



VEBA Service Group  
a Division of Gallagher Benefit Services, Inc.



# VEBA Updates

Presented by:  
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Client Consultant

## Discussion topics



- What is VEBA MEP?
- VEBA Trust snapshot
- Administrative updates/reminders
- Health care reform
- Coordination of benefits
- Updated VEBA Trust website
- Service providers
- Questions



## What is VEBA MEP?

# HRA

### Health Reimbursement Arrangement

- “Account-based” group health plan
- Funded by employer
- Tax-free money for retiree healthcare costs



## “Win-win” tax advantage

Employees and employers

**Pay No Tax**



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## VEBA Trust Snapshot

[veba.org](http://veba.org)

- **Non-profit, tax-exempt**
  - Created in 1984
  - Managed by board of trustees
- **\$203 million in assets**
- **43,000 participants; 408 employers**



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## Group Adoption

- **Group decision process**
  - Voting frequency
  - Small groups
    - Avoid groups with less than five voting members
    - Small agency voting pool
- **Employer policy, memorandum of understanding (MOU), or other formal action**
  - Send copies to VSG (IRS recommendation)
  - Sample language available upon request



## Enrollment

- **Enrollment kit**
  - Description of Plan Benefits w/ Enrollment Form
  - Investment Fund Information brochure
  - Investment Fund Overview (updated quarterly online; inserted by employer)
- **Enrollment Form (shaded employer box)**
  - Enter participant effective date (i.e. retirement date)
    - If not specified, date upon which an Enrollment Form and contribution have been received will be used
  - Enter employer (agency) name and ID number (assigned by Meritain Health)



## Contribution remittance

- **HRMS (most common)**
  - How to Set Up and Administer (available via online Employer Handbook) contains link to instructions
- **Electronic (ACH, wire transfer) or paper check (warrant)**
  - Contribution Remittance & Funds Transfer Instructions available via online Employer Handbook
- **Submit enrollment forms (and contribution data reports, if applicable) a few days before remitting contributions**
  - Email (recommended)
  - Fax and mail accepted also

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## Systematic premium reimbursements



- ✓ Systematic Premium Reimbursement Form available online at **veba.org** or, go paperless after logging in to **myVEBAPlan online**
- ✓ Provides automatic reimbursement of qualified premiums
- ✓ No direct payments to insurance companies or providers

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# e-Newsletter

## Employer News

**Quick Look**

- Pre-2013 Investment Portfolio Changes**  
The pre-2013 investment portfolio will be replaced with a suite of Vanguard Lifecycle Funds as of August 1, 2013.
- Annual Limit Waiver Update**  
VEBA Plan's annual limit waiver expires at the end of 2013, but any or more additional plan changes will be available before 2014. Please contact VSO before increasing the contribution limit for any current VEBA Plan funding resources or setting new funding levels during 2013.
- Contributions in 2013 and Beyond**  
Contributions resulting from funding vehicles established before January 1, 2013 may continue throughout 2013 without interruption. However, all new or more different plan designs become available only if approved contributions stopped on or after January 1, 2013 may only be accepted on behalf of employees who are enrolled in your group health plan.
- Contribution Reconciliation Reminders**  
To help get your contributions posted faster, submit your contribution data reports from your HR system to the VEBA Trust.
- Employment Form Responder**  
You can specify a ready-to-employ participant's effective date on their Enrollment Form. This data is updated, a default date will be used.
- New Benefits Newsletter Coming Soon**  
In early May, a new monthly newsletter will be delivered to your inbox as an employee. Also added resource: Director is a monthly publication of CalPERS Benefit Services, Inc.

**Pre-2013 Investment Portfolio Changes**  
The VEBA Board of Trustees has voted to replace the current pre-2013 investment portfolio with a suite of Vanguard Lifecycle Funds with similar risk profiles. The change is expected to be implemented on August 1, 2013 and will occur automatically for participants.

**Annual Limit Waiver Update**  
Section 2713 of the Public Health Service Act prohibits group health plans from being annual or lifetime limits on essential benefits. The VEBA Trust, a self-insured health plan, is in compliance with this law. The annual limit waiver will expire at the end of 2013. Any or more additional plan changes will be available before 2014. Please contact VSO before increasing the contribution limit for any current VEBA Plan funding resources or setting new funding levels during 2013.

**Contribution Reconciliation Reminders**  
To help get your contributions posted faster, submit your contribution data reports from your HR system to the VEBA Trust.

**Employment Form Responder**  
You can specify a ready-to-employ participant's effective date on their Enrollment Form. This data is updated, a default date will be used.

**New Benefits Newsletter Coming Soon**  
In early May, a new monthly newsletter will be delivered to your inbox as an employee. Also added resource: Director is a monthly publication of CalPERS Benefit Services, Inc.

- **Employer News**
  - Emailed quarterly to primary employer contacts
  - Not receiving Employer News?
    - Email contact info to [brian\\_riehs@ajg.com](mailto:brian_riehs@ajg.com)



# Health care reform

- **Form W-2 Reporting**
  - Do not report contributions or value of coverage on Form W-2
  - Value of health reimbursement arrangement (HRA) coverage exempt from Form W-2 reporting until further notice
  - IRS Notices 2011-28 and 2012-9
- **PCORI Fee**
  - Not a plan administrative fee
  - New fee under healthcare reform to fund new Patient-Centered Outcomes Research Institute (PCORI)
  - \$1 per participant per year for current plan year; will increase to \$2 next year



## Health care reform

- **Annual and lifetime limits**

- Group health plans prohibited from placing annual or lifetime dollar limits on certain benefits
- HRAs, by design, limit benefits to a participant's available account balance
- "Retiree-only" HRAs, like VEBA MEP, are exempt from the restriction



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## Coordination of benefits

- **Health Savings Account (HSA)**

Must elect "limited purpose" coverage if you have an HRA and want to become eligible to make (or receive) contributions to an HSA.

Only certain dental, vision, and orthodontia expenses may be reimbursed while coverage is limited.



- **Medicare**

Medicare pays first if you are retired or separated from the employer that made contributions to your HRA.

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## Updated VEBA Trust website (veba.org)



- More user-friendly
- Quicker access to key information
- Need Internet Explorer version 9 or higher
  - Alternative browsers:
    - Mozilla Firefox
    - Safari
    - Google Chrome



## Participant account services

### Third-party Administrator

- Claims
- Eligible expenses
- Account information
- Investment changes

1-888-828-4953

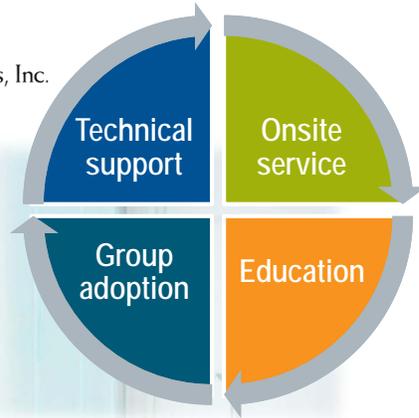


# Plan education

## Plan Consultant

 **VEBA Service Group**  
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**1-800-888-VEBA (8322)**



[gallagherbenefits.com/spokane](http://gallagherbenefits.com/spokane)

- Nearly 30 years of experience
- Nationally recognized



# Questions

