City of Sparks

2027 Open Enrollment

Making the Most of Your Benefits

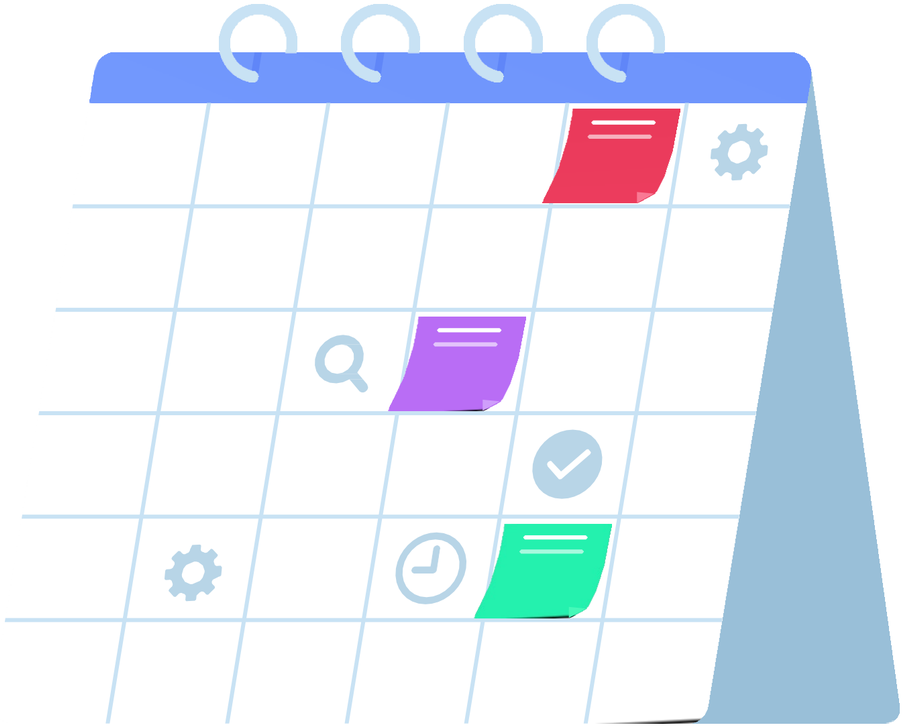


Important Dates

Open Enrollment starts on Tuesday**, November 3rd**, and ends on Thursday**, December 3rd.**

Enrollment changes **MUST** be submitted during open enrollment to be effective for the 2027 plan year.

Remember, the only time you can make elections and/or changes to your benefits outside of open enrollment is if you have a qualifying life event.



Qualifying Events

Qualifying Events

- Marriage, divorce, legal separation or annulment
- Birth or adoption of a child
- A qualified medical child support order
- Death of a spouse or child
- Loss of coverage from another health plan
- Gaining of new coverage



Employees MUST notify HR within 30 days of a qualifying life event.

Documentation May Be Required

- Marriage certificate
- Birth certificate or hospital record
- Copy of spouse’s enrollment election
- Loss of coverage letter
- Adoption paperwork
- QMCSO paperwork

How to Enroll

Remember, elections must be made by **Thursday, December 3, 2026,** for coverage and/or enrollment changes to be effective for the 2027 plan year.

Elections and/or changes must be made through eForms in NEOGOV.

Remember, **no changes are allowed after open enrollment ends without a qualifying life event.**



Medical/Rx Benefits

Administered by

UMR

VYTL ONE



*Please refer to the official plan documents for full details of coverages.

City of Sparks

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Health Insurance 101



Network/ Contracted Rate

The list of doctors and facilities that have contracted with the insurance company.

Staying in-network will provide the best rates when you use your health insurance.



Prior-Authorization

Is a process used by health insurance companies to determine whether they will cover a specific medical service, medication, or treatment.

Before a doctor or healthcare provider can proceed with a certain treatment or prescribe a medication, the insurance company may require they you submit a request for approval.



