

2021 Open Enrollment FAQs

HSA vs. HRA

Key Terms:

- Health Savings Account (HSA) is an individual account you own that can be used for out-of-pocket medical expenses. It must be paired with a qualifying high deductible health plan.
- Health Reimbursement Account (HRA) is a credit from the employer that is used to offset medical out of pocket expenses such as deductibles and co-insurance. No employee contributions are allowed.
- Prescription Drugs (RX): a medication program that is embedded in your enrollment in a medical plan at BorgWarner.
- Retiree Health Account (RHA): a pre-tax savings option within the Retirement Savings Plan.

1. Does the BorgWarner BW HRA plan qualify as a high deductible plan?

The BW HRA plan does not qualify as a high deductible plan. To qualify as a high deductible health plan, the plan must not pay anything towards the cost of medical care until the deductible has been met. The BorgWarner HRA provides first-dollar coverage, meaning the HRA pays medical costs before the deductible has been met.

2. If I enroll in the BW medical plan with HRA, can I still contribute to an HSA individual account? If so, what are the rules?

No, if you enroll in the BW medical plan with HRA, you cannot contribute to an HSA. The HRA disqualifies participants from contributing to an HSA.

3. Does the RX benefit not having a deductible to meet the first impact high deductible health plan also disqualify our plan as an HDHP?

Yes, it is first-dollar coverage as well.

4. May I contribute to my HSA while I am enrolled with Medical Plan that has an HRA?

Because the HRA pays for medical care before the deductible has been met, an individual covered by the HRA is not eligible to contribute to an HSA.

5. May I contribute to a health care FSA?

Yes. You may contribute to the health care FSA while enrolled in the medical plan with HRA. Only HSAs disqualify someone from participating in the full health care FSA by replacing the full FSA option with a limited-purpose health FSA.

6. Can I make an after-tax HSA contribution while enrolled in the medical plan HRA?

No. An employee is either eligible to contribute to an HSA or not. If not, then no contributions are allowed.

7. May I suspend the HRA employer credit to the medical plan so I can contribute to an HSA?

Not currently because other components of the HRA Medical Plan do not meet the requirements to be a high deductible health plan. We, however, continue to evaluate options and legislative changes to determine future changes to our program.



8. How do onsite clinics and HSAs work?

Because our onsite clinics are offered at no cost to employees and before the deductible is met, visits generally disqualify HSA contributions. We are monitoring changes to the HSA regulations in anticipation of relaxing these rules as telemedicine and onsite clinics gain popularity.

9. Will there be an onsite clinic at all locations?

All locations with 150 or more employees in the U.S. are evaluated for clinic operations. The cost of a clinic is presented to the location management team for approval or denial. Some locations that are close to one another will be eligible to share clinic resources soon.

10. If I have an existing HSA balance, can I use it to pay for expenses not covered by the BW HRA medical plan?

Yes. You can use your existing HSA funds to pay for medical expenses at any time. The HSA rules prohibit an individual who is covered by the HRA from contributing to an HSA; they do not prohibit an individual who is covered by the HRA from using funds already accumulated in the HSA. Also, do not “double-dip” by getting reimbursed from a Healthcare Flexible Spending Account and your HSA.

11. Can I contribute to a Medical Savings Account and be enrolled in BW medical plan?

Generally, no. Medical Savings Accounts are generally designed for employees of small employers and self-employed individuals or individuals covered by Medicare. Certain portions of the law applicable to Medical Savings Accounts have sunset and are no longer available. You should consult a tax advisor to determine whether you are eligible to contribute to a Medical Savings Account.

12. Does the RHA in the Retirement Savings Plan (401k) replace my HSA?

No. The RHA is a separate pre-tax savings source in the 401k plan encouraging members to save toward future healthcare expenses and provides a match up to \$500. Previously, distributions from the RHA were tax-free if used for out-of-pocket health expenses, then the IRS changed the RHA rules. Now, RHA distributions are tax-deferred savings and count toward the IRS contribution limits in a 401k plan.

13. How does the investment into an HSA in 2021 compare to my options at BorgWarner?

There are additional tax-free savings opportunities in an HSA that are not the same in the BorgWarner HRA, FSA, and RHA options. Instead, BorgWarner offers lower payroll contributions (\$0 for most employees), a \$0 deductible RX program, and enhanced 401k company contributions.

Tax-Advantaged Savings	Funded By	Single	Double	Family
HSA Contribution*	Employee	\$3,600	\$7200	\$7,200
HRA Contribution*	Employer	\$500	\$750	\$1,000
HealthCare FSA*	Employee	\$2750	\$2,750	\$2,750
RHA 401k Match **	Employer	\$500	\$500	\$500

*tax-free federal distributions

**tax-deferred savings, taxable upon distribution

Health Programs

1. What is the 2021 contribution maximum for a health care flexible spending account? What is the maximum rollover amount?

Currently, the 2021 limit is \$2,750. The maximum amount that can be rolled over at the end of the year is now \$550.

2. How is an HRA funded?

After open enrollment ends, your HRA will be fully funded and available on January 1, 2021.

3. Are children covered for medical, dental and vision until their 26th birthday?

Yes, children remain eligible for medical, dental and vision coverage through the end of the month in which they turn 26 years old.

4. Can I use my HCFSA for medical plan payment before my HRA?

No. With the current plan design, HRA dollars must be used before any dollars from an FSA can be used for a medical expense.

