



Health Reimbursement Account (HRA) for California Schools VEBA

Applicable for Alliance HMO and the Choice Plus PPO plans ONLY

- ▶ The HRA plan combines a high-deductible health plan with an employer-funded account that helps you meet your deductible.
 - You can use your \$500 HRA funds immediately to help cover your initial deductible expenses.
 - Eligible HRA expenses include medical expenses (similar to pay as medical plan pays) and chiropractic coverage.

Reimbursement Request

- ▶ Submit Reimbursement Forms via online, email, fax or mail (forms will be available online and during OE)
- ▶ Receive reimbursement via check or direct deposit to your bank

Roll-Over Balance

- ▶ Your HRA balance can be rolled over for the following calendar year up to \$500 only. For example:
 - you roll over \$300 HRA from 2013, with a total of \$800 HRA in 2014. In 2014, you only use \$200 of the \$800. For 2015 (you can only roll over \$500 from the following year) – you would have \$1,000 (\$500 from 2014 and new fund of \$500 for 2015)



Health Reimbursement Account FAQ

Q: Who owns the account? Who funds the account?

VEBA owns and funds the account

Q: Is it a non-forfeitable account?

No.

Q: Can unused amounts carry over?

Yes. Unused funds may be rolled over from year to year up to \$500 dollars only.

Q: Is the account portable between employers?

No. HRAs may be designed to allow former employees to spend down their account until it is exhausted, but it cannot be rolled over to a new employer.

Q: Does interest accrue?

No, this is a non-interest earning account. Interest does not accrue.

Q: Is the account subject to COBRA continuation?

Yes, COBRA rights apply.

Q: What is the contribution amount?

VEBA's contribution to the HRA will be \$500 for 2013.

Q: Do non-discrimination rules apply?

Yes.

Q: What is the tax treatment for employers?

Reimbursements are tax-free.

Q: What expenses qualify for reimbursement?

Unreimbursed expenses (including eligible health insurance and long-term care insurance premiums), except that long-term care services and premiums for coverage under employer pre-tax plans are not reimbursable, even though tax deductible under §213(d).

Q: Must a medical expense be incurred during the plan year the contribution is made?

No. However, no reimbursements can be made for expenses incurred before the account was established.

Q: Is third party substantiation of expenses required?

Yes. IRS regulations governing HRAs require that each claim be substantiated before it can be reimbursed.

Q: Can the account be integrated with other accounts?

An HRA can be sold with an FSA, but a traditional HRA cannot be integrated with an HSA.

Q: Is ERISA applicable?

Generally, yes.



Health plan coverage provided by or through UnitedHealthcare of California, UnitedHealthcare of Oklahoma, Inc., UnitedHealthcare of Oregon, Inc., UnitedHealthcare Benefits of Texas, Inc., UnitedHealthcare of Washington, Inc. Administrative services provided by UnitedHealthcare Services, Inc., OptumRx or OptumHealth Care Solutions, Inc. Behavioral health products are provided by U.S. Behavioral Health Plan, California (USBHPC) or United Behavioral Health (UBH).

400-5226 10/12 Consumer ©2012 United HealthCare Services, Inc