



# Retirement Readiness

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# Topics

## What is the VEBA Plan?

- Tax advantages; key benefits

## How to use the VEBA plan

- Getting money in; getting money out
- Investment options

# What is the VEBA Plan?



**HRA**

Health  
Reimbursement  
Arrangement

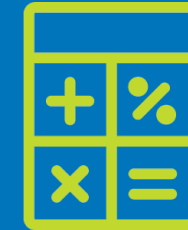
- Tax-free money for out-of-pocket medical costs
  - Can be used for spouse and dependents, too
- Eligibility and funding sources vary by employer and by employee group
  - Sick leave cash out is most common
- No individual choice (IRS rule)
  - Group decision—all employees defined as eligible must participate

# Sick Leave Cash-out

## Retirement or Separation

### Eligibility

- Retirement
- Separation
  - At least age 55; and
  - 15 years of service in any Plan 2; or
  - 10 years of service in any Plan 3



### Calculation (state law)

- 1:4 (25%)
- 180-day maximum

# Retiree Medical Premiums

How much will you spend on health care during retirement?



Projected cost if you retire today at:

Age 55 .....	\$187,000
Age 60 .....	\$144,000
Age 65 .....	\$89,000

\*These are retiree-only cost projections for 2022. The basic assumptions are: (1) employee retires at age 55, 60, or 65 and lives to age 84; (2) retiree enrolls in the PEBB-sponsored UMP Select medical plan for non-Medicare retirees until age 65 (\$647.73/month); (3) retiree enrolls in Medicare Supplement Plan G at age 65 (\$99.35/month); (4) retiree becomes covered by Medicare Part B at age 65 (\$170.10/month standard); and (5) annual inflation of 5% for UMP Select and Medicare Supplement premiums and 2% for Medicare Part B premium. The medical coverage assumptions used for these cost projections are merely examples, no recommendations. Your individual circumstances may warrant different coverage choices.

# Key Benefits

## No Tax

Pay no tax (federal income or FICA)

## Use Anytime

Account can be used at anytime  
(once claims eligible)

## Investments

Choose from available portfolios or funds

## Carries Over

Unused balance carries over  
(no “use-it-or-lose-it” carryover limitations)

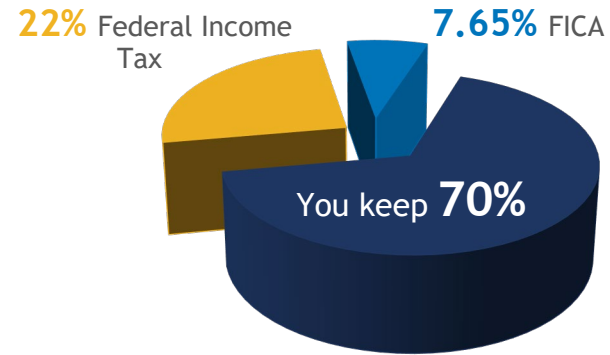
## Beneficiaries

Account can transfer to spouse, children,  
beneficiaries, or other eligible survivors



# Save Tax. Keep More.

Without VEBA Plan:



With VEBA Plan:

