Open Enrollment 2014
Frequently Asked Questions
Consumer Driven Health Plan/HSA and Wellness Programs

You will find a high-level description of the Consumer Driven Health Plan/HSA and Wellness Programs in the Benefits Reference Guide that was recently mailed to your home. The following questions were asked by employees during open enrollment meetings or sent to the benefits team, and are meant to provide you with specific details and “what if” scenarios. The benefits team will continue to update this document as more questions are received.

**Consumer Driven Health Plan (CDHP)/Health Savings Account (HSA)**

1. **Are employer contributions to my HSA account reported as income?**
   Employer contributions are not reported as gross income on your annual federal tax return. However, state income tax may apply (OH and PA follow federal rules).

2. **Can I choose different stock market based investment funds with my HSA funds?**
   Once you achieve and maintain a minimum balance of $2,000, your additional funds may be invested in mutual funds yielding tax-free earnings. Please see the HSA Investment Options, which are periodically updated, on [http://www.glatfelter.com/careers/benefits_enrollment.aspx](http://www.glatfelter.com/careers/benefits_enrollment.aspx).

3. **What happens to my HSA if I die?**
   If your spouse is your beneficiary, he/she becomes the owner of the account and may use it as an HSA account. If you are not married, the account will no longer be treated as an HSA upon your death. The account will pass to your beneficiary or become part of your estate (and be subject to any applicable taxes).

4. **What happens to my HSA if I retire or leave the company?**
   You own the HSA; the monies are yours to keep. If you retire and are insured by Medicare, change to a non HSA-qualified plan or go to another employer that doesn’t offer a qualified plan, you can still use your HSA to pay for out-of-pocket qualified medical expenses. However, you cannot continue to make contributions to your HSA. Please note you may also use HSA funds to pay for COBRA premiums.

5. **Once I retire, can I use the HSA funds for anything?**
   If you use HSA funds for non-qualified expenses, and are under 65, you’ll be taxed on the money you use at your income tax rate and assessed a 20% penalty. Once you’re 65, you’ll be taxed for HSA funds used for non-qualified expenses, but won’t pay any additional penalty.

6. **If I’m covered under my spouse’s plan, can I enroll in the CDHP plan and use it as my primary plan with my spouse’s paying secondary?**
   If you are covered by any other health insurance policies that are not considered High Deductible Health Plans, including Medicare and unlimited Health Care Flexible Spending Accounts, you are not eligible for an HSA. Technically, you can enroll in a CDHP; however, you cannot make contributions into an HSA if you have other first-dollar health insurance (e.g., PPO, POS, HMO, Health Care FSA, etc.).
7. Can my spouse and I both enroll in a High Deductible Health Plan?
   You and your spouse may both elect a High Deductible Health Plan, but together your maximum
   contribution is split equally unless you and your spouse agree on a different division.

8. If my dependent receives medical assistance through Medicare or Medicaid, am I eligible for the
   CDHP/HSA?

   Yes, please refer to Q&A-11 and 16 of the Internal Revenue Bulletin: 2008-29, 

   The eligible individual may contribute the § 223(b)(2)(B) statutory maximum for family coverage. Other
   coverage of dependent children or spouses does not affect the individual’s contribution limit, except that
   if the spouse is not an otherwise eligible individual, no part of the HSA contribution can be allocated to
   the spouse.

9. How much does Glatfelter contribute to my HSA and when are those contributions made?
   For 2014, Glatfelter will contribute “seed money” in the amount of $600 for individual and $1200 for
   individual plus one and family coverage tiers. If you complete the wellness program, you will receive an
   additional contribution as an incentive in the amount of $300 for individual and $600 for individual plus
   one and family coverage tiers. For those electing the CDHP with HSA at open enrollment, you will receive
   one-half of the seed money in January and one-half in July. Glatfelter will contribute the wellness
   incentive in April for those who complete the program timely, by March 14, 2014. (New hires and those
   electing the plan as a result of a life event will receive contributions based on the month in which their
   plan is effective and will be prorated accordingly.)

10. Why is Glatfelter making the contributions semi-annually?
   Some companies deposit their seed contributions by pay period and some companies deposit their
   contributions on an annual or semi-annual basis. Glatfelter chose the semi-annual frequency because we
   wanted employees to receive a significant contribution at the beginning of the year rather than having it
   spread minimally across the weekly, bi-weekly or monthly pay frequencies. At the same time, we wanted
   to minimize the risk to the company for those employees who leave the company part way through the
   year.

11. If I leave the company part way through the year, do I have to return any portion of the funds
    contributed to date?
    No, the HSA account balance is yours.

12. If I am enrolled in the CDHP and have not met my deductible, are my services billed at the discounted
    rate?
    If you receive services from an in-network doctor, you will be billed at the “allowed” discounted rate. If
    you receive services from an out-of-network doctor, you will be billed for the total cost of the service. It is
    recommended that you do not pay your bill at the time of service, but rather wait until you are billed and
    receive the EOB from CoreSource to ensure the patient responsibility on the EOB matches what is being
    billed to you by the provider.

