2021 Annual Enrollment FAQs
Updated 11/16/20

2021 Annual Enrollment Frequently Asked Questions

Annual Enrollment for your 2021 health and insurance benefits runs from Oct. 22 to Nov. 11, 2020. This is your once-a-year opportunity to review and select the Northrop Grumman Health Plan (NGHP) benefits that best meet your needs. Please review the 2021 Benefits Guide for more details about the NGHP and how to select the best options for your family.

The following frequently asked questions (FAQs) provide general information about the NGHP, effective Jan. 1, 2021.

If you are a Baltimore or Sunnyvale represented employee, please review your 2021 Benefits Guide for information about your health and insurance benefits for 2021.

For benefits questions specific to your personal situation, please call the Northrop Grumman Benefits Center (NGBC) at 800-894-4194. Benefits Center service representatives are available to assist you Monday through Friday from 8:30 a.m. to 8:30 p.m. Eastern time (except for most New York Stock Exchange holidays). If you are calling from outside the United States, dial the AT&T out-of-country access number followed by 800-894-4194. TTY service is available at 888-343-0860. You'll need your Fidelity NetBenefits® password to secure your call.

Health and Insurance Plans

1. Are there changes to the medical, dental or vision plans?
   No. The medical, dental and vision plans are not changing this year. However, it’s important that you take a close look at your needs and how, or if, they’ve changed. You may find your current coverage is no longer the right fit for you. The ALEX® benefits tool available on NetBenefits® during Annual Enrollment can help you with your medical and dental plan selections.

2. Will I receive new ID cards?
   If you change plans during Annual Enrollment, you will receive new ID cards in late December. In addition, employees impacted by last year’s sector realignment may receive new ID cards in mid-January as a result of internal code changes.

3. Are there changes to other benefits such as basic and optional life, basic and optional accidental death and dismemberment, or short-term and long-term disability?
   There are no changes to these basic and optional benefits.

New! Expert Medical Opinion Program with ConsumerMedical

4. What is ConsumerMedical?
   ConsumerMedical gives you access to an expert team of doctors, nurses and researchers with personalized, one-on-one support to help you make medical decisions with confidence. ConsumerMedical can help you understand any medical condition and all available treatment options, get a second opinion and more. Effective Oct. 1, 2020, this voluntary benefit is available at no cost to employees and their dependents enrolled in an Anthem plan.

Before you say “yes” to surgery, ConsumerMedical can help you weigh the risks, benefits and alternative treatment options that could work best for you. Even if you
decide against ConsumerMedical’s recommendation, you may qualify for a $400 prepaid card or $400 HSA contribution (provided by ConsumerMedical) if the service is used with respect to certain surgical decisions. Call ConsumerMedical at 888-361-3944 for details or visit myconsumermedical.com (enter company code NGC to register).

New! Pet Insurance through Nationwide

5. What’s new and how do I enroll?
Effective Jan. 1, 2021, you can purchase pet insurance through Nationwide that covers your dog, cat, bird, rabbit, reptile or other exotic pet(s) and pay your premiums through convenient payroll deductions. You can visit any licensed veterinarian, anywhere in the world—including specialists and emergency providers. Veterinary professionals are also available 24/7 through vethelpline®, a service provided exclusively for Nationwide pet insurance members, to discuss any pet health concern.

For more information and to enroll, call Nationwide at 877-738-7874 or visit PetsNationwide.com. You may also enroll by calling the NGBC at 800-894-4194. If you elect this coverage during Annual Enrollment, premiums are conveniently paid through payroll deductions beginning with your first paycheck in January.

6. I already have pet insurance with Nationwide through Beneplace, Northrop Grumman’s employee discount program. Do I need to do anything?
If you want to pay your premiums with payroll deductions, you need to call the NGBC during Annual Enrollment at 800-894-4194 to make this change. Your pet insurance coverage, premium, policy number and effective date will not be affected if you switch payment method. However, the $2 installment fee will be waived if you make your premium payments through payroll deductions.

Well-being Incentive Program

7. Will the Well-being Incentive be offered again in 2021?
Yes, and there will be no changes.

The Well-being Incentive Program encourages annual physicals—the key to early detection of health problems.

- When you complete both an annual physical and the Engage health assessment, and the Engage platform shows these activities as completed Northrop Grumman will contribute $500 to an HSA on your behalf provided you remain an active employee
- If your covered spouse/domestic partner completes both activities, Northrop Grumman will contribute another $500 to the HSA
- You must complete both activities between Jan. 1 and Sept. 30, 2021 to qualify for the incentive in 2021
- Employees who do not set up an HSA with Fidelity Investments®, or who are not eligible for an HSA, will receive their incentive via payroll premium reductions

Please review 2021 Benefits Guide or the Well-being Incentive Program FAQs for more information about the incentive and Engage.
Cost and Coverage

8. If I don’t do anything, will I default to my current year’s option?

- If you don’t make a change during the Annual Enrollment period, your current benefit elections, except your Flexible Spending Account (FSA) and Health Savings Account (HSA) elections, will carry over to 2021.
- Your current FSA and HSA elections will not carry over to 2021. If you want to contribute to an FSA in 2021, you must make the election during Annual Enrollment. If you want to contribute to an HSA in 2021, you do not have to make the election during Annual Enrollment—however, your election will be defaulted to “zero” as of Jan. 1, 2021. HSA elections can be made at any time during the year.

Remember, this is your once-a-year opportunity to choose your benefits and you will not be able to make changes again until the 2022 Annual Enrollment, unless you have a qualified life event, such as the birth of a child, marriage or divorce.

