Your Benefits News

City of Tacoma Employees and Family Members,

Open Enrollment is your annual opportunity to review and update your benefit plans for 2026. This newsletter highlights key benefit changes and provides instructions for completing your elections.

Why Open Enrollment Matters

Open Enrollment is the only time each year you can make benefit changes without a qualifying life event (such as marriage, birth, or loss of coverage). Even if you don't plan to make changes, please review your information for accuracy. If you'd like to enroll in a Section 125 Flexible Spending Account (FSA) for 2026, remember, you **must** make a new election during Open Enrollment.

Did You Receive Your Confirmation Statement?

We recently emailed your Benefits Confirmation Statement to help you review your current enrollments, verify dependents and beneficiaries, and prepare for Open Enrollment. Look for an email from batch_hr@tacoma.gov.

Don't Delay – Enroll Today!

There is a limited time to complete Open Enrollment – don't miss out on this important annual opportunity to make changes to coverage and dependents for the new plan year. Open Enrollment **ends on November 13, 2025**.

Questions?

Contact the Human Resources Benefits Office at benefits@tacoma.gov or (253) 573-2345 for help or more information.

Benefit Rates in 2026

Although the City's rates will experience a large increase for 2026, there will be no monthly premium contribution changes for full-time employees. If you met the 2026 Wellness Program incentive requirements, your employee premium for the health insurance will be reduced. (See page 7 for details.)

Benefit Plan	2025 City Plan Cost	2025 Premium (Individual/ Family)	2026 City Plan Cost	2026 Premium (Individual/ Family)*
Medical Plans				
Regence PPO	$2,014.38	$40/$80	**$2,296.46**	**$40/$80**
Regence High-Deductible	$1,283.55	$40/$80	**$1,463.29**	**$40/$80**
Kaiser Permanente HMO	$1,609.89	$40/$80	**$1,859.35**	**$40/$80**
Dental Plans				
Delta Dental of Washington	$124.95	$0/$0	**$129.18**	**$0/$0**
Willamette Dental	$168.10	$0/$0	**$176.35**	**$0/$0**
Vision Plans				
Vision Service Plan (VSP)	$11.68	$0/$0	**$12.23**	**$0/$0**
Kaiser Permanente	Included in the HMO Medical Plan		Included in the HMO Medical Plan	

**Note: Part-time employees regularly scheduled to work between 20-29 hours can refer to the Benefits webpage at tacoma.gov/benefits for the new 2026 prorated benefit rates.*

See page 9 or the Open Enrollment webpage for instructions on how to access the Employee Self Service (ESS) web portal and complete Open Enrollment.

City of Tacoma

2026

Open Enrollment

October 30 through November 13

ACTIVE RAIL - BLET

Questions & Help
7:30 a.m. - 5:00 p.m.
benefits@tacoma.gov
(253) 573-2345

Tacoma Municipal Building
Human Resources Department
Benefits Office
747 Market Street, Rm 1420
Tacoma, WA 98402

Benefit Plans
Open Enrollment Tools
tacoma.gov/benefits

Open Enrollment Changes
Log in to Employee Self Service
tacoma.gov/ESS

Need login or password help?
IT Service Desk
(253) 591-2057
Monday - Friday
7:30 am - 5:30 pm

Benefit Changes for 2026

Medical Plan Changes

There are several changes taking place with the Kaiser Permanente and Regence BlueShield medical plans offered by the City **effective January 1, 2026**, which are highlighted below. You can visit the Benefits webpage under Plan Information to review **current** summaries for the Regence BlueShield (PPO and High-Deductible Health Plans) and Kaiser Permanente (HMO Health Plan). New 2026 plan booklets will be available in the first quarter of 2026.

Kaiser Permanente Plan Changes

State Mandated Changes

Diagnostic Breast Exams - For members with a cancer diagnosis, services will be subject to the annual deductible**.** Additional diagnostic breast examinations for members without a cancer diagnosis will continue to be covered 100% by the plan.

Hormone Replacement Therapy - Members are eligible for a full 12-month supply of prescription hormone therapy obtained at one time, unless a smaller supply is requested by the member or provider. The copay or coinsurance is based on each 30-day supply.

Hearing Aids - Coverage will now be provided at 100% per ear with hearing loss by the plan. This benefit will continue to be available every 36 months.