Out-of-Pocket Max.

A cap, or limit, on the amount of money you have to pay for covered health care services in a plan year.



Deductible

The amount you are responsible for paying before the insurance company will begin paying toward your claims.

The deductible only applies to services that indicate deductible applies.



Copay/Coinsurance

Copay: A flat dollar amount paid to a provider at the time you receive care.

Coinsurance: A percentage you pay based on a contracted/negotiated rate.

PPO vs. HDHP w/ HSA

The City offers two types of medical plans. A PPO charges you less at the time of care. A HDHP charges you more at the time of care and lets you save for those costs in a tax-advantaged HSA.

PPO
Preferred Provider Organization

Traditional plan designs with lower deductibles, lower out of pocket liability and higher cost premium. Some copays available and you generally do not need a referral to see a specialist.

AT THE CITY

- PPO 200 and PPO 400
- Lower deductibles ($200 and $400 for an individual)
- PPO 400 uses flat dollar copays for many visits (office visits, UC, labs, etc.)
- May be paired with Health Care FSA and Dependent Care FSA; PPO 400 also includes a City-funded Health Reimbursement Arrangement (HRA)

HDHP
High Deductible Health Plan (HSA-eligible)

A plan with a higher deductible and a lower premium. You pay more of your health care costs before the plan starts to pay, and you can pair it with a tax-free Health Savings Account. Consumer driven plan that calls for engagement how best to access care.

AT THE CITY

- HDHP 2600, with a $2,600 individual deductible
- In most cases the City contributes to your HSA each pay period, and you may add your own pre-tax funds
- HSA funds roll over and stay yours if you leave the City
- Add a Dependent Care FSA, but NOT a Health Care FSA

Definitions adapted from the HealthCare.gov glossary.

Choosing a Plan

	PPO	HDHP
Deductible	Lower	Higher
Monthly premium	Higher	Lower
Copays	Yes, In many cases	No, Deductible must be met before insurance pays anything (exception for Preventive Care)
Account that goes with it	Health Care FSA, Dependent Care FSA, and an HRA (PPO 400 only)	HSA, and a Dependent Care FSA
May suit you if	You expect regular care and want predictable costs at the time of service.	You expect few medical costs, can cover a higher deductible, and want to save for future medical expenses.

See the 2027 Medical Plans slide for the City's plan highlights.

City of Sparks

2027 Medical Plans

In-network benefits shown. (d) = Deductible applies

Benefit	CURRENT PLAN PPO 200	OPTION 1 PPO 400	OPTION 2 HDHP 2600
DEDUCTIBLES AND OUT-OF-POCKET MAXIMUMS			
Individual Deductible	$200	$400	$2,600
Family Deductible	$400	$800	$3,500
Individual Out-of-Pocket Max.	$1,200	$3,000	$5,250
Family Out-of-Pocket Max.	$2,400	$6,000	$6,350
OFFICE VISITS AND CARE			
Primary Physician	20% (d)	$20*	20% (d)
Specialist Physician	20% (d)	$50*	20% (d)
Preventive Care	No charge	No charge	No charge
Urgent Care	20% (d)	$50*	20% (d)
HOSPITAL, IMAGING AND SURGERY			
Emergency Room	20% (d)	$250 (d)	20% (d)†
Lab (Non-Hospital)	20% (d)	$30*	20% (d)
MRI, PET, CT Scans (Non-Hospital)	20% (d)	$200 (d)	20% (d)
Outpatient Surgery	20% (d)	$250 (d)	20% (d)
Inpatient Hospitalization	20% (d)	$250 (d)	20% (d)
PRESCRIPTIONS			
Prescription Deductible	None	None	None
Tier I	$5*	$15*	$7 (d)
Tier II	$15*	$35*	$30 (d)
Tier III	$40*	>$50/40%*	$50 (d)

* Flat dollar copays do not count toward the deductible, but they do count toward the out-of-pocket maximum (EXCEPT for the PPO 200).