Tax-free — *better than tax-deferred.*



# Common Medical Care Expenses

Deductibles



Copays



Prescription drugs



Vision



Dental/Orthodontia



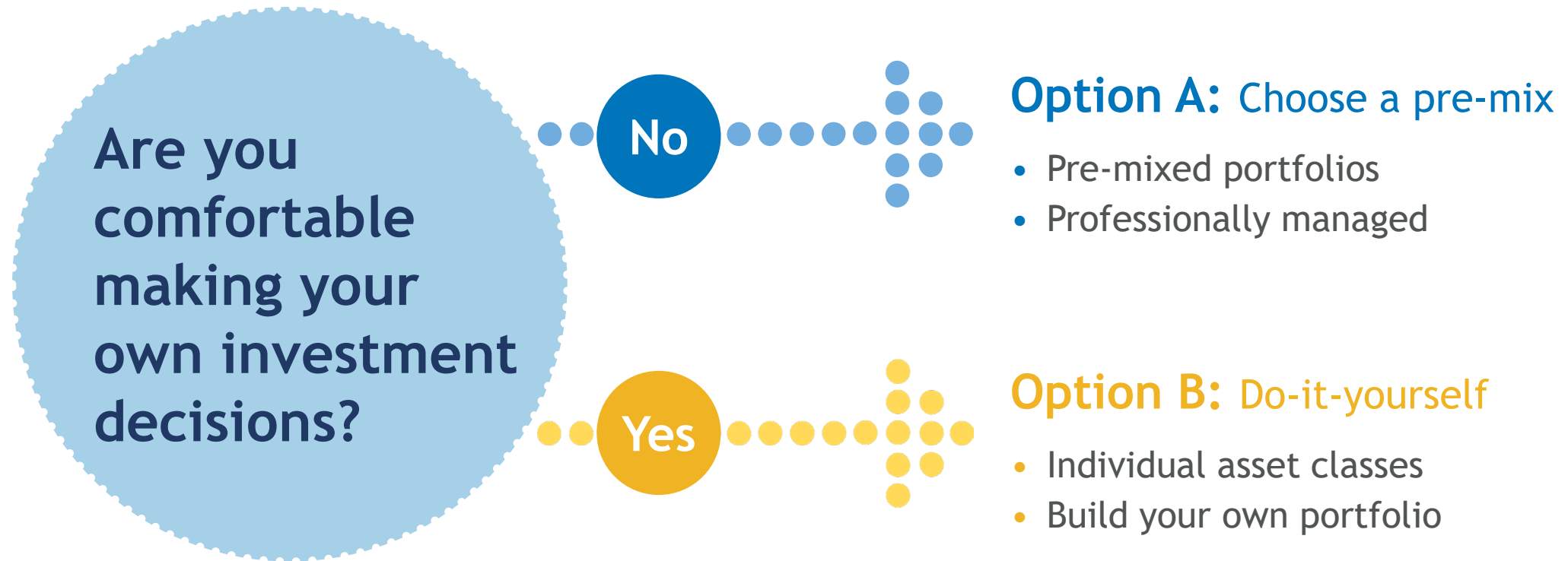
Retiree medical premiums\*



Internal Revenue Code § 213(d) defines qualified expenses, in part, as “medical care” amounts paid for insurance or “for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body...” Expenses solely for cosmetic reasons generally are not considered expenses for medical care (e.g. facelifts, hair transplants, hair removal (electrolysis). Expenses that are merely beneficial to your general health, such as gym memberships, are not medical care expenses.




\*Before and after age 65. Includes medical, dental, vision, COBRA, Medicare supplement, Medicare Part B and Part D, and qualified long-term care insurance premiums. Premiums deducted pre-tax by an employer through a Section 125 cafeteria plan are not eligible for reimbursement.

# Investment Options



Investment management fees vary by fund.

# Getting Money Out

 Online Access	 HRAgo® (mobile app)	 Benefits Card (debit card)
Submit and track your claims	Submit and track your claims	Instantly pay for medical care items and services directly from your HRA
Direct deposit sign up / update	Snap pics of supporting documents and submit online	Auto-substantiation of most copays and prescriptions
Request a Benefits Card	Check your balance, view investments, update contact information	Save your supporting documents
Send secure messages and attachments to Customer Care Center		

veba.org

# Automatic Premium Reimbursements

Provides reimbursement to participants for qualified premiums



- Set up automatic premium reimbursement online after logging in at **veba.org**, or submit an **Automatic Premium Reimbursement** form
- No direct payments to insurance companies or providers

# Video Library



## **Coming Soon** How to File a Claim

Learn how to upload supporting documentation and submit a claim online. You can still use a paper Claim Form if you want to, but most participants use our quick and easy online process or our handy mobile app, HRAgo®.



