

Healthcare Subsidy & Cash Supplement

Health Care 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 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 County 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

For retirees and beneficiaries not enrolled in County-sponsored health insurance, effective January 1, 2009, the \$4-per-month-per-year-of-service supplemental benefit was converted from a taxable cash supplement payment to a tax-free healthcare expense reimbursement. Your monthly benefit accumulates in a Health Reimbursement Arrangement (HRA) account for you. In order to receive this cash reimbursement benefit, you are required to submit a claim form with proof of payment of qualified expenses incurred by you and/or your qualified dependents (e.g., Medicare statements and receipts).

HRA account balances transfer to an eligible surviving spouse upon the death of a retiree. If no spouse survives the retiree, HRA funds remain available to the estate for up to 12 months after a retiree's death for reimbursement of the retiree's eligible medical expenses.

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