

# HRA VEBA

## HRA VEBA Trust



### Benefits You Receive:

The HRA VEBA plan is a tax-free health reimbursement arrangement (HRA.) You can use your HRA funds to cover qualified healthcare expenses and premiums for you and your family. Employer contributions, earnings, and withdrawals (claims) are exempt from taxes. In other words, the money goes in tax-free, is invested tax-free, and comes out tax-free.

### Investment Options

You may invest your account using either one of two investment options. With Option A: Do-it-yourself, you can build your own portfolio using any combination of available funds. Option B: Choose a pre-mix allows you to select any one of four professionally designed pre-mixed allocation portfolios designed and monitored by investment professionals. You can change your investment selection(s) up to once per calendar month.

### Qualified Healthcare Expenses:

Common qualified out-of-pocket expenses include:

- Copays