† HDHP 2600: after deductible is met, 100% emergency room benefit applies when the patient visits the ER within 48 hours of an injury.

Out-of-network benefits differ; see the plan document.

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Prescription Drug Costs

Example: one prescription filled every month for a year. What would you pay at the pharmacy?

Example prescription	CURRENT PLAN **PPO 200** Rx copays: $5 / $15 / $40	OPTION 1 **PPO 400** Rx copays: $15 / $35 / greater of $50 or 40%	OPTION 2 **HDHP 2600** Full cost until deductible, then $7 / $30 / $50
Generic Tier I · $20 per 30-day fill *e.g., blood pressure or cholesterol medication*	**$60** for the year $5 copay per fill	**$180** for the year $15 copay per fill	**$240** for the year $20 per fill (full cost; deductible not met)
Preferred Brand Tier II · $260 per 30-day fill *e.g., brand-name inhaler*	**$180** for the year $15 copay per fill	**$420** for the year $35 copay per fill	**$2,660** for the year $260 per fill until deductible is met, then $30
Non-Preferred Brand Tier III · $500 per 30-day fill *e.g., brand drug with a generic alternative*	**$480** for the year $40 copay per fill	**$2,400** for the year $200 per fill (40% of cost)	**$2,950** for the year $500 per fill until deductible is met, then $50

Lower copays at the pharmacy come with higher premiums. Compare these costs with the Cost Per Paycheck slide accounting for any City HRA or HSA dollars.

Drug costs shown above are hypothetical; your costs will vary by drug and pharmacy. Annual totals assume no other medical or pharmacy claims.

Prescription cost for PPO 400 and HDHP 2600 apply toward the Annual Out-of-Pocket Maximum. Prescription costs for the PPO 200 do NOT count toward the Annual Out-of-Pocket Maximum

City of Sparks

Cost Per Paycheck

The City pays 100% of the premium for employee coverage and 75% for all dependents

Coverage tier	PPO 200 (Classic Plan)	PPO 400	HDHP 2600
Employee Only	$0	$0 + $1,123.08 City HRA credit for the year (front-loaded 1/1/27)	$0 + $76.43 City HSA credit per pay period ($1,987.18 for the year)
Employee + Spouse	$113.49	$27.22	$0 + $36.26 City HSA credit per pay period ($942.76 for the year)
Employee + Children	$101.71	$19.54	$0 + $40.11 City HSA credit per pay period ($1,042.86 for the year)
Employee + Family	$218.51	$95.15	$1.15

Employee cost is per pay period (24 pay periods per year). City HSA credits are deposited over 26 pay periods. HRA and HSA amounts are City contributions, separate from and in addition to your contribution, if you so choose.

Optional pre-tax elections: Health Care FSA and Dependent Care FSA with either PPO; HSA and Dependent Care FSA with HDHP 2600 (Health Care FSA not eligible).

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Spending Accounts

Three kinds of accounts can help pay for health care costs.

FSA
Flexible Spending Account

EMPLOYEE-PAID, PRE-TAX

- Pay for out-of-pocket health care (Health Care FSA) or dependent care (Dependent Care FSA) expenses
- Money comes out of your paycheck before taxes, lowering your taxable income
- Health Care FSA is front-loaded on a benefit credit card January 1st; Dependent Care FSA loads each pay period
- Use it or lose it: unused funds are forfeited at year end or when you leave the City

HRA
Health Reimbursement Arrangement

FUNDED BY THE CITY, TAX-FREE

- City-funded account for your medical expenses
- Only available when enrolled as an employee only on the PPO 400 plan
- Front-loaded on a benefit credit card at the start of the calendar year
- Unused funds are forfeited at year end or on your date of separation from the City

HSA
Health Savings Account

CITY AND EMPLOYEE, TAX-ADVANTAGED

- Personal savings account for qualified medical expenses
- Only available with HDHP 2600 plan
- City contributions plus your own pre-tax funds, added each pay period, up to the combined IRS maximum
- Funds roll over, stay yours if you leave the City, and can be invested

FSA and HRA deadlines: Grace period: file claims until March 15th of the following year and apply them to the prior year's funds. Runout for claims incurred before December 31st: 90 days for current employees; 60 days from the date of separation.

