

Our health plan premiums are structured by coverage tier – that is, the number and relationship of individuals covered by a subscriber. The tiers are:

- Employee Only
- Employee and Spouse or Partner
- Employee and Child or Children
- Employee and Family (includes spouse or partner and child or children)

Current Tier Structure

Oregon promotes family-friendly policies in government and employment. The Board structured the tiers in a way that implicitly subsidized the Employee and Family Tier.

Federal Excise Tax

A federal rule that kicks in with the 2020 Plan Year will place an excise tax on annual premium amounts above \$10,200 for an individual and \$27,500 for a family. With its current tier structure, PEBB would pay a tax penalty.

Restructuring the Tiers

Beginning 2017, the Board will begin a three-year process to align our coverage tiers with those of other large employers. The process requires annual increases to premiums for the Employee and Family tier to 2021. The Board will use the Stabilization Fund to subsidize the employee share of these increases.

NOTE: Premium rates for 2017 health plans will be published on www.oregon.gov/oha/pebb and in materials employees will receive before the start of Open Enrollment in October.