## Supporting Documentation for Claims

Learn the five basic supporting documentation requirements. Submitting proper supporting documentation helps get your claims paid faster.



## How to Set Up an Automatic Premium Reimbursement

Learn how to set up an Automatic Premium Reimbursement online. With our convenient APR service, you don't have to file individual claims for your ongoing insurance premiums. This process works great, especially for retirees.



## How Your HRA Coordinates With Other Benefits (FSAs, HSAs, Medicare, and the Premium Tax Credit)

Learn how your health reimbursement arrangement works with a healthcare flexible spending account (FSA), health savings account (HSA), Medicare, and the Premium Tax Credit. We'll point out instances where your HRA may be at risk and when you might need to elect "limited HRA coverage" to help avoid future problems.

# Limited Coverage

## When might a participant need to elect limited HRA coverage?

### 1 Medicare coordination

- Plan to work past 65?

### 2 HSA eligibility

- Want to make or receive contributions to an HSA?

### 3 Premium Tax Credit eligibility

- Do you need to qualify for the Premium Tax Credit (subsidy)?

**Limited HRA Coverage Election**

veba

Submit completed form to: forms@veba.org | VEBA Plan, PO Box 80587, Seattle WA 98108

You can elect limited HRA coverage for you, your spouse, and/or a dependent for any one of the following reasons:

- 1. Medicare coordination** - You are a current employee and you, your spouse, or a dependent have Medicare coverage that you want to be primary to (pay before) your HRA;
- 2. HSA eligibility** - You, your spouse, or a dependent want to be eligible to make or receive contributions to a health savings account (HSA); or
- 3. Premium tax credit eligibility** - You, your spouse, or a dependent are purchasing insurance through a marketplace exchange and want to become eligible for the Premium Tax Credit. For more information, read **Premium Tax Credit and Your HRA** in the Plan Summary.

Please read the backside of this form for more details, including specific coverage limitations.

**1 PARTICIPANT ACCOUNT AND CONTACT INFORMATION**

ACCOUNT NUMBER or SSN \_\_\_\_\_ DATE OF BIRTH mm / dd / yyyy \_\_\_\_\_ **Clear Form**

LAST NAME \_\_\_\_\_ FIRST NAME \_\_\_\_\_ MI \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_ CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

AREA CODE and PHONE NUMBER \_\_\_\_\_ E-MAIL ADDRESS (use home or personal email address) \_\_\_\_\_

**IMPORTANT: Have you previously separated or retired from the employer that made or is making contributions to this account?**

☐ YES ☐ NO DATE OF SEPARATION OR RETIREMENT mm / dd / yyyy \_\_\_\_\_ EMPLOYER NAME \_\_\_\_\_

**2 LIMITED HRA COVERAGE ELECTION**

Your limited HRA coverage election will remain in force until you make a change (see backside of this form for more details). Any automatic premium reimbursement from your account for medical insurance will stop immediately with your limited HRA coverage start date, unless it is for an HSA-qualified high-deductible health plan (HDHP), Medicare, or Medicare supplement plan and you are electing limited HRA coverage for HSA eligibility or Medicare coordination purposes. If you have more than one claims-eligible participant account, this election will apply to all of your claims-eligible participant accounts.

I am making this election for (check all that apply): ☐ Myself ☐ My Spouse ☐ My Dependent(s)

Spouse or Dependent Name(s):

FIRST NAME	MI	LAST NAME
_____	_____	_____
_____	_____	_____
_____	_____	_____

Check the appropriate box below to Turn ON or Turn OFF limited HRA coverage. Your election will become effective on the day we process your form. Forms are usually processed within one to three business days after receipt.

☐ Turn ON limited HRA coverage due to (check reason below):

- ☐ Medicare coordination: I am a current employee and want Medicare to pay before my claims-eligible HRA for the covered individual(s) listed above.
- ☐ HSA eligibility: I want the covered individual(s) listed above to become eligible to make (or receive) contributions to a health savings account (HSA).
- ☐ Premium Tax Credit: I want the covered individual(s) listed above to become eligible for the Premium Tax Credit.

