Terms to know

Health and wellness terms to know

Coinsurance: After you meet your deductible, coinsurance is the out-of-pocket percentage that you would pay for services covered by your insurance plan before you reach your out-of-pocket maximum. Let's look at two examples of what you would pay if your medical plan's allowed amount for an office visit is $100 and your coinsurance is 20%:

Example 1: If you've met your deductible, you would pay $20 (20% x $100), and your insurance would pay the rest.

Annual deductible	$1,200
Health care expenses incurred to date	$1,200
Remaining deductible	$0

Office visit charge	$100
Coinsurance	20% x $100 = $20
You pay (deductible plus coinsurance)	$20
Medical plan pays	$80

Example 2: If you haven't met your deductible, you would pay the full allowed amount up to the deductible, plus 20% of the remaining cost. So if you had $60 left to meet your deductible, you would pay $68 ($60 plus 20% x $40).

Annual deductible	$1,200
Health care expenses incurred to date	$1,140
Remaining deductible	$60
Office visit charge	$100
Coinsurance	20% x $40 = $8
You pay (deductible plus coinsurance)	$68
Medical plan pays	$32

Consolidated Omnibus Budget Reconciliation Act (COBRA): In the event of a layoff or a reduction in workforce or a dependent who is no longer eligible to participate in health plans, COBRA allows you to pay to continue coverage at rates negotiated by BAE Systems for a set amount of time.

Copay: A fixed out-of-pocket amount you pay for services covered by your insurance plan. Insurance providers often charge copays for services like doctor visits or prescription drugs.

Deductible: The amount you pay out of pocket before the plan begins to cover services. The deductible can include just medical expenses or medical and prescription drug expenses combined, depending on your medical plan. Your deductible amount depends on which medical plan you select, how many people you cover, and whether you use in- or out-of-network services. Certain preventive drugs do not require you to meet your deductible prior to providing coinsurance. The deductible amount is included in your out-of-pocket maximum.

Employee Retirement Income Security Act (ERISA): The Employee Retirement Income Security Act (ERISA) protects the interests of employees who are enrolled in employee benefit plans and ensures that employees receive retirement, health, and welfare benefits that have been promised to them by their employer. Employers provide a Summary Plan Description (SPD) to employees for the ERISA covered retirement plans or health benefit plans. The SPD is a detailed guide to what benefits the plan provides and how the plan works.

Essential services: These include ambulatory patient services; emergency services; hospitalization; pregnancy, maternity, and newborn care; mental health and substance abuse services; laboratory services; and chronic disease management.

Explanation of Benefits (EOB): An explanation of which services were or were not covered under your insurance plan and why you owe what you do.

Family and Medical Leave Act (FMLA): Provides you with up to 12 weeks of unpaid, job-protected leave per year for specified family and medical reasons. Your benefits remain unchanged when you take FML.

Flexible Spending Account (FSA): A type of savings account that helps lower out-of-pocket costs for health care and dependent day care by allowing you to set aside pretax dollars to pay eligible expenses. **A traditional Health Care FSA cannot be used with a qualified high-deductible health plan; however, it can be used for eligible dental and vision expenses.**

Health Insurance Portability and Accountability Act (HIPAA): A privacy rule that serves to protect the privacy of your medical records and personal health information. Under HIPAA, you have control over who can obtain, review, and release your health records.

Health Savings Account (HSA): A type of savings account that allows you to set aside pretax dollars to cover your qualified medical expenses. An HSA can help you lower your health care costs by allowing you to save pretax dollars that you can use toward your deductibles, copays, coinsurance, etc. **An HSA can only be used if you are enrolled in a qualified high-deductible health plan such as the Core Plus, Essential Health, or Advantage Health plan.**

In-network providers: The insurance companies have negotiated discounted rates with certain health care providers and facilities, referred to as in-network providers, to help lower your cost.

Lifetime maximum: The maximum dollar amount that your insurance company will pay out during your lifetime for non-essential health care services. Lifetime maximum benefit clauses included in health care policies do not apply to essential services.

Non-essential services: These include hearing aids, chiropractic care, acupuncture, and orthotics.