Regence BlueShield Plan Changes

State Mandated Changes

Hearing Aids - The following coverage levels will be provided through an in-network provider:

- **PPO plan:** Hearing aids, including hearing assessment and fitting, are covered at 100% per ear with hearing loss, every 36 months
- **HDHP/HSA plan:** Hearing aids, hearing assessment, and fitting are covered per ear with hearing loss, every 36 months but costs will first be subject to the annual deductible and co-insurance will apply

Diagnostic Mammography - (including digital breast tomosynthesis/3D mammography, breast MRI, or breast ultrasound)

- **PPO plan:** In-network services are not subject to deductible and are covered at 100% by the plan
- **HDHP/HSA plan:** In-network services are subject to deductibles, and then covered at 100% by the plan
- Coverage from out-of-network providers under both plans will continue to be subject to the deductible then covered at 50% coinsurance

Gender Affirming Treatment - Removal of categorical cosmetic or blanket exclusions to gender affirming treatment, while allowing appropriately reasonable medical management techniques

Elective Termination of Pregnancy

- **PPO plan:** In-network services are not subject to deductible and are covered at 100% by the plan
- **HDHP/HSA plan:** In-network services are subject to deductibles, and then covered at 100% by the plan

Prescription Drugs

- For all plans, insulin and epinephrine autoinjectors now have a reduced copayment cap of $35/30-day supply or $105/90-day supply and $35/two-pack, respectively
- HIV post-exposure prophylaxis drugs covered following possible exposure to HIV are covered without pre-authorization and covered at 100% by the plan
- Non-therapeutic Continuous Glucose Monitors will now be covered under the plan

Federal Plan Changes

Travel Benefits for Transplants - Coverage has been modified to include only those travel expenses allowed for non-taxable reimbursement per the Internal Revenue Service (IRS). This will include a reduction in the lodging reimbursement rates, removal of meal allowances, and a restriction to coach class travel accommodations, which prevents a taxable benefit to plan participants.

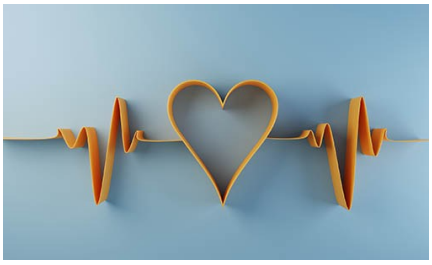
Telehealth for HDHP - With the federal One Big Beautiful Bill Act, beginning January 1, 2026, telehealth visits for employees enrolled in the Regence High-Deductible Health Plan (HDHP) will only be subject to co-insurance. The annual deductible will not be applied to these services.

Introducing Regence BlueShield Care Management Plus

Beginning January 1, 2026, the City of Tacoma will transition to Regence BlueShield's Care Management Plus (CM Plus) program, an enhanced version of our current care management service designed to provide expanded, personalized support for employees and their families.

What's New

Care Management Plus significantly broadens the scope of outreach and member engagement. Regence will now proactively connect with three times more members to ensure timely, coordinated care and improved health outcomes. The new program combines registered nurses, behavioral health clinicians, social workers, pharmacists, and care advocates to deliver a whole-person approach to health management.



How Does This Help?

Whether you are managing a chronic condition, recovering from a hospital stay, or navigating a complex diagnosis, CM Plus provides:

- **Concierge-level coordination** with your healthcare providers to align treatment plans
- **Personalized care plans** that consider medical, behavioral, and social needs
- **Support for all conditions** with a special focus on complex or high-cost cases
- **Assistance with resources** such as community programs, transportation, housing, and wellness services
- **Education and advocacy** to help you better understand your health plan and make informed decisions

When Outreach Occurs

Care Managers may reach out to plan participants if they have just been hospitalized, had multiple emergency room visits, or have been identified through predictive analytics as needing extra support. Members with high-cost claims, complex conditions, or preventive care gaps may also receive outreach.

NOTE: This program offering is completely voluntary, and a patient can decline participating in the program and working with the care manager when they provide outreach.

Questions?

For questions or support beginning on January 1, 2026, contact the Regence Care Management Plus team at (866) 543-5765 or CaseManagement@regence.com.

Health Savings Account Contribution Limits

The Internal Revenue Service (IRS) has increased the Health Savings Account (HSA) annual limits for 2026. This means you are able to put more money into your HSA account on a pre-tax basis. The High-Deductible Health Plan (HDHP) with an HSA is very different from the traditional medical plans the City offers, and may not be the right fit for everyone.

