

2012 Benefits Open Enrollment: October 31–November 14, 2011

The 2012 Open Enrollment period for domestic full- and part-time faculty and staff runs from October 31 through November 14, 2011.

What is Open Enrollment?

Open Enrollment is your annual opportunity to review, select or change your benefits for the coming year. IRS regulations prohibit you from making changes during the year, unless you experience a qualifying life or family status change (for example, adding a child upon their birth or adoption).

If you do not actively make benefit elections for 2012, most of your current benefits will roll over to 2012. New rates will apply. *Note that Health Care and Dependent Care spending account contributions cannot roll over*—you must actively enroll to contribute to these accounts in 2012.

How Do I Make My Benefits Elections?

You should use HR Connection's Open Enrollment module to make your benefit elections for 2012. See http://www.cmu.edu/hr/hr_systems/hrconnection/.

HR Connection is an online self-service system that guides you through the benefits election process. To use the system, you will need your Andrew username and password, HR Connection password, dependent information (if adding a dependent) and PCP code (if selecting an HMO).

If you have forgotten your HR Connection password, you can have it sent to your email address by following the online prompts.

All Open Enrollment elections must be submitted by 5:00 p.m. on Monday, November 14, 2011.

What Benefits Changes Are Taking Place for 2012?

The following changes will be in place as of January 1, 2012:

- **Employee Contribution Rates:** The rates for the PPO medical plans, prescription plans, most vision plans, life insurance, dependent life insurance and enhanced LTD coverage have *not* changed for 2012.
There *are* rate changes for the Highmark Comprehensive and HealthAmerica HMO plans, the VBA Option 1 vision plan, and the dental plans.
- **Dental and vision coverage is now an annual election.** In the past, you could make your dental and vision elections every other year. They are now annual elections so you can choose the plans that best meets your needs.
- **Dental and vision coverage has been extended to dependent children up to age 26, regardless of student status.** You will no longer need to certify that your children are full-time students to cover them in your dental and vision coverage when they turn 19. (Current

student certification rules will apply through the end of 2011.)

In addition, they can be covered up to age 26, rather than age 23.

- **Verification for dependents who have not been verified previously will be required.** Faculty and staff were asked to certify their current covered dependents this past spring. If you add a dependent to your coverage who has not already been verified, you will need to provide supporting documentation within 30 days of Open Enrollment.

Go to http://www.cmu.edu/hr/benefits/benefit_admin/dependents.html for a list of eligible dependents and the accepted documentation.

Where Can I Learn More About My 2012 Benefits?

Go online to <http://www.cmu.edu/hr/benefits/OE> to access Quick Enrollment Guides, benefits workbooks and plan summaries, and 2012 rates.

Attend the Benefits & Fitness Fair on Wednesday, November 2 at 11 a.m.–4 p.m. in UC–Rangos. Benefits Office and benefit carrier representatives will be on hand to answer your questions.

Contact the Benefits Office for assistance. They can be reached at HRhelp@andrew.cmu.edu or by phone at 412-268-2047, and are happy to assist you.

Act 32: Certifying Your Residency for Local Earned Income Tax Collection

Starting on January 1, 2012, Pennsylvania Act 32 will go into effect. Act 32 consolidates the collection of Local Earned Income Taxes (EIT) on a county-wide basis.

In the past, unless you lived in the City of Pittsburgh, you were responsible for paying local EIT to your local taxing authority. Under PA Act 32, the university will withhold local EIT from your pay and remit it to Jordan Tax Service, who will disseminate funds to the appropriate taxing authorities.

Act 32 requires that all Carnegie Mellon employees certify their tax residency address so that the university knows how much EIT to withhold and to which locality it should be sent.

What You Need To Do:

Starting on October 31 and before your first pay of 2012, you should go into HR Connection's Demographics module to certify your tax residency address. (Go to http://www.cmu.edu/hr/hr_systems/hrconnection/ to access HR Connection.)

We recommend that you certify your tax residency address while you are using HR Connection to make your Open Enrollment benefits elections.

- When you enter the Demographics module, you will see three address blocks: Mailing Address (where you receive postal mail), Permanent Address (your official residence), and Tax Residency Address (the address used by your taxing authority).
- For many people, all three addresses will be the same.

However, if you need to designate different addresses for each, you can do so. Your tax residency address must be an actual street address—it cannot be a PO Box, RR#, RD# or SMC.

- After entering your addresses, you will be asked to select your county, municipality and school district. You will then be taken to the Tax Residency Certification Form. The form will be filled in for you, based on the tax residency address you entered. You will need to complete the electronic signature and submit the form.
- Act 32 requires that all certifications be completed in the same format. We cannot offer you the option of completing a paper certification form.
- Local EIT taxes will be withheld from your pay by Carnegie Mellon starting in 2012.

How Much EIT Will Be Collected For Those Working On The Pittsburgh Campus?

Act 32 does not change any municipality's tax rate; the EIT rate is still set by each local taxing authority.

Act 32 requires that individuals who live or work in Pennsylvania pay the higher of their residency tax rate (where you live) or the non-resident tax rate where they work (for CMU's main campus, the City of Pittsburgh).

- City of Pittsburgh residents are assessed a 3% EIT rate.
- Non-residents of the city will pay either the 1% non-resident EIT rate or the tax rate in their location, whichever is higher.

What Happens If You Don't Certify Your Tax Address Before Your First Pay In 2012?

It is very important that you certify your tax residency address before your first pay of 2012.

In the absence of a signed certification form, employers are required to collect EIT at the highest tax rate for the location where the company is located. In Carnegie Mellon's case, this means we are required to collect the 3% City of Pittsburgh resident EIT rate.

If you are not a City of Pittsburgh resident, you will be responsible for working with Jordan Tax Services to obtain any refunds or pay additional taxes due.

Once you complete the Local Earned Income Tax Residency Certification form you will be taxed based on where you live beginning with the next pay cycle.

We encourage you to use HR Connection's Demographics module during the same session in which you use the Open Enrollment Module.

Where To Go If You Have Questions:

- To determine your local EIT rate, go to <http://munstatspa.dced.state.pa.us/Registers.aspx>.
- Payroll Services has EIT withholding information and Act 32 frequently asked questions at <http://www.cmu.edu/finance/payroll>.
- The HR Systems Help Desk can assist you with questions about using HR Connection. They are available at hrit@andrew.cmu.edu or 412-268-3487.