

# Health Insurance Subsidy & Health Reimbursement

## Health Insurance Subsidy

Retired members of SBCERS who participate in County-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 County health insurance premium for he and his dependents:

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 Retiree from the same SBCERS-covered employer, 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 not enrolled in County-sponsored health insurance, receive help with health expenses, through a Health Reimbursement Arrangement (HRA) benefit funded by the County. 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 County-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 and paid by you and/or your qualified dependents. To receive reimbursement you must either complete and submit claims to WageWorks for along with proof of the expense and proof of payment (e.g. Medicare statements and receipts) or beginning in 2016, use a pre-paid debit card issued to you by WageWorks.

HRA account balances transfer to a 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 [www.wageworks.com](http://www.wageworks.com).