5. Can we get debit cards for the health care flexible spending account?

We weighed the pros and cons of having debit cards in place of the auto-forwarding feature for the health care flexible spending account. We elected auto-forwarding due to the claim submission requirements that still exist with debit cards resulting in frequent card shut-offs for non-compliance. While there are currently no debit cards associated with the healthcare flexible spending account, we will revisit this option with Cigna.

6. What is the difference between a health care flexible spending account and a dependent care flexible spending account?

A health care flexible spending account can be used towards eligible medical, dental, vision and prescription expenses. A dependent care flexible spending account can be used towards eligible childcare expenses.

Financial Programs

1. I can't see my beneficiaries or make changes to my optional life insurance or optional accidental death and dismemberment insurance in Workday- how do I elect or change my elections?

MetLife maintains all optional life insurance elections and beneficiaries on behalf of BorgWarner. Your elections in the MetLife system are fed into Workday for view access only. You will need to go directly to the MetLife website to make any changes to these benefits. Go to www.Metlife.com/mybenefits.

2. Why can't I make changes to my 401k elections in Workday?

Vanguard maintains all 401k elections and beneficiaries on behalf of BorgWarner. Your elections in the Vanguard system are fed into Workday for view access only. You will need to go directly to the Vanguard website to make any changes to these benefits once the blackout period is lifted on January 5, 2021.

3. What happens to our 401k accounts at Vanguard? Do they stay there?

No. All accounts that were under Delphi will be automatically rolled over into Vanguard. Your funds would be rolled over into the target date fund that most closely matches your anticipated retirement date. Your deferrals will rollover as well. You will be able to access your account on the Go-Live date of January 5, 2021.

4. How many loans can I get with Vanguard on my 401k?

You can have one active loan with Vanguard and it must be paid off before you can initiate another. You will be able to keep your current loans if you have more than one, but once they are paid off, you will not have the option to have multiple loans at one time.

5. Do the before-tax, Roth after-tax and RHA all count towards my yearly contribution limit?

Yes. They are all managed by Vanguard in separate buckets, but all count towards your yearly contribution limit.

Points & Rewards

1. What do I need to do for 2021 for points? What does my spouse need to do?

You will automatically be granted 5 points on January 1, 2021. You will have until March 1, 2021 to take the HRQ on your myCigna website. If this is not completed, you will be charged the maximum price for the remainder of 2021.

Your spouse will automatically have the spousal surcharge waived for on January 1, 2021. They will have until March 1, 2021 to go into their own myCigna account and complete their HRQ. If this is not completed, you will be charged a spousal surcharge for the remainder of 2021.

2. Will coaching with a Cigna onsite coach earn the onsite clinic point for 2021?

Yes.

3. Does my spouse need to complete an HRQ and the physical for the surcharge waiver even if they have coverage through their employer?

Yes, if you enroll your spouse in the BorgWarner medical plan. Remember, if a spouse is offered coverage through their employer, they are only eligible for secondary coverage through BorgWarner, even if they elect not to take it through their employer. Often, the BorgWarner plan does not pay anything more toward out of pocket costs covered by the primary insurer due to the rules associated with benefit coordination.

4. Can I enroll my spouse in dental and vision without having the spousal surcharge?

Yes. The requirements for a spouse to meet are only needed if your spouse is under your medical coverage.

5. Do all dependents need to meet points or requirements or is it just myself and my spouse?

Dependent children do not have point or annual physical requirements. You, however, will need to achieve at least 5 wellness incentive points to get the best premium discount for a plan year. Your spouse will need to complete their HRQ and a yearly physical.

Workday

- 1. How can someone view their open enrollment benefit elections after they have submitted them?**
To view the Open Enrollment, they need to go into the Workday Benefits worklet icon from the home screen and there will be a "Change Open Enrollment" button until November 20. After that, elections can be viewed in your Enrollment History.
- 2. Where can I view my benefits statement?**
Your elections are always available to view in Workday. Instructions can also be found on the BorgWarner benefits website www.borgwarner.com/benefits or contact HRLink.
- 3. How do I elect my benefits in Workday? What about adding my dependents?**
Please visit the BorgWarner benefits website and click on the "[Open Enrollment Materials for Legacy Delphi Technologies Employees](#)" link. There, you will find step-by-step instructions for enrolling in Workday via your desktop or mobile app, as well as instructions for adding your dependents to Workday. It will also specify what documents need to be provided for dependent certification.
- 4. What option do I select for the spousal surcharge HRQ in Workday?**
If you are enrolling your spouse in medical insurance, select Option 1. Option 1 will waive the surcharge for the first two months to give your spouse time to complete the HRQ to waive it for the rest of the year. If you are not enrolling a spouse in the medical plan, then select Option 3, because that will also waive the surcharge.
- 5. Why does the vacation purchase list "1x Salary", "2x Salary", etc.?**
In this case, "salary" means days. The cost of each vacation day is factored using your base salary at the open enrollment election window divided by 260 (52 weeks x 5 workdays in a week).

Miscellaneous

- 1. Can I view the benefits presentation again?**
Yes. Please visit the BorgWarner benefits website and click on the "[Open Enrollment Materials for Legacy Delphi Technologies Employees](#)" link. There, you will find the video version and the PowerPoint version.
- 2. Where can I find vacation allotment information? Also, does our DTO carryover?**
Yes. Please visit the BorgWarner benefits website and click on the "[Open Enrollment Materials for Legacy Delphi Technologies Employees](#)" link. There, you will find information on vacation allotment.

No. DTO does not carryover from Delphi to BorgWarner.