

Health Subsidy & Health Reimbursement

Health Care Subsidy

Retired members of SBCERS who participate in Court-sponsored health plans currently receive a health insurance subsidy (aka insurance offset) of \$15-per-month-per-year-of-service toward their premium costs. As an example, if a retiree has service credit of 25.5 years, he is eligible to receive \$382.50/month ($25.5 \times \$15 = \382.50) toward the cost of health insurance for his family:

Monthly Insurance Premium	\$1,500.00
Health Insurance Subsidy	<u>-\$382.50</u>
Retiree Share of Premium	\$1,117.50

Surviving spouses and other beneficiaries receive an amount proportionate to their benefit continuance percentage. Members receiving a disability retirement allowance currently receive a health insurance subsidy of at least \$187 per month.

If you receive multiple monthly benefit payments, your insurance subsidies from all accounts may be added together, so that the combined subsidy is applied to the total premium amount.

If you and your spouse are both Court Retirees, you may be eligible to pool your subsidies together when one retiree carries the other as a dependent on the insurance.

See “*Subsidy Combining ...*” and/or “*Subsidy Pooling...*” under “Important Facts You Need to Know.”

Health Reimbursement Arrangement

Eligible retirees and beneficiaries who are not enrolled in Court-sponsored health insurance, receive help with health expenses, through a Health Reimbursement Arrangement (HRA) benefit funded by the Court. An amount equal to \$4-per-year-of-service is set aside monthly in a HRA account that is automatically set up for you when you decline or cancel Court-sponsored health insurance. This tax free money is available for reimbursement of eligible post-tax health expenses for which you paid out-of-pocket during your coverage period. Unused balances roll over from year to year.

This benefit is administered by WageWorks. You may be reimbursed for eligible health expenses incurred by you and/or your qualified dependents. To obtain reimbursement you must submit claims to WageWorks for eligible expenses along with proof of the expense and proof of payment (e.g. Medicare statements and receipts).

HRA account balances transfer to an eligible monthly benefit recipient upon the death of a retiree (e.g. spouse). If no continuing monthly benefit is payable, HRA funds remain available to the estate for up to 12 months after a retiree’s death for reimbursement of eligible health expenses, after which the coverage period ends.

For additional information about this benefit and the reimbursement process, call WageWorks at 877-924-3967 or visit their website at www.wageworks.com.