13. Who is administering the CDHP and HSA?
    The CDHP will be administered by CoreSource. The HSA will be administered by TASC, the parent
    company of HFS, the company that administers our FSA plans. Contact, enrollment and account
    administrative information will be provided to those who enroll in the plan. This information will be
    mailed to your home shortly after open enrollment.
14. Am I required to submit substantiation for expenses the same way I do for the FSA plan?
   No, you will not be required to submit substantiation; however, it is important that you retain all receipts and documentation for each year's federal tax return (Form 8889 attached to Form 1040).

15. How are claims paid or expenses reimbursed from my HSA?
   You can use your debit card or submit for reimbursement. Payment or reimbursement is based upon your account balance at the time of the request. However, you may later submit the expense for reimbursement once your account has accumulated sufficient funds to cover the expense.

16. Can I participate in both an HSA and FSA?
   You cannot participate in an HSA and Health Care FSA, but you can participate in an HSA and Dependent Care FSA. The Dependent Care FSA is for daycare expenses for your dependents under age 13 and for elderly parental care and has no impact on your health care plan.

17. If I select a CDHP/HSA for 2014, can I change to another plan option such as the PPO plan for 2015? What would happen to my HSA account if I changed plans?
   Yes, you can select any plan option offered at open enrollment or during an eligible life event. The HSA account would remain yours; however, you would no longer be allowed to make employee contributions or receive company contributions unless you select an eligible High Deductible Health Plan.

18. Is Glatfelter implementing the new IRS rule that would allow an individual to carry over up to $500 from their Health Care FSA account into the next year?
   Yes, Glatfelter has made the decision to allow employees to carry over up to $500 from their 2013 Health Care FSA account, but only if they enroll in the Health Care FSA plan for 2014. Please see http://www.irs.gov/pub/irs-drop/n-13-71.pdf for more information.

19. If I carry over a balance in my FSA, can I participate in the CDHP/HSA plan in 2014?
   No. IRS rules do not allow you to participate in an HSA and a Health Care FSA plan at the same time.

20. What expenses can I pay for with my HSA account?
   You may use your HSA account to pay for qualified expenses for most medical care and services, dental care services, vision care services, prescriptions, certain over-the-counter medications (with a prescription), and qualified long-term care insurance and COBRA healthcare premiums. For a complete list of eligible and non-eligible expenses, please see IRS Publication 502 found on http://www.irs.gov/pub/irs-pdf/p502.pdf. Please note this document is updated annually.

21. Can I pay for eligible dependents' expenses for dependents not covered under my plan?
   Yes, you can pay qualified expenses for a spouse or an IRS-defined dependent not covered under your CDHP. Please go to http://www.irs.gov/publications/p969/ar02.html#en_US_2012_publink1000204020 for more information (2012 is the most recently published document). The following list of dependents and exceptions are copied from that publication. Qualified medical expenses are those incurred by:

   1. You and your spouse.
   2. All dependents you claim on your tax return.
   3. Any person you could have claimed as a dependent on your return except that:
      a. The person filed a joint return,
      b. The person had gross income of $3,800 or more, or
      c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's return.
22. **What is the definition of a dependent child under the CDHP/HSA?**
   While you may cover a dependent child under the CDHP up to age 26, the HSA can only be used to pay expenses for a dependent child up to age 19 or up to age 24 if your dependent is a full-time student. This is due to the IRS having a different definition of dependent child than the dependents required to be offered coverage under the Affordable Care Act.

23. **If I am an active employee 65 years of age, or older, can I enroll in the HSA?**
   If you have not applied for Medicare you are eligible to enroll in the HSA. If you’re eligible for Medicare but have not filed an application for either Social Security retirement benefits or Medicare, you can continue to contribute to your HSA after age 65 and postpone applying for Social Security and Medicare until you stop working. There is no penalty for this delay.

24. **If I am enrolled in the CDHP and have met my deductible, do copays/coinsurance apply?** And once I have met my out-of-pocket maximum, are prescriptions paid in full or will the copays/coinsurance continue to apply?
   Once you have met the deductible, copays and coinsurance will apply. Once you have met your out-of-pocket maximum, your claims will be covered in full and you will not be responsible for copays/coinsurance.

25. **If I elect the CDHP and then retire and enroll in one of the other plans, will my deductible and out-of-pocket maximum start over or will they transfer to the new plan?**
   If you change plans mid-year, whether it is through retirement or a qualified life event, your deductibles and out-of-pocket will transfer to the new plan.

26. **If I am age 55 or over, will I see the HSA catch-up contribution of $1,000 on the enrollment site?**
   Yes, the maximum shown for you on the enrollment site will reflect the extra $1,000 you are eligible to elect.