HSA/Health Care FSA

9. Which medical plans are HSA-eligible plans?

To be eligible to establish and contribute to an HSA, you must be enrolled in an IRS-qualified high-deductible health plan (HDHP). HDHPs in the Northrop Grumman Health Plan include:

- Plan 2: Medium Premium/Medium Deductible Plan
- Plan 3: Low Premium/High Deductible Plan
- Plan 4: Medium Premium/Deductible Utah Extended Network Plan
- Kaiser HDHP

10. Do I have to contribute to an HSA in order to receive Northrop Grumman’s HSA contribution for completing the well-being incentive?

No. You do not have to contribute to the HSA in order to receive Northrop Grumman’s HSA contribution on your behalf. However, you must set up your HSA through Fidelity in order to receive Northrop Grumman’s contribution. If you do not want to make your own HSA contributions, you will need to elect a $0.00 contribution to an HSA on NetBenefits.

11. Where can I find additional information on HSAs, including eligible expenses and contribution limits?

Additional information about an HSA is available in IRS Publication 969. Employees considering an HSA should review this publication before making an election. Because HSAs are owned by the individual employee, neither Fidelity nor Northrop Grumman will monitor contribution limits or whether claims against the account are eligible for a tax-free distribution.

12. I just elected to contribute to an HSA, but why doesn’t this election appear on the confirmation page on NetBenefits?

After you’ve saved your election on NetBenefits, the confirmation page will show “no coverage” for an HSA for up to two business days.
13. How do you invest monies in the HSA? What is the process? What types of investment options are available?
   If you set up your HSA through Fidelity, contributions go into your HSA Deposit Account. You can choose to invest your savings in a wide variety of options, including more than 10,000 mutual funds, individual stocks and bonds, Treasuries, CDs and more. And your Deposit Account funds are FDIC insured (up to the maximum amount permitted by law). When you have money in your Deposit Account, you can use the funds on a tax-free basis to pay for eligible HSA expenses.

14. Do I have to pay any taxes on my HSA contributions?
   In general, payroll contributions to an HSA are free of federal income and payroll taxes, but this is not true for all state/local taxes. You should confirm with your tax advisor or state taxation division whether HSA contributions or distributions are subject to state and/or local taxes.

15. Can I have both an HSA and FSA?
   IRS rules don’t allow you to contribute to both an HSA and a general purpose Health Care FSA. So, Northrop Grumman offers HSA participants a limited purpose Health Care FSA, which has the same features as the general purpose Health Care FSA – but may be used for dental and vision expenses only.

16. My spouse works for another company and has a General Purpose Health Care FSA. Can I still set up an HSA?
   If your spouse’s General Purpose Health Care FSA can reimburse expenses incurred by you, it is considered “disqualifying coverage.” You will not be able to establish an HSA, until you are no longer covered by your spouse’s FSA – as long as you have no other disqualifying coverage. See IRS Publication 969 for special rules that apply if your spouse’s FSA has a grace period or rollover benefit.

17. Are my domestic partner’s health expenses eligible for reimbursement under my HSA?
   You may take distributions from your HSA for any purpose, but they will be tax-free only if they are for qualified medical expenses incurred after you establish the HSA. Qualified medical expenses include expenses incurred by you, your spouse, dependents you claim on your tax return, and certain other individuals. You should check with your tax advisor or consult IRS Publication 969 to see if your domestic partner qualifies.

18. Will my 2020 FSA and HSA elections carry over to 2021?
   No. FSA and HSA elections will not carry over into 2021. If you want to contribute to an FSA in 2021, you must make the election during Annual Enrollment. If you want to contribute to an HSA in 2021, you must make a new election for 2021. You can change your HSA election at any time.

19. Can my HSA be used to pay certain premiums on a tax-free basis? (e.g., Long-Term Care)
   Certain premiums are considered HSA qualified medical expenses, including certain long-term care and certain Medicare premiums. Review IRS Publication 969. You can also visit the Fidelity website for detailed information.
20. Will the Health Care FSA rollover amount still be $500, and when are the rollover funds available?
Yes, the rollover amount will be up to $500, depending on if you have any unused money from the prior year. Health Care FSA rollover funds are available Jan. 1, 2021. No action is required on your part for your FSA to rollover to 2021. Your eligible funds will automatically rollover and you will continue to use your current WageWorks HealthCare Card and submit claims as you do today. You are not required to contribute to an FSA in 2021 to have access to your rollover amount.

21. If I have a rollover balance from my 2020 Health Care FSA, am I still eligible to participate in an HSA in 2021?
Yes. If you set up an HSA for 2021 during Annual Enrollment, your FSA, including a rollover FSA, will become a Limited Purpose FSA in 2021 which can be used for eligible dental and prescription drug expenses only. (Having a General Purpose FSA disqualifies you from establishing or contributing to a HSA.) If you plan to set up an HSA for 2021 outside of Annual Enrollment, you must call WageWorks before Dec. 31, 2020 to have your General Purpose FSA changed to a Limited Purpose FSA.

22. How do I use my FSA dollars?

23. What are the 2021 Health Care and Dependent Day Care FSA contribution limits?
For the 2021 plan year, you may contribute up to $2,750 to a Health Care FSA. You may contribute up to $5,000 to a Dependent Day Care FSA ($3,500, if you earn more than $125,000/year).

24. What are the 2021 HSA contribution limits?
- $3,600 employee only coverage
- $7,200 family coverage
- PLUS additional $1,000 if you are age 55 or older by the end of 2021

When you are making your HSA elections, keep in mind that Northrop Grumman’s contribution to your HSA, if any, counts toward the IRS limit. You can adjust your HSA elections at any time.