Flexible Spending Accounts

Health Care FSA

- Up to **$3,500** for 2027*
- Medical, dental and vision expenses
- Full election available January 1st
- Available with PPO 200 and PPO 400 (not HDHP 2600)

Dependent Care FSA

- Up to **$7,500** per household (**$3,750** each if married filing separately)
- Childcare for dependents up to age 13
- Funds load each pay period (26 pay periods)
- Available with all three medical plans

USE IT OR LOSE IT! Best for **KNOWN** expenses. File claims by March 15th of the following year.

FSA is administered by iSolved

* Estimate. The IRS has not released the 2027 limits. You cannot change your FSA election after open enrollment without a qualifying event.



The PPO 400 w/ HRA

A Health Reimbursement Arrangement is a tax-free benefit funded by the City to help pay for your medical expenses. It is only available to those enrolled as employee only on the PPO 400 plan.

- The City funds the account; employees do not contribute
- Funds are front-loaded onto a benefit credit card at the start of the calendar year
- Funds can be used for qualified 213d expenses
- Funds not used by December 31st, or by your date of separation from the City, are forfeited
- **Grace period:** file claims until March 15th of the following year and apply them to the prior year's funds
- **Runout:** 90 days for current employees for claims incurred before December 31st; 60 days from the date of separation

Please note you will need to complete HRA paperwork to create an account with iSolved. You will NOT have access to the funds until you do so.

$1,123.08

City-contributed HRA credit for the year

PPO 400, Employee Only coverage
Front-loaded January 1, 2027

Understanding HSA's

2027 Open Enrollment

Changes Behaviors

- Encourages you and your family to maintain good health. Promotes involvement in how your health care dollars are spent, reducing your out-of-pocket costs.

Provides triple-tax advantages on contributions

- No income tax on contributions made by you or the City. No tax on interest or investment earnings.
- No tax when you use your HSA dollars for eligible expenses.

Offers interest-earning investment opportunities through your HSA administrator

Please note that Health Savings Accounts are individual bank accounts and must be registered and activated by the employee. If not registered and activated, you will NOT have access to the funds until you do so.



Do I Qualify for HSA?

1. **MUST** enroll in the HDHP 2600 plan

2. **CANNOT** be covered by another medical plan that is not IRS qualified
   - No dual coverage under a spouse/parent
   - No VA Coverage (special rules)
   - No Medicare Coverage (not currently enrolled on Medicare)

3. **CANNOT** be claimed as a dependent under someone else's tax return



HSA Contributions



When you enroll in the HDHP 2600 plan, the **City of Sparks** contributes to your HSA each pay period (26 pay periods).

Coverage tier	Per pay period	For the year
Employee Only	$76.43	$1,987.18
Employee + Spouse	$36.26	$942.76
Employee + Children	$40.11	$1,042.86

No City Contribution for Employee + Family Tier

You may add your own funds, **tax-free**, up to the 2027 IRS maximum (employee and City contributions combined):

Individual	$4,500
Employee + 1 or more dependents	$9,000
Additional Catch-up contribution for ages 55+	+ $1,000

You can change your HSA contribution amount at any time during the year.

City of Sparks

Compare the Accounts

2027 plan year	HFSA Health Care FSA	DCFSA Dependent Care FSA	HRA Health Reimbursement Arr.	HSA Health Savings Account
WHO CONTRIBUTES				
Employer contributions	✗ No	✗ No	✓ Yes	✓ Yes
Optional employee contributions	✓ Yes	✓ Yes	✗ No	✓ Yes
WHICH MEDICAL PLAN IS ELIGIBLE				
PPO 200	✓ Yes	✓ Yes	✗ No	✗ No
PPO 400	✓ Yes	✓ Yes	✓ Yes	✗ No
HDHP 2600	✗ No	✓ Yes	✗ No	✓ Yes
RULES FOR THE FUNDS				
Must use funds by December 31st each year?	✓ Yes	✓ Yes	✓ Yes	✗ No
Funds roll over year to year?	✗ No‡	✗ No‡	✗ No‡	✓ Yes
How are funds loaded?	Front-loaded January 1st	Per pay period (26)	Front-loaded January 1st	Per pay period (26)
2027 maximum contribution	$3,500*	$7,500 ($3,750 if married filing separately)	None	$4,500 individual $9,000 with spouse/dependents + $1,000 catch-up (55+)
Election can change after open enrollment?	✗ No	✗ No	✗ No	✓ Yes
Funds stay yours if you leave the City?	✗ No	✗ No	✗ No	✓ Yes

* Estimate. The IRS has not released the 2027 numbers. ‡ Claims may be filed until March 15th of the following year (grace period). HSA maximum is combined employee and City contributions.

Dental Benefits

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*Please refer to the official plan documents for full details of coverages.

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Dental Plan Features

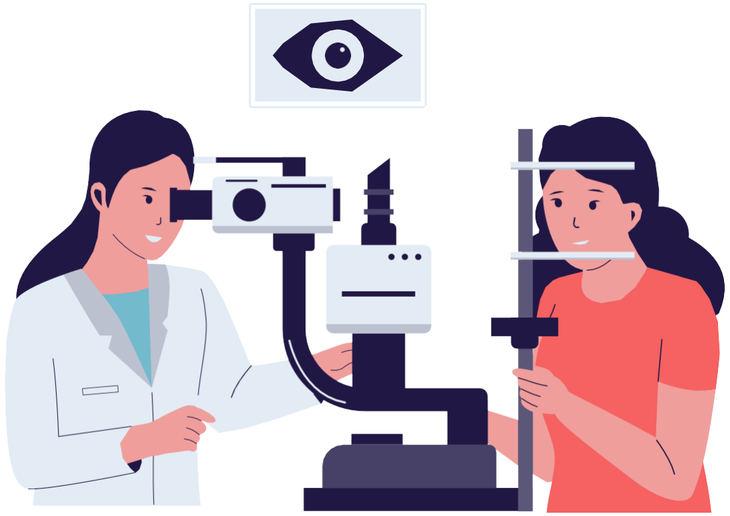
Plan Features	Dental Plan
Network	Dental Guard Preferred Select
Calendar Year Maximum Benefit Per person over age 19	$3,000
Calendar Year Deductible Individual / Family	$50 / $150
Preventive Services Deductible waived	No charge
Basic Services Composite fillings, endo/perio, etc.	15% after deductible
Major Services Crowns, inlays, onlays	40% after deductible
Orthodontia Lifetime Maximum Per person	N/A

*Please refer to the official plan documents for full details of coverages.

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Vision Benefits

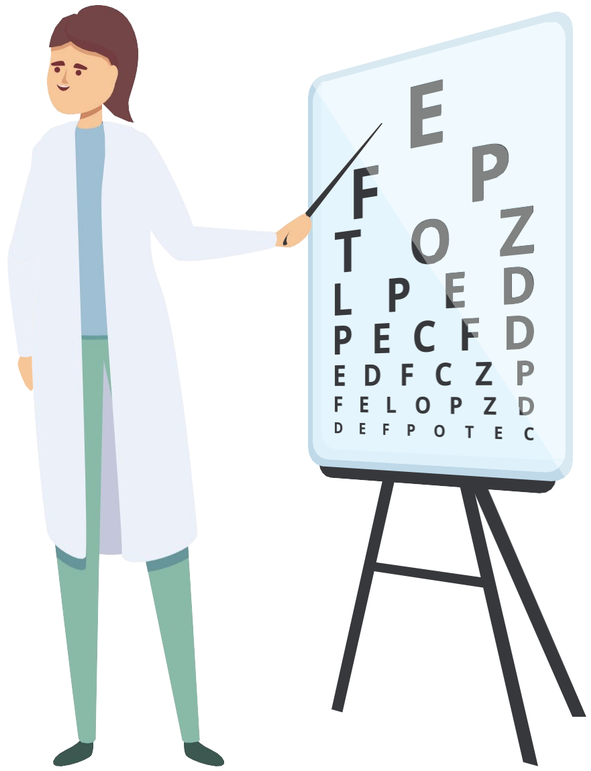


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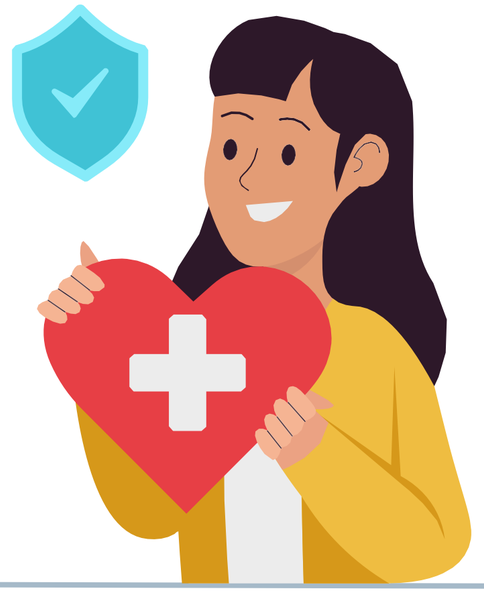
Vision Plan Features

Plan Features	Vision Plan
Network	VSP Choice
Eye Exam	$15 copay
Materials Lenses / Frames	$15 copay
FREQUENCIES	
Exams	Every 12 months
Lenses	Every 12 months
Frames	Every 24 months
COVERAGE	
Frames	Up to $120
Elective Contact Lenses	Up to $217

*Please refer to the official plan documents for full details of coverages.



Other Benefits



*Please refer to the official plan documents for full details of coverages.

Employer Paid Life/AD&D

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100% paid for by City of Sparks!

Active Employees - $25,000 benefit
Retired Employees - $10,000 benefit
Dependents - $2,500 benefit

No age reduction schedule!

AD&D benefit matches Life benefit

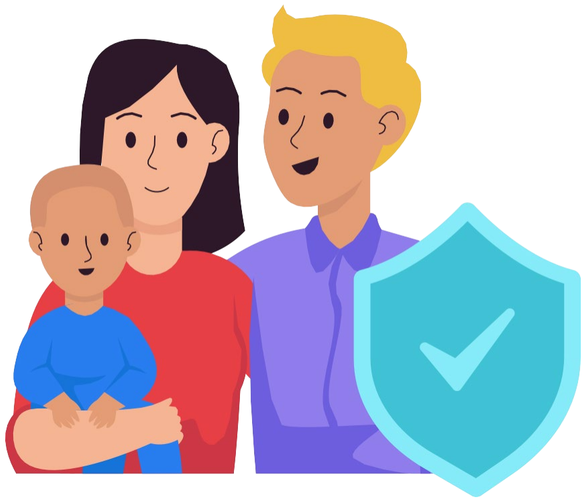
Make sure to establish a primary beneficiary. Secondary beneficiaries are optional.

Additional Death Benefits:

- Seat Belt Benefit – $10,000
- Air Bag Benefit - $5,000
- Career Adjustment Benefit - $5,000/yr up to $10,000
- Child Care Benefit - $5,000/yr up to $10,000
- Occupational Assault Benefit – 50% of the AD&D benefit
- Public Transportation Benefit – 100% of the AD&D benefit

Keep your beneficiary up to date!

****Actively Working is Required**
**** Exclusions Apply**



City of Sparks

2027 Open Enrollment

Long-Term Disability

Employer paid: 100% paid for by the City of Sparks

Plan Features	Disability Plan
Elimination Period Days you must be continuously disabled due to injury or sickness before benefits begin	180 days
Maximum Benefit Duration	To age 65
Percentage of Income Replaced	66.67% of pre-disability earnings
Maximum Monthly Benefit	$10,000

Actively working is required. Exclusions apply.

*Please refer to the official plan documents for full details of coverages.

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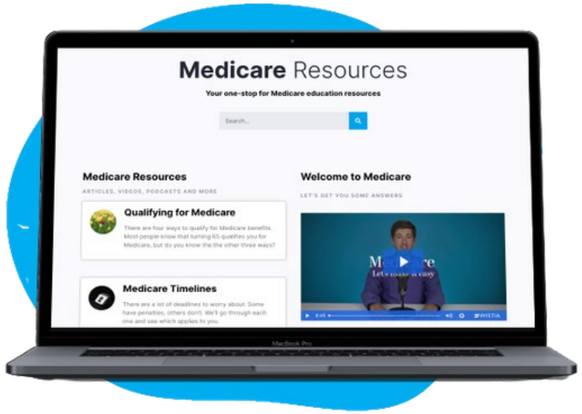
Medicare Resources

Have Questions About Medicare?

Make this transition easy by contacting your LP resource:

Mark Toomey
Medicare Specialist at LP Insurance Services
Mark.Toomey@lpins.net
775-351-9244





Next Steps

If you do nothing, you will remain in the current plan with the current dependents. However, if you want to contribute to an FSA, you need to complete the paperwork prior to December 3, 2026.

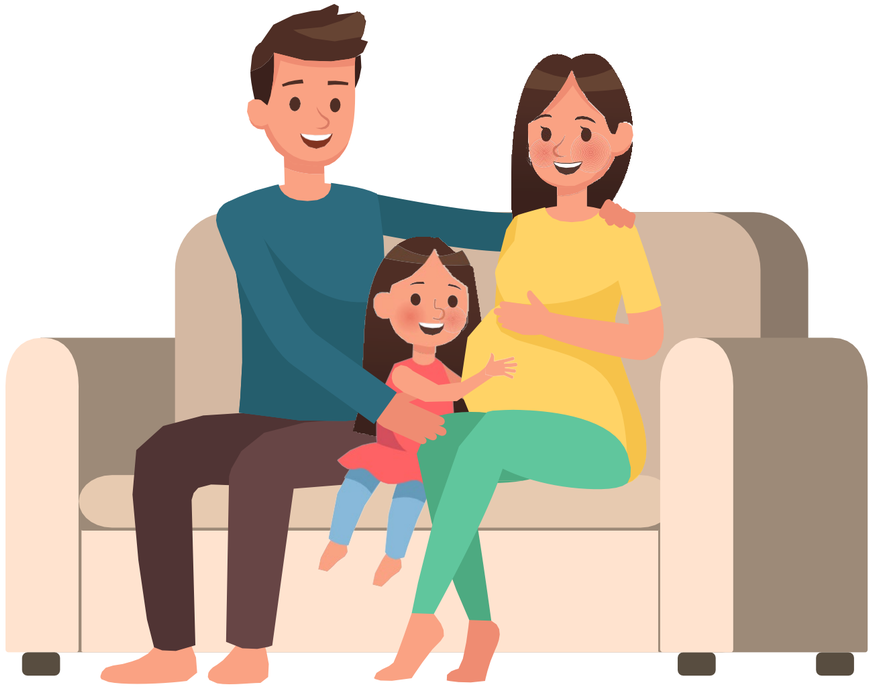
Remember, plan changes must be made by Thursday, December 3, 2026, for coverage and/or enrollment changes to be effective **January 1st, 2027**.

Elections and/or changes must be made through eForms in NEOGOV.

Remember, no changes are allowed after open enrollment ends without a qualifying life event.



Thank you & Happy Enrolling!



Questions?