27. **Can I order additional debit cards for the HSA?**
   Yes and there is no fee unless you need one reissued, in which case there is a $10 fee.

28. **Is there a cutoff date for submittal of a qualified medical expense for the HSA?**
   No, there is not. Once the funds are in your account, it is your money to draw out at any time.

29. **Can I pay for dental and vision expenses through an HSA?**
   Yes, as long as they are qualified expenses (e.g., teeth whitening is not a qualified expense). Also see Question 19 above.

30. **Can I be enrolled in the PPO, PCP or my spouse’s plan and enroll in the HSA and receive the employer contribution?**
   No, the company has decided to only allow those enrolled in the CDHP to enroll in the HSA. All others have the option of enrolling in the Health Care FSA plan.

31. **Can I front load my HSA?**
   Yes, you can set the maximum deduction for one or more paychecks, then drop the deduction election down, thereby funding a larger amount over a short period of time.

32. **Can I roll funds into an HSA?**
   Yes, the tax rules do allow you to roll IRA assets into an HSA. This provides another way in which you can fund larger amounts earlier in the year. Please see your tax advisor for additional information and assistance.
33. Can I contribute pre-tax contributions from my paycheck to an HSA that I’ve set up outside of Glatfelter?
   No, the HSA and pre-tax contributions into the HSA are only available if you have elected coverage under the Glatfelter CDHP.

34. If my spouse has a Health Care FSA or HRA through their employer, can I have an HSA?
   You cannot have an HSA if your spouse’s HCFSA or HRA can pay for any of your medical expenses before your HDHP deductible is met.

Glatfelter Wellness Program

1. If I had a physical in the last quarter of 2013, can I use those results to complete the Personal Health Assessment?
   Yes, you may use those numbers if you have your physical between October 1 and December 31, 2013; however, your doctor will need to fax those numbers directly to Carewise Health. More information on how to do this will be provided by the end of the year. A Physician Form can be found on http://www.glatfelter.com/careers/benefits_enrollment.aspx. Please do not attempt to send it to Carewise Health before January 2, 2014.

2. Do dependent children and spouses need to complete the wellness program?
   Dependent children do not need to complete the program. If you are married, both you and your spouse (if covered under a Glatfelter medical plan) are required to complete the wellness program to be eligible for the incentive into the HSA or the “with wellness” premiums for the entire year.

3. What do I (and my spouse) need to do to complete the wellness program?
   You will need to 1) obtain your numbers by participating in the biometric screening or having your personal physician complete and fax the Health Screening Physician Form to Carewise Heath, 2) complete the Personal Health Assessment, and 3) complete the “initial survey” of the wellness or lifestyle management on-line program(s) as indicated by your PHA results. More details regarding the wellness program will be distributed following open enrollment.

4. How will I know whether I should participate in disease management or lifestyle coaching?
   You will be contacted by Carewise Health if, based on their analysis, you are indicated as someone who could benefit from support through a telephonic disease management or lifestyle coaching program.

5. What is the cutoff for completing the wellness program?
   You must complete the three wellness program steps no later than March 14, 2014.

6. What will happen if I do not complete the wellness program?
   If you are in the CDHP/HSA plan, you will not receive the wellness incentive of $300 for individual or $600 for individual plus one or family coverage. If you are in one of the other plans, your medical premium will increase effective with your first paycheck on or after April 1, 2014. Please see the 2014 Benefit Options & Costs found at the end of your Benefits Reference Guide for the “Without Wellness Completion” rates.

7. If I decide after the cutoff of March 14th to participate in the wellness program, can I do that and will I be eligible for the incentives?
   Yes, however, if you are in the CDHP/HSA plan, your incentive will be prorated based on the date of your completion. If you are enrolled in one of the other plans, your premiums will be adjusted to the “With Wellness” rate as soon as administratively possible (generally, the next month); however, the change in rate will not be retroactive to April 1.
1. **Do I have to meet the new deductible in the PCP plan before the plan begins paying?**
   Yes, with the exception of emergency or urgent care services, pediatric and adult preventive care services and office visits with a copay. Services with coinsurance (e.g., surgery) will apply to the deductible.

2. **How are my plan expenses handled, regarding my deductibles, when I use an out-of-network provider?**
   The plan does what is known as “cross-accumulation”. This means that all covered costs are counted towards both your in-network and out-of-network deductibles. For example, if you see an out-of-network doctor, any covered expenses will be credited towards your in and out of network deductibles and could even satisfy your in-network deductible.

3. **My spouse has open enrollment a different time of the year than Glatfelter’s open enrollment. Am I allowed to make changes within my Glatfelter plan during my spouse’s open enrollment?**
   Unless your spouse’s plan has changes in cost of at least 30%, you cannot make an election change under the Glatfelter plan.

If you have additional questions, please send an email to the Benefits Department at benefits@glatfelter.com.