



### **What is a VEBA?**

VEBA is an acronym for Voluntary Employees' Beneficiary Association. It is a type of trust used to hold plan assets for the purpose of providing employee benefits. VEBAs are authorized by Internal Revenue Code § 501(c)(9). Your VEBA is a health reimbursement arrangement (VEBA HRA) that allows your employer to contribute money to a trust on your behalf. You may use funds in the VEBA HRA to pay for eligible medical expenses now or in retirement. Unused funds roll over from year to year. And, you have the option to invest a portion of your unused funds in the market which is a great way to save for retirement.

### **How is the VEBA funded?**

IRS rules require the VEBA to be funded only with employer contributions. Such employer contributions include:

1. A specific dollar amount contributed on a specific interval (e.g., \$X per pay period), and
2. Mandatory conversion of accrued, unused sick leave balances upon termination of employment or other intervals.

Details of the employer contributions (e.g., amount, frequency, type, etc.) are matters of plan design. They must apply uniformly to all employees within an employee group but may differ between employee groups. Collectively bargained groups may have additional allowable employer contribution structures, such as percentage of pay.

### **How do I benefit from the VEBA HRA plan?**

The VEBA HRA saves you money. You pay zero tax on contributions from your employer, earnings, and withdrawals (claims). In other words, the money goes in tax free, is invested tax free, and comes out tax free. As an example, you'd save up to \$300 or more in taxes for every \$1,000 contributed by your employer to the VEBA HRA. It's like free money to spend on health care expenses. (Tax savings are approximate and vary by individual.)

### **May I voluntarily contribute additional amounts to the plan?**

No. IRS rules do not allow employee voluntary contributions. The VEBA must be funded only with employer contributions.

### **When may I access my account balance?**

Access to your account is actually determined by the terms of your employer's plan document. Sometimes it is the result of what has been negotiated in collective bargaining, and depending upon the plan provisions, the ability to submit claims for reimbursement can begin as soon as you receive your first contribution or it can be deferred until a later date, such as when you reach retirement age. You need to read your plan summary to find out when you can start incurring and receiving reimbursement for eligible health care expenses.

### **Where do I find my plan summary?**

All of your plan details are readily available. Just select the Resource Center tab and scroll down to Plan Documents and Notices to find a link to your full Summary Plan Description

### **Who is an eligible dependent?**

Eligible dependent is defined by the IRS, and generally includes your spouse and dependent child(ren). Dependents may also include grandparents and grandchildren if they meet the IRS definition of a dependent.



### How do I add dependents to my plan?

IRS guidelines prevent us from paying for services to dependents not listed in your profile. It's important that you keep your dependent information up to date. To add/remove dependents:

- Login to your account at BPAS.com.
- Select BPASClaims from the Home Screen.
- Select Access Reimbursement Account.
- Select the profile link. You'll be able to edit dependent data by clicking the view/update link under the dependent name or select Add Dependent to enter a new dependent to your plan. (You will need the SSN for each dependent to request reimbursements of eligible expenses under your VEBA.)

### Why do I need a release form for you to speak with my spouse or family member?

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) was created to protect your health information. HIPAA was later expanded to safeguard individually identifiable information, called protected health information or PHI. PHI includes names of health care providers, dates of service, etc. So, under HIPAA, we can only discuss PHI with the individual patient and/or primary plan member unless you authorize us in writing to share the information with someone else, like your spouse. So, even if you tell us that it's OK to share PHI with your spouse, we can't legally discuss any information with him/her unless you sign the authorization. For your convenience, you may find an authorization form at [bpas.com](http://bpas.com).

### Am I required to begin spending down the assets within a certain time following termination of employment?

No. There is no requirement to access your assets within a time period following termination of employment. Assets can simply remain invested if you so choose.

### What happens to my assets at the end of a calendar year?

Unused balances carryover from year to year.

