WELS Benefit Plans
Wisconsin Evangelical Lutheran Synod

WELS VEBA Health Care Plan – 2027 Limited Open Enrollment
Sponsoring Organization Summary

WELS VEBA benefits

- **Medical benefits**
- **Prescription drugs**
- **Routine vision benefits**
- **Dental benefits**
- **Group term life insurance**
- **Long-term disability insurance**

IMPORTANT NEWS! The deductibles, coinsurance percentages, and out-of-pocket maximums for all WELS VEBA health plan options will change effective 1/1/2027. Please carefully review the 2027 plan design and consider any potential worker benefit changes that your organization may wish to make as described on the following pages.

2027 RATE CHANGES

The following factors affected the 2027 WELS VEBA health plan rates:

- A 5.0 percent increase was applied to all plan options due to continued cost inflation (i.e., "trend") for health care services and prescription drugs.
- The geographic regional rating factor was updated for all areas.
- The relative benefit value factor for each plan option was adjusted due to the 2027 plan design update.

Because of the above factors, the total 2027 health rate change will vary by plan option and sponsoring organization and range from a 4.1 percent decrease to a 20.7 percent increase.

To find the 2027 WELS VEBA health plan rates that apply to your organization, please visit **welsbpo.net.**

GEOGRAPHIC RATE REGION UPDATE

The three-year transition to the ultimate five-region rate structure will be complete as of 1/1/2027. The regional rating factors applied to the 2027 rates are provided on each rate region's 2027 health rates page at **welsbpo.net.**

Going forward, the WELS VEBA Commission intends to regularly review the relative differences in health care costs across local markets in consultation with the plan's actuaries. Incremental adjustments to the rate regions and regional rating factors will be made periodically so that WELS VEBA rates remain in line with local market conditions over time.

1 *Consistent benefits*

WELS VEBA provides benefits that are consistent nationwide and are supported by more than 80 percent of WELS sponsoring organizations. WELS VEBA's broad national network ensures that health coverage remains accessible wherever a worker may be called to serve or travel.

2 *Consistent value*

Through WELS VEBA, the cost of health care for workers' families is shared across all participating sponsoring organizations throughout the synod. Grouping together all covered workers under one plan allows WELS VEBA premium costs to be as low as reasonably possible and stable over time.

3 *Consistent with God's Word*

WELS VEBA is purposefully designed for workers serving at WELS and ELS ministries. As a plan sponsored by a religious organization, WELS VEBA is uniquely consistent with both God's Word and the law.

Visit **resources.welsbpo.net** for additional information about WELS VEBA benefits and the 2027 limited open enrollment.

1/1/2027 WELS VEBA HEALTH PLAN DESIGN

	Plan Option 1	Plan Option 2	Plan Option 3 (HDHP)[1]	Plan Option 4
Medical Deductible Individual	$1,000	$2,000	$3,500[2]	$4,000
Medical Deductible Family	$2,000	$4,000	$7,000[2]	$8,000
Member Coinsurance for Covered Medical Expenses After Deductible	15% In-Network 30% Out-of-Network	20% In-Network 30% Out-of-Network	20% In-Network 30% Out-of-Network	20% In-Network 50% Out-of-Network
Medical Out-of-Pocket Maximum Individual[3]	$3,000	$5,000	$6,000	$8,000
Medical Out-of-Pocket Maximum Family[3]	$6,000	$10,000	$12,000	$16,000
Rx Out-of-Pocket Maximum Individual	$1,000	$1,000	Applied to Medical Deductible; then Plan pays 100%	$1,000
Rx Out-of-Pocket Maximum Family	$2,000	$2,000	Applied to Medical Deductible; then Plan pays 100%	$2,000
Total Plan Out-of-Pocket Maximum Individual[4]	$4,000	$6,000	$6,000	$9,000
Total Plan Out-of-Pocket Maximum Family[4]	$8,000	$12,000	$12,000	$18,000

1. *Plan Option 3 is a Health Savings Account (HSA)-compliant High-Deductible Health Plan (HDHP). Benefits and coverage under Plan Option 3 may be different from other plan options. Please consult the Plan Option 3 Summary Plan Description for additional details or contact the Benefit Plans Office.*
2. *Medical Deductible amounts for Plan Option 3 include eligible medical and prescription drug charges applied to deductible.*
3. *Medical Out-of-Pocket Maximum amounts include Medical Deductible amounts.*
4. *Total Plan Out-of-Pocket Maximum amounts for Individual and Family are the total of Medical Out-of-Pocket Maximum amounts and Rx Out-of-Pocket Maximum amounts for Individual and Family, respectively.*

1/1/2027 WELS VEBA HEALTH PLAN DESIGN

The WELS VEBA Commission reviewed with its consultants and actuaries the benefit levels provided by WELS VEBA and other employer plans in its peer group. The commission found that WELS VEBA benefit levels are generally higher than most other plans mainly because, unlike other plans, the WELS VEBA worker out-of-pocket amounts have not increased in recent years to maintain pace with inflation. In fact, the out-of-pocket amounts for Plan Options 1 and 2 have not changed since 1/1/2005, and the out-of-pocket amounts for Plan Option 4 have not changed since 1/1/2014.