The IRS may not allow you to use your HSA account to pay for qualified health expenses for some of your dependents (e.g., domestic partners and adult children) unless they are claimed on your tax return and meet requirements of Internal Revenue Code (IRC) Section 152.

If you are considering enrolling in this plan for next year, we recommend you visit the Benefits webpage to review the Frequently Asked Questions (FAQ) for the HDHP/HSA. You can also speak to our plan administrator, HealthEquity, 24/7, 365 days a year with your questions toll-free at (866) 346-5800 or healthequity.com/HSAlearn.

(**Note:** See the Tacoma Employee Wellness Program article on page 7 on the City's contributions to an HSA for employees with a HDHP.)

Coverage	2025	2026
Single	$4,300	**$4,400**
Family	$8,550	**$8,750**
Catch-Up (Age 55-65)	$1,000	**$1,000**

Are you eligible to establish an HSA?

The Internal Revenue Service has established rules for health savings accounts (HSAs) that restrict who can establish an account and make contributions:

- ✓ You must be enrolled in a qualified high-deductible health plan (HDHP)
- ✓ You cannot be covered by another health insurance plan (such as a spouse's plan), unless it is a qualified HDHP
- ✓ You cannot be enrolled in a general purpose flexible spending account (FSA) or have coverage through a spouse's FSA*
- ✓ You cannot be enrolled in a health reimbursement arrangement (HRA) or have coverage through a spouse's HRA*
- ✓ You cannot be covered by other health insurance through Medicare, TRICARE, or Indian Health Services
- ✓ You cannot be claimed as a dependent on someone else's tax return. You can be listed as a spouse filing jointly.

*Individuals can be enrolled in or covered through a spouse's limited purpose FSA or HRA. The City of Tacoma currently offers a general purpose FSA. Employees who sign up for the HDHP will not be able to sign up for the Health Care FSA benefit. However, you can still participate in the Dependent Care FSA.

Flexible Spending Account (FSA)
Annual Contribution Limits

New Limits for Flexible Spending Account (FSA) Plans

With the federal One Big Beautiful Bill Act, the IRS has increased for the first time since 1986, the annual limit on the Dependent Care FSA. Beginning January 1, 2026, the new household limit will be $7,500, up from $5,000. The Health Care FSA will also be increasing from $3,300 to $3,400.

DON'T FORGET: If you want to be enrolled in either FSA plan option for 2026, you MUST make a new election in ESS during Open Enrollment. The IRS requires you to elect these plans annually.

Plan Type	2025 Plan Limits	2026 Plan Limits
Healthcare FSA	$3,300 individual	**$3,400 individual**
Dependent Care FSA	$5,000 household $2,500 married filing separately	**$7,500 household** **$3,750 married filing separately**

Basics of Section 125 FSA Options
What is a Flexible Spending Account?

There are two types of FSAs offered by the City: Dependent Care and Health Care. The Dependent Care FSA is used to reimburse for out-of-pocket ***daycare and/or elder care expenses*** in which you paid to have someone else to care for your dependent because you were unable to do so yourself. The Health Care FSA is used to reimburse for out-of-pocket ***health care expenses***, like office visit copays and prescriptions, out-of-pocket dental and vision expenses, and various over-the-counter medical items for you and your eligible dependents.

These programs allow you to lower your taxable income and be reimbursed for qualified out-of-pocket health care or dependent care expenses. See the chart below and refer to the current FSA summary to learn more about how these two programs work and the type of out-of-pocket expenses that can be submitted for reimbursement.

Health Care FSA	Dependent Care FSA
Reimbursement for out-of-pocket **healthcare** expenses for you and your eligible dependents	Reimbursement for **daycare and elder care** expenses
$3,400 annual individual maximum	$7,500 annual **household** maximum or $3,750 for married individuals filing separately
Total annual election available for immediate use	Reimbursement is limited to funds that have been deposited, after event has occurred
Employee and IRS qualified dependent expenses covered	Daycare for eligible dependents while you and your spouse are working or at school
Cannot be used with a Health Savings Account (HSA)	Can be used with a Health Savings Account
Grace period allowed (Any funds not spent by 12/31 can be accessed into the next plan year)	No grace period (Funds not spent by 12/31 are forfeited)

As a reminder, participating in these plans requires you to make an election EVERY year during Open Enrollment.
If you are enrolled in one or both of these plans now in 2025, you will not have coverage in 2026 unless you enroll via ESS during this Open Enrollment period.