### What expenses are eligible for reimbursement?

Medical expenses as defined by IRS Code Section 213(d) expenses are eligible for reimbursement. You must also be enrolled in a group health plan. Examples of eligible expenses include:

- Deductible expenses (the part of covered expenses you pay before your health or dental plan pays any benefits) or coinsurance amounts (the percentage of covered expenses you must pay, if any, after the deductible requirement has been met.)
- Prescription drugs/co-pays
- Medically necessary equipment or supplies
- Dental procedures (non-cosmetic)
- Vision care expenses, such as eye exams, eyeglasses/contacts, lens solution, laser surgery
- Individual insurance premiums (i.e., dental, vision, long-term care) not under guidance by the Affordable Care Act

For a more complete list of eligible expenses, see <https://www.irs.gov/pub/irs-pdf/p502.pdf>

### Are VEBA reimbursements or earnings taxable?

No. Interest earned and payments for eligible medical expenses are excludable from gross income.



### What happens to VEBA if the participant dies?

If you have a spouse and/or dependents at the time of your death, they may continue to use your account to pay any eligible health care expenses they incur until the account is exhausted. Please note that dependents must have been a “dependent” as defined by the IRS at the time of your death.

### Are funeral expenses reimbursable?

No.

### Who pays first, VEBA or Medicare?

If you are still working and you, your spouse, or a dependent are on Medicare, you will be required to use up your VEBA account before Medicare will provide future benefits unless:

1. You're separated from the employer that made, or is making, contributions to your VEBA
2. Your VEBA balance has always been and stays under \$5,000; or
3. You've elected limited VEBA coverage. If you're still working and you elect limited VEBA coverage, Medicare will provide benefits without requiring that you use up your VEBA account first.

### Why do I need to keep receipts for things I buy with the plan's debit card?

There will be times when we'll require a receipt to comply with the IRS guidelines even for debit card purchases. It's best to send an itemized statement or Explanation of Benefits (EOB) from your insurance carrier so we can verify that the service you received does comply with the IRS rules.

If we do need a receipt for debit card purchase, we'll send out three notices. If we don't receive the receipt/documentation, we'll have to temporarily deactivate your Card until we receive the complete substantiation required by the IRS. Please make sure we have your current email address. If we need an itemized receipt for a card purchase, we'll send you an email notice after the debit purchase is made. Documentation can be uploaded to your secure online account or sent to us via fax or mail.

If you've lost documentation for a card purchase, you may contact the vendor for a reprint of your receipt.

### Why do you ask for receipts when the service I received was clearly from my doctor or dentist?

The IRS requires that you use the plan debit card only for eligible expenses. Sometimes the bill from your doctor or dentist doesn't provide us with enough information to determine whether the services you received are eligible for reimbursement. There may be times we'll need to see an itemized receipt to verify that an expense is eligible. For example, if you use the debit card at the dentist, was it for a cleaning, which is eligible? Or for teeth whitening, which is ineligible? Or, if you had a procedure with your doctor, was it for a tummy tuck, which is ineligible? Or a biopsy, which is eligible? If it's unclear, we'll send you a receipt request to verify the expense. If you receive a receipt request, be sure to submit it as soon as possible to avoid having your card suspended.

### How do I report a debit card missing and/or request a new card?

On the Home Page of your secure online account, Under the Profile tab, click Banking/Cards from the menu on the left. Under the Debit Cards column, choose Lost/Stolen or Order Replacement and follow the instructions.



## Frequently Asked QUESTIONS about VEBA Online



### I have not accessed my account online. How do I login?

Access your BPAS VEBA account by visiting [bpas.com](http://bpas.com). In the **Sign in to Your Account** box, choose Participant. Choose VEBA for your Account Type. The first time you login, your User ID will be your Social Security Number (SSN) without dashes. Your initial password will be your date of birth, reflected as mmddyyyy. Click Login. You will be asked to:

- Create a user name in the first box (between 8-20 characters, no dashes)
- Create a password in the second box. Re-enter your new password to ensure it matches
- Create a challenge question and answer (e.g., What is your favorite football team, etc.)
- Click Next to be taken to your account.