☐ Turn OFF limited HRA coverage.

Check the box below if you are turning off limited HRA coverage because you have met the statutory deductible for your HSA-qualified high-deductible health plan (HDHP): ☐ I am submitting documentation with this form to show that the deductible has been met.

**3 CERTIFICATIONS: READ BEFORE SUBMITTING**

By completing and submitting this form, you agree to the Terms and Conditions, as amended from time to time, which can be found in the Plan Summary. To get a current copy of the Plan Summary, log in at [veba.org](http://veba.org) and click Resources on the menu bar.

QUESTIONS? 1-888-828-4953 | [customercare@veba.org](mailto:customercare@veba.org) | [veba.org](http://veba.org)

# What's Next

## Enrollment

- Online portal or paper form

## Online Registration

- [info@veba.org](mailto:info@veba.org)

## Contribution

- Check with employer on timing

## Welcome packet

- Mailed to you



# VEBA Trust Snapshot



101,437 Participants  
546 Employers

- Created in 1984
- For public employees in Washington
- Managed by board of trustees (your peers)

Non-profit, tax exempt



## Plan administrative fees:

**\$1.50** Monthly fee\* (if claims-eligible) Expenses include: Claims processing, customer care, account administration, local service, printing, postage, consulting, legal, auditing

**\$0** Monthly fee waived if account balance is over \$5,000

**1%** Annualized asset-based fee (approximate)

**0.25%** Asset-based fee discount on any portion of account balance(s) in excess of \$10,000



**HRAs are  
health plans —  
not retirement  
plans**

\*This is a monthly per-participant fee for claims-eligible participants; the fee is \$0.75 for non-claims-eligible participants. To the extent permitted or required by law, certain fees, taxes or other assessments payable to the federal government under health care reform may also be deducted from participant accounts. If you have more than one account, the balances in each account are combined when determining your eligibility for waived or discounted fees.

# Customer Care Center

**1-888-828-4953**

- Located in Spokane
- Participant questions
  - Claims
  - Automatic premium reimbursements
  - Account activity
  - Address changes
  - And more

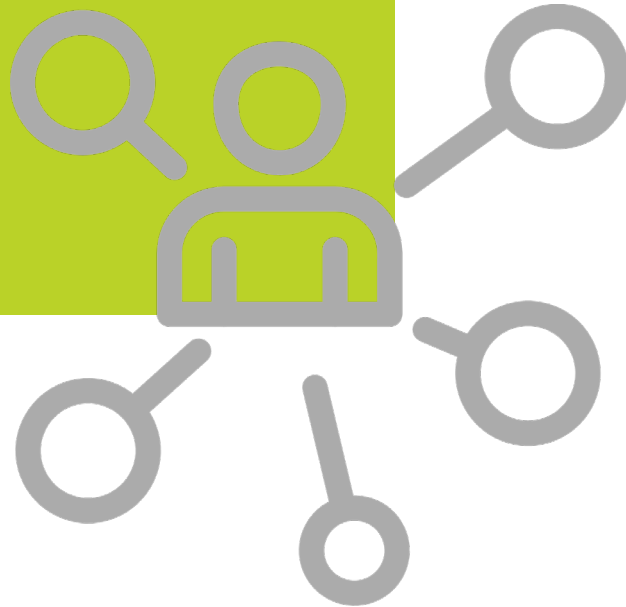


# Summary

Use the VEBA Plan to help cover your out-of-pocket medical care costs

veba.org

1-888-828-4953



- You pay no tax on contributions, earnings, or reimbursements (claims)
- You choose your investment options
- You can use your account anytime (after becoming claims eligible)
- Your spouse and qualified dependents are covered
- Your unused account balance carries over



# Questions?

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1-888-828-4953 | [veba.org](http://veba.org)