In previous years, the commission kept these out-of-pocket amounts unchanged to avoid shifting additional costs to workers. Instead, the commission allowed flexibility by passing through increasing costs to organizations in the form of higher rates and allowing each organization to determine the best cost-sharing approach given its financial resources and worker needs. However, for 2027 the commission approved the plan design update so that WELS VEBA out-of-pocket amounts better align with industry standards and current health care cost levels, and to provide some rate relief to sponsoring organizations. The 2027 WELS VEBA rates likely would have been an additional 5 percent higher than the increases without the plan design update.

WORKER BENEFIT CONSIDERATIONS

Please carefully review the 2027 WELS VEBA plan design update and consider any potential worker benefit changes that your organization may wish to make effective 1/1/2027.

If your organization pairs a Health Reimbursement Arrangement Plan (HRA) with WELS VEBA in 2026, note that your organization's HRA plan design may need to change for 2027 to align with the 2027 WELS VEBA out-of-pocket amounts. Contact your HRA administrator for details on how to update the HRA plan design.

As WELS VEBA rates and out-of-pocket amounts will increase in 2027 due to inflation, below are some ways that your organization and its workers can share or reduce costs and maximize dollars used for health care:

Health Reimbursement Arrangement Plan (HRA)

- An HRA is a tax-advantaged account maintained by the organization that allows the organization to reimburse workers tax free for eligible medical expenses. The organization makes all contributions and determines the benefits available to workers. An HRA can be paired with a WELS VEBA plan option with relatively low premium rates and high worker out-of-pocket amounts, such as Plan Option 4, so that the organization can achieve fixed cost premium savings and self-insure a portion of the worker out-of-pocket amounts.

Health Savings Account (HSA)

- An HSA is a tax-advantaged account owned by the worker that allows a worker enrolled in WELS VEBA Plan Option 3 to save and pay for eligible medical expenses tax free. Contributions to the worker's HSA can be made by the worker, organization, or both, up to applicable IRS limits.

Health Care Flexible Spending Account Plan (FSA)

- An FSA is a tax-advantaged account maintained by the organization that allows a worker to pay eligible medical expenses tax free. Contributions to the worker's FSA can be made by the worker through pre-tax payroll contributions, by the organization, or both, up to applicable IRS limits.

WELS VEBA Plan Options and Worker Premium Cost Sharing

- Your organization can support a WELS VEBA plan option with higher worker out-of-pocket amounts and allow workers to "buy up" to a plan option with lower worker out-of-pocket amounts.
- Your organization can request workers to pay a certain percentage of the WELS VEBA premiums.
- The worker premium contribution under either option described above can be made tax free if done through a Section 125 "cafeteria plan" maintained by your organization with a group health insurance premium feature.

Note that WELS VEBA does not offer HRA, HSA, or FSA plans. These plans are typically set up with a separate third-party administrator.

2027 LIMITED OPEN ENROLLMENT

The WELS VEBA Commission is pleased to offer a limited open enrollment for the 2027 plan year. Enrollment will open on November 2, 2026, and run through November 30, 2026. Any changes made will be effective January 1, 2027.

This limited open enrollment is available to eligible workers serving at WELS and ELS sponsoring organizations with at least one active worker who is currently enrolled in WELS VEBA medical benefits. Limited open enrollment materials will be mailed to eligible workers and participating sponsoring organizations by the end of October.

ELIGIBILITY

To be eligible for WELS VEBA, a worker must:

- Be an active worker serving at an eligible sponsoring organization; and
- Be hired or called, and compensated, to work at least 20 hours per week and for five or more months per year.

A worker does not need to be enrolled in the WELS VEBA medical plan to enroll for dental, life, and long-term disability benefits. However, at least one active worker at a sponsoring organization must be enrolled in the WELS VEBA medical plan for other workers at that sponsoring organization to be eligible for dental, life, and long-term disability benefits.

Visit **resources.welsbpo.net** for additional information about WELS VEBA benefits and the 2027 limited open enrollment.

HOW CAN YOU HELP WORKERS DURING OPEN ENROLLMENT?

As a representative of your sponsoring organization, please continue to support your workers at this important time by being proactive:

Check...
to see that they receive their open enrollment packet by the end of October.

Ask...
if they would like some help understanding which benefits are best for them.

Encourage...
them to schedule time to consider their options, ask questions, and make election changes before the November 30, 2026, limited open enrollment deadline.

Communicate...
your organization's support of 2027 benefits and costs before the November 30, 2026, limited open enrollment deadline.

6 things to remember as a sponsoring organization:

1. Notify the Benefit Plans Office when new workers gain employment and when existing workers terminate employment.
2. Inform your workers of their eligibility for membership in WELS VEBA and permit them to enroll.
3. Inform your workers of your organization's support for benefit plan contributions and costs.
4. Promptly distribute any notice or other communication from the Benefit Plans Office to workers.
5. Comply with the billing procedures established by the Benefit Plans Office.
6. Carefully review your monthly invoices and promptly contact the WELS Benefits Service Center if you notice any worker elections that do not match your expectations.

HOW TO ENROLL

If a worker would like to make a change, or enroll for the first time, they can do so:

Online: **wels.bswift.com**, or
Phone: **1-800-487-8322** (option 1)

Please note: Your organization cannot make changes or enroll on behalf of your workers.

Any questions?

For questions regarding the 2027 limited open enrollment period:
Call: WELS Benefits Service Center at **1-800-487-8322** (option 1)
E-mail: wels@bswift.com

For general benefit information:
Call: WELS Benefit Plans Office at **1-414-256-3299**
E-mail: bpo@wels.net