Out-of-pocket maximum: The maximum amount you will spend for covered services in a plan year. After you reach this amount, your insurance company pays 100% for covered services. The out-of-pocket maximum includes the deductible amount, which covers out-of-pocket expenses as well.

Premium: The amount you pay for your health insurance every month. In addition to your premium, you usually have to pay other costs for your health care, including a deductible, copays, and coinsurance.

Preventive care: Includes yearly checkups, preventive screenings (like mammograms and colonoscopies), and immunizations. Preventive care is 100% paid for by your medical plan and does not require copays.

Service Contract Act (SCA): The McNamara-O'Hara Service Contract Act of 1965 is a federal law that provides a minimum level of wages and benefits for certain non-exempt employees working on covered government contracts in covered occupations. Refer to the article PRD840767 on the BAE Systems Resource Center portal (must be on the BAE Systems network) for more detailed information regarding the SCA Health and Welfare (H&W) Allowance for SCA employees, as well as compliance with other benefit-related provisions of the Act.

Summary Plan Description (SPD): A document provided by the employer, given to employees who participate in the Employee Retirement Income Security Act (ERISA) covered retirement plans or health benefit plans. The SPD is a detailed guide to what benefits the plan provides and how the plan works.

Wellness Incentives: Incentive funding you and your spouse can earn in a Health Reimbursement Account (HRA) or Health Savings Account (HSA) when you complete wellness activities through the Cigna medical plans.

Financial wellness terms to know

401(k) Savings Plan: A defined contribution plan in which you contribute a portion of your paycheck on either a before- or after-tax basis. When you contribute to the 401(k) Savings Plan, you choose how to invest your contributions based on options provided under the Plan, as described below:

Before-tax: Before-tax contributions to the 401(k) Savings Plan reduce the amount of your taxable compensation. Generally, your contributions and any associated earnings are taxed at the time of withdrawal.

Roth: Roth after-tax contributions and related earnings may be distributed on a tax-free basis if your distribution is taken at least five tax years after the year you first made a Roth after-tax contribution to the 401(k) Savings Plan.

After-tax: After-tax contributions are taxed at the time of contribution to the 401(k) Savings Plan. The investment earnings on your after-tax contributions are not taxable under federal income tax rules until you take a distribution from the 401(k) Savings Plan.

Disability insurance: Coverage that provides you with income protection in the event you become sick or injured and are unable to work.

Employer matching contribution: An employer's potential payment to the 401(k) Savings Plan, generally based on the amount you choose to contribute to the Plan. It is usually a percentage of pay. Refer to the Plan Supplement to see if your business unit offers an employer matching contribution. To review the relevant Plan Supplement, please log in to BenefitsNavigator, and click on Plan Documents.

Vesting: The non-forfeitable portion of your account to which you are entitled as of a given date if your service terminates as of such given date. Vesting schedules describe when you obtain full ownership of your benefit account. In the 401(k) Savings Plan, vesting timing can range from immediately to a cliff vesting schedule.

Immediate vesting: You are automatically fully vested in any employer contributions to your 401(k) Savings Plan.

Cliff vesting schedule: You receive ownership of employer contributions made to the 401(k) Savings Plan after a certain number of years.

Graded vesting schedule: You receive ownership of a percentage of employer contributions made to the 401(k) Savings Plan each year.

Vision

Health Savings Account

Health Care Flexible Spending Account (FSA)

Health Reimbursement Account (HRA)

Financial

401(k) Savings Plan

Your Total Rewards

Life and accident insurance

Disability coverage

Home, auto, and pet insurance

Legal plan

Commuter Benefits Program

Emotional

Employee Assistance Program

Text-based therapy

Sleepio

Behavioral health support

Veterans support

Eligibility & enrolling

What's new for 2021

Eligibility

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Changing your benefits

Time away

Paid Time Off

Holidays

Paid Parental Leave

Military Leave

Bereavement Leave

Other types of leave

Benefits for everyday life

Employee discount programs

Tuition reimbursement

Support for your family

Cariloop family services

Grow your family your way

Dependent Care Flexible Spending Account (FSA)

Travel assistance and identity theft protection

Resources

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Benefits information for retirees

Legal

Privacy

Employees covered by a Collective Bargaining Agreement (CBA) may have different benefits. Refer to your CBA for details.