### Where do I find my account balance?

The home page displays your current account balance. The Total Account Balance is the balance of your VEBA investment account. *(The HRA Amount Available is 90% of your VEBA balance less any pending debit card authorizations and is the amount immediately available for reimbursement on your debit card.)* You may also view your account balance by choosing the following options from the Account Summary tab:

- Fund Totals. Your account balance is displayed by investment fund
- Source Totals. Your account balance is displayed by money source
- Fund Detail. Your account balance is displayed by investment fund and money source within each fund
- Source Detail. Your account balance is displayed by money source and investment fund within each money source

### How do I view or change my investment elections for future contributions?

Your current investment elections (e.g., the manner in which your new contributions are invested by fund) are shown on your account home page. There is a **Change** button on the home page to change your future contribution elections. You may also select **Fund Election Change** from the **Transactions** tab. A table including all investment offerings within the plan will be displayed along with your current investment election percentages for future contributions. Simply enter your desired percentages next to each fund. The total must add up to 100%. Click the **Change Allocations** button. You'll be prompted to confirm your entries before you commit to the change. Click **Confirm** to process your requested change and receive your transaction confirmation number. Note: If you don't receive a confirmation number after clicking Confirm, your transaction request will not be processed. Please contact a BPAS Customer Service Representative at 1-866-401-5272 for additional assistance. All transactions must be initiated by 4 p.m. EST to be processed same day (except on days when the U.S. stock market closes before 4 p.m. EST).

### How do I obtain more information on our mutual fund offerings?

The participant website has a wealth of information available about the investments available in your Plan. From the Fund Information tab, select the following links:

- Fund Links. Each investment option is displayed with links to:
  - Historical prices
  - Fund fact sheets
  - Prospectus
  - Morningstar and Financial Content, Inc. to perform additional research
- Fund Information. This option provides the performance for each fund offering in the plan. You may view each fund prospectus by clicking the *P* next to the fund name and an online chart by clicking the *C* next to the fund name.

Any time you see a fund name underlined in blue, you may click on it to view performance information, expense ratios, and links to the fund fact sheet and prospectus.



### What does it mean if some of the funds in the plan have trading restrictions?

Many mutual fund companies have introduced trading restrictions to discourage short-term trading. When requesting a change to the allocation of your current account balance, the website will indicate which funds impose a trading restriction. If you have recently submitted a transfer or rebalance request that resulted in a trading restriction, the fund that is temporarily restricted from future transfers will appear in red, reflecting the number of days remaining before a subsequent trade (or opposite way transfer request) can be made. If you have a pending trading restriction in one or more funds, you may still transfer other portions of your account by using the *Fund-to-Fund Transfer* option.

### How do I make changes to the way my current account balance is invested?

The *Transaction* tab contains two methods for you to change the investment of your current account balance:

- **Fund-to-Fund Transfers.** This option allows you to transfer money from one investment option to another. Click the arrow next to the transfer option you desire (transferring out a dollar amount or a percentage). Select the fund from the drop-down menu that you wish to transfer money out of, and then indicate the percent or dollar amount you want to transfer. Now, enter the percentage(s) among the new funds(s) for which you wish to transfer; total must add up to 100%. Click *Submit Transfer* to verify your request, and *Confirm*. Please Note: This change will only affect the way your current account balance is invested; it will not change how future contributions are invested in your account.
- **Rebalance.** This option allows you to rebalance your account in two different ways:
  - Provide specific percentages for each asset
  - Rebalance to match your current investment election percentages for future contributions

Click the radio dial next to the rebalancing method you choose. If you elect to rebalance by providing specific percentages for each asset, enter your desired percentages next to each fund in the table. The total must add up to 100%. If you choose to rebalance to match your current investment election percentages, the percentages will automatically be entered into the *Change To* column in the table.

In addition, if you would like your current account balance to be *automatically* rebalanced to these percentages, scroll down and click the box next to *Automatically Rebalance My Account*. Then click the radio dial next to the frequency in which you would like your account to be automatically rebalanced and click *Submit Automated Rebalance* to confirm your request. Please note: Using the account rebalancing option will trigger a new set of trading restrictions initially and whenever your account is rebalanced. For this reason, some participants choose to use *annual* rebalancing rather than quarterly.

### How do I receive copies of prior participant statements?

All participant statements will be mailed to your home address every quarter. To obtain an online copy, select *Resource Center*. All statements are organized by plan year under the *Quarterly Benefits Statements* sections. You may elect to have your quarterly statements, regulatory notices, and/or trade confirmations delivered electronically. Simply select *Account Maintenance Preferences* and change your preferences to electronic delivery.

### How do I reach BPAS Customer Service for additional assistance?

BPAS Customer Service Representatives may be reached at 1-866-401-5272. This US-based team is available Monday through Friday from 8 am to 8 pm EST.