMAN RESOURCES SUMMARY NOTICE OF PRIVACY PRACTICE

This is a summary of the Human Resources notice of privacy practices and describes how the department may use and disclose your protected health information and how you can access that information. Please review it carefully. For a complete, detailed account of the University's notice of privacy practices, please refer to "Pepperdine University's Notice of Privacy Practices," available upon request or on Pepperdine University's Intranet website at [pepperdine.edu/about/administration/provost/content/hipaa-manual.pdf](http://pepperdine.edu/about/administration/provost/content/hipaa-manual.pdf).

The main objective of the HIPAA privacy rule is to provide a uniform and simplified minimum standard for the privacy of individually identifiable health information. As such, health plan members have certain rights regarding their protected health information.

- The right to receive notice of the group health plan's privacy practices
- The right to access, inspect, or copy any Protected Health Information (PHI) in your file
- The right to request amendment of erroneous or incomplete information
- The right to obtain an accounting made of disclosures of PHI
- The right to request restrictions of use or disclosure
- The right to request confidential communications
- The right to provide consent or authorization for the Benefits Department to assist you with understanding documents containing PHI
- The right to make a complaint to the Department of Health and Human Services and to the Group Health Plan whenever you feel as though your HIPAA rights have been violated.

*The University will tolerate no retaliatory acts against an employee who exercises his/her HIPAA rights by filing a complaint.*

## Privacy Practices of the Plan Sponsor

- If you believe your HIPAA rights have been violated and for all other concerns, please contact Human Resources at **310.506.4397**.
- Staff members in the Human Resources participate in ongoing training of privacy policies and procedures for handling PHI.
- A review of the physical area will be completed annually to ensure that there is limited access to both computer and paper files containing any protected health information.
- The University has a system of written disciplinary policies for workforce members who violate the privacy rules.
- Business associates of Pepperdine University who may handle your PHI are required to provide a written statement confirming that they are in compliance with HIPAA regulations.
- A written log sheet will be utilized to track access to files containing PHI.
- Individual Employee files will not contain PHI.

The Human Resources staff, accountable to the associate vice president, Human Resources and Business Services, is committed to serving the Pepperdine community with the utmost respect for "Protected Health Information."

## NOTICE REQUIREMENT

### Women's Health and Cancer Rights Act of 1998

Beginning in 1999, federal law requires a group health plan to provide coverage for the following services to an individual receiving plan benefits in connection with a mastectomy:

- Reconstruction of the breast on which the mastectomy has been performed
- Surgery and reconstruction of the other breast to produce a symmetrical appearance
- Prostheses and physical complications for all stages of a mastectomy, including lymphedemas (swelling associated with the removal of lymph nodes)

The group health plan must determine the manner of coverage in consultation with the attending physician and patient. Coverage for breast reconstruction and related services will be subject to deductibles and coinsurance amounts that are consistent with those that apply to other benefits under the plan.

Insured plans and HMOs are subject to any applicable state laws mandating mastectomy and related benefits in addition to the federal Act's requirements.

## SPECIAL ENROLLMENT CIRCUMSTANCES

### Notice of Special Enrollment Rights and Waiver of Health Plan:

If you are declining enrollment for yourself or your dependents (including spouse) because of other health insurance coverage, you may in the future be able to enroll your dependents in the Pepperdine health insurance plan, provided that you request enrollment within 30 days after the other coverage ends. If you waive spouse health insurance (if you are already married) and do not have other health insurance and then have a new dependent as a result of birth, adoption, or placement for adoption, you may be able to enroll your spouse, provided that you request enrollment within 30 days after the date of the marriage, birth, adoption, or placement for adoption.

### Conditions of Special Enrollment

- When coverage was declined or waived, employee or dependent stated in writing that other coverage was the reason for waiver.
- If the other coverage was COBRA coverage, then the COBRA coverage must be exhausted for the special enrollment to apply.
- If the other coverage was not COBRA coverage, then the other coverage must terminate because of one of the following:

Employer contributions toward the coverage have been terminated, or

Loss of eligibility under the other coverage, such as:

- Termination of employment or eligibility, or reduction in work hours
- Legal separation
- Divorce
- Death

*Loss of eligibility does not include:*

- Loss of coverage due to the failure of the individuals to pay premiums on a timely basis
- Termination of coverage for cause, such as fraudulent claims and/or intentional misrepresentation of material fact in connection with the plan

## IMPORTANT NOTICE

### About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Pepperdine University and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Pepperdine University has determined that the prescription drug coverage offered by the Anthem Blue Cross and Kaiser plans are, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage.

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from October 15 through December 7. Beneficiaries leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

If you do decide to enroll in a Medicare prescription drug plan and drop your Pepperdine University prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back until the next open enrollment period or other qualifying event period.

Contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

You should also know that if you drop or lose your coverage with Pepperdine University and do not enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what many other people pay. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to enroll.

## For More Information About This Notice or Your Current Prescription Drug Coverage

Contact Human Resources for further information. NOTE: You will receive this notice annually and at other times in the future, such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through Pepperdine University changes. You also may request a copy.

## For More Information About Your Options Under Medicare Prescription Drug Coverage

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You’ll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit [medicare.gov](https://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see your copy of the “Medicare & You” handbook for their telephone number) for personalized help
- Call **800.MEDICARE (800.633.4227)**. TTY users should call **877.486.2048**

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) at [ssa.gov](https://ssa.gov), or **800.772.1213 (TTY 800.325.0778)**.

Remember: keep this notice. If you enroll in one of the new plans approved by Medicare, which offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

## Open Enrollment Deadline

Review all the material you have received or which is available from Human Resources upon request before making your decision. Share this information with your family. Your completed online enrollment must be done by November 14, 2022. The effective date for coverage is January 1, 2023.

## New employees

Generally, newly eligible employees must complete the appropriate online enrollment within 30 days of their initial eligibility date.

**Failure to enroll before the specified deadlines will result in default benefits.**

## Default Benefits

If you do not complete your online enrollment before the enrollment deadline, the University will provide you with “default benefits” for the plan.

*Default core benefits include:*

- Long-term disability coverage for 66.67% of your base monthly salary to a maximum benefit of \$10,000 per month
- Term life insurance equal to two times your base annual salary<sup>1</sup>
- Accidental death and dismemberment insurance equal to two times your base annual salary<sup>1</sup>
- Business travel accident insurance equal to five times your base annual salary
- Health Advocate programs
- Employee Assistance Program (EAP) services

**Newly hired California employees who do not enroll in a medical plan within 30 days of their initial eligibility date will be placed in the Anthem Vivity plan with single coverage unless they complete a Medical Plan Waiver form. Newly hired employees residing in and working remotely outside of California will be placed in the Anthem PPO High Deductible plan with single coverage and HSA waiver unless they complete a Medical Plan Waiver form.**

Newly hired employees who fail to enroll in a dental plan within 30 days of their initial eligibility date will be defaulted into the “opt out” option and will not have an opportunity to enroll in a dental plan until the next open enrollment period (some restrictions may apply).

During open enrollment, it is to your advantage to take an active role in the enrollment process so that you receive the benefits you need. Remember, you will not have an opportunity to make any plan changes until November 2023.

**Note:** *Be sure to complete the appropriate online enrollment for the plans you have chosen.*

<sup>1</sup>*At age 70, the amount will be reduced to 65% of the original benefit, at age 80; it will be reduced to 50% at the original benefit.*



**PEPPERDINE**  
Human Resources