Important Information if You Have the Health FSA Now and Want to Sign Up for a High-Deductible Plan Next Year

If you are currently signed up for the Health Care FSA through the City and want to sign up for the Regence High-Deductible Health Plan (HDHP) with an HSA for 2026, you will need to spend down your FSA funds to zero prior to December 31, 2025. **This means claims should already have been submitted to Trusteed Plan Services Corporation, the FSA administrator, and processed before this deadline.**

If these funds are not spent by the deadline, your HSA account cannot be funded until April 1, 2026.

This is due to the design of the City's Health FSA plan, which has a grace period and allows an employee to incur health claims in the new plan year (January 1st – March 15th) which can be applied toward the prior year's FSA funds. This would mean that although you're signed up for an HDHP, you would not be able to accumulate City or employee voluntary HSA contributions until April.

Did You Know?

Our FSA administrator, Trusteed Plan Service Corporation (TPSC), has a secure website available with many tools such as an FSA calculator, Dependent Care Tax Credit information, tables of common eligible expenses, forms, and more!

Visit www.trusteedplans.com and click on the RESOURCES tab.

If you are enrolled in one of the FSA plans, you can log-in to their secure website to submit a claim, view your reimbursement statements, check claim status, check your account balances, and email TPSC's member services.

Deferred Compensation 457(b) Plan

Annual Contribution Limits

As of October 30, 2025, the Internal Revenue Service (IRS) has not released the 2026 annual limits for the 457(b) Deferred Compensation Plan. At this time, employees can enroll up to the 2025 annual maximum, based on age. The Benefits Office will send out a notification to employees once the 2026 limits are released.

Contribution Category	2025 Annual Contribution Limits
Regular Deferral	**$23,500**
Age 50+ Catch-Up	**$31,000**
Age 60-63 Catch-Up	**$34,750**
Pre-Retirement Catch-Up	**$47,000**

Deferred Compensation changes can be made any time during the year using your portal with MissionSquare or Nationwide (local 31 Fire Employees).

Participants Age 50 and Over

If you are currently enrolled in the Deferred Compensation plan, and will turn 50 sometime during 2026, you will automatically be eligible for the Age 50+ Catch-Up option. This allows you to make the higher Age 50+ annual contribution, if you so choose. If you do not make a change, your contribution amount will stay the same.

Participants Age 60 to 63

If you are currently enrolled in a deferred compensation plan and will turn 60-63 sometime during 2026, you will automatically be eligible for the Age 60-63 Catch-Up option. This will allow you to make the higher annual contribution, if you so choose. If you do not make a change, your contribution amount will stay the same. Participants will automatically be reverted back to the Age 50+ Catch-Up option in the year they will turn 64.

Pre-Retirement Catch-up Provision

The pre-retirement catch-up provision allows eligible participants to contribute additional funds to their 457 plans, up to double the regular limit, to make up for years when they were eligible for the plan but did not contribute up to the full IRS contribution limit. Active employees are only allowed to participate in this provision if they are within three years of normal retirement age. For questions and to take advantage of this provision, please contact the Benefits Office for enrollment and eligibility information.

Making Changes to Your Deferred Compensation Plan Elections

Employees do not have to make any kind of changes to their contribution elections during Open Enrollment. However, we do encourage employees to review all their benefit election information during Open Enrollment.

Employees now make all enrollment and contribution changes directly through our vendors. Access options include the vendors' website, mobile app, or by calling their customer service line. Staff from the Benefits Office process enrollment and change information from the vendor websites to coordinate payroll contributions for the plan.

If you would like to make a change effective for 2026, make your deferral changes in the vendor website between December 15, 2025 and December 28, 2025. Any changes made during this period will be effective for the first paycheck in 2026, received on January 2, 2026.

Note: Special activities like pre-retirement catch-up enrollment/calculations, employee changes due to separations and retirements, and leaves of absence issues will still be coordinated directly with the Benefits Office.

For complete details on how to enroll or make changes to your contribution elections with MissionSquare or Nationwide, please refer to the City of Tacoma Benefits webpage under Plan Information.

If you have questions about these changes, please contact the Benefits Office at benefits@tacoma.gov or (253) 573-2345, or contact your plan representative at MissionSquare or Nationwide:

MissionSquare:	Gabe Zamacona	gzamacona@missionsq.org	(202) 759-7284
Nationwide:	Mike Ferguson	m.ferguson@nationwide.com	(509) 385-7825 (Fire: Local 31 employees only)

Who Can I Cover on my Benefits?

- **Spouse:** Your current legal spouse.
- **Domestic Partner:** Your grandfathered domestic partner who met the requirements of the City of Tacoma Affidavit of Domestic Partnership and was registered and on file with the City of Tacoma as of December 31, 2016; OR, after January 1, 2017, is registered with the State of Washington under chapter 26.60.030 RCW.
- **Child under age 26:** Your children up to age 26 may include: a natural child, adopted child, or a child legally placed with you for adoption, including a child for whom you have assumed a total or partial legal obligation for support in anticipation of adoption, a stepchild or domestic partner's child, or a child for whom you have legal guardianship or court-ordered custody.
- **Child age 26 and over:** Your, your spouse's, or your domestic partner's otherwise eligible child who is age 26 or over and incapable of self-support because of physical, mental, or developmental disability that prevents the child from establishing or maintaining consistent employment or independence that began before their 26th birthday, if you complete and submit the affidavit of dependent eligibility form, with written evidence of the child's incapacity, within 30 days of the later of the child's 26th birthday or your effective date and either:
  - They are a dependent immediately before their 26th birthday; or
  - Their 26th birthday preceded your effective date and he or she has been continuously covered as your dependent on group, individual, or other insurance plan (including public programs) coverage since that birthday.
  - Newly hired employees wishing to enroll an eligible dependent must also be able to demonstrate that the dependent child has been covered on a group, individual, or other insurance plan (including public programs) immediately prior to enrollment on this plan.

Note: You are required to contact the Benefits Office immediately to report any dependents on your plans that no longer meet the above definitions. Visit the Benefits webpage at tacoma.gov/benefits for more information on what to do when you have a family status change under the Dependents section.

Tacoma Employee Wellness Program

The 2026 incentive period (October 1, 2024—September 30, 2025) has ended.

A postcard will be mailed to your home in November indicating whether you qualify for the 2026 wellness incentive. If you successfully met the requirements (25,000 points), the chart below explains the incentives you will be eligible for based onthe health plan you select for 2026.

Employees who did not qualify for the incentive but feel as though they should have are welcome to submit an appeals form by December 15, 2025.

2026 Wellness Incentive		
Credit on the Monthly Premium for the Medical Plans: $20 per month credit toward the employee premium contribution for medical insurance coverage under the Regence BlueShield or Kaiser Permanente traditional plans; **OR** $40 per month credit toward the premium contribution for coverage under the Regence BlueShield High-Deductible Health Plan (HDHP) with a Health Savings Account (HSA). **Contributions to HSA Accounts:** Employees who elect the HDHP with HSA plan option will **additionally** receive contributions to an HSA from the City, which will be prorated per pay period throughout the plan year. (See the increased rates below)		
	City Contributions With Wellness	**City Contributions Without Wellness**
Employee Coverage	$1,650/year	$825/year
Family Coverage	$3,300/year	$1,650/year

The 2027 Incentive Period is Here!

This incentive period runs from October 1, 2025 through September 30, 2026. Our platform offers fun challenges, helpful content, engaging social options, and tools to encourage you to make wellbeing a priority. Most importantly, it allows you to get credit for all of the healthy activities that you already practice! The Personify Health platform goes beyond physical wellness by helping you make healthy, long-lasting behavior changes for more energy, focus, and drive.

Download the Personify Health App Today

To simplify the process of participating, you are encouraged to go to your Apple or Google app store to download the **free** app so that all of the Personify Health tools are in one easily accessible place.

Save Time and Effort by Syncing a Device/App

Would you like to spend less time entering activities? Then consider syncing a device or app! This way you will automatically earn points for the healthy, everyday habits that you are already practicing.

Get Started Today

As a reminder, Virgin Pulse is now Personify Health. If you haven't done so yet, make sure to sign-up at join.personifyhealth.com/cityoftacoma. The monthly wellness incentive/credit will be tied to your participation in the Personify Health platform and there are many ways can earn points!

What's New?

In addition to the current ways that you can earn points, the **Media Library** is the newest addition. You can earn 25 points (100 points max) for watching up to four (4) videos each month.

Questions?

Please visit wellness.cityoftacoma.org to learn more about the 2027 incentive requirements, sync options, appeals process, and other program components.

The Importance of Keeping Your Beneficiary Designations Up-to-Date

While no one likes to think about worst-case scenarios, being prepared ensures your loved ones are protected if something unexpected happens. As a City of Tacoma employee, you have access to valuable benefits, some managed by the City, others through unions or third-party providers.

It's important to keep your beneficiary information current across all plans, including any personal life insurance or retirement accounts outside the City. Because these benefits are managed by different administrators, updates may need to be made in several places.

To make it easier, review the Beneficiary Change Resources guide for guidance on how to check and update your information. Visit the Benefits webpage to get started.

Do You Need to Add a Dependent To Your Benefit Coverage During Open Enrollment?

If you are **ADDING** new dependents to your benefit plans during Open Enrollment you need to do the following:

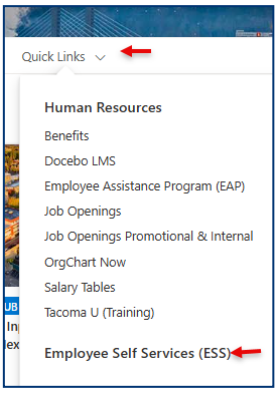
1) **ENROLL** them in all the appropriate benefit plans online at the Open Enrollment Self Service (ESS) web portal, see page 9 for details
2) **COMPLETE and SUBMIT** a Dependent Eligibility Verification Form and provide supporting backup documents (e.g., marriage certificate, birth certificate, etc.) to the Benefits Office
3) **DEADLINE** to enroll and submit all documents is **November 13, 2025**
4) Documents may be submitted via email to benefits@tacoma.gov, or via interoffice mail to the Benefits Office in TMB room 1420

Instructions for Completing Open Enrollment Online

To review your current benefit elections and make any changes to your coverage choices for 2026, log in to Employee Self Service from home or work. If you have difficulty logging in to ESS, contact the IT Service Desk at (253) 591-2057.

- ✓ **Log in** at tacoma.gov/ESS **or access via the City's SharePoint HUB, under Quick Links**
- ✓ **Select** the **Benefits** link
- ✓ **Select** the **COT Open Enrollment** link and remember to **Review and Save** when you are done

See detailed instructions for logging into ESS and completing Open Enrollment on the Benefits webpage at tacoma.gov/benefits under **Open Enrollment**.



Per City of Tacoma Policy 4.1 Technology, acceptable Use, technology users should protect and not share login information, passwords, and Multi-Factor Authentication (MFA) security codes

Open Enrollment Employee Benefit Presentation and Vendor Q&A Event

Virtual Benefit Recorded Presentation

The Benefits Office will be releasing a pre-recorded presentation highlighting the changes to health and welfare plans for 2026 as well as tips on completing Open Enrollment. You can view this recording on the Benefits Open Enrollment webpage.

Virtual Benefit Vendor Q & A

To continue to provide an opportunity for employees to speak directly to our benefits vendors during Open Enrollment, we will be hosting two live Q & A sessions via Teams with our medical, dental, vision, FSA, life and disability, and deferred compensation providers. We will also have staff from the Benefits Office available to answer questions about our health welfare benefits as well as our Wellness Program. Calendar appointments for call-in and login information will be emailed to all employees.

November 6, 2025 9 a.m. - 10 a.m. & 2 p.m. - 3 p.m.
Access information will be emailed to employees

Meet with Staff from the Benefits Office

Employees can contact the Benefits Office with their questions and for assistance during Open Enrollment by email at benefits@tacoma.gov or phone (253)-573-2345 or in person during the hours listed below. However, you may also reserve a virtual Teams appointment to meet with a Benefits staff member.

Onsite Assistance with the Benefits Office

Employees can meet within Benefits Office staff during Open Enrollment at the following locations:

Tacoma Municipal Building
TMB Room 1420
October 30 - November 13
8:00 a.m. - 5:00 p.m.

Tacoma Public Utilities Building
Cafeteria Conference Room
November 5 1:00 p.m. - 5:00 p.m.
November 12 7:00 a.m. - 11:00 a.m. & 1:00 p.m. - 4:00 p.m.

Note: City Offices will be closed on November 11 in observance of the Veteran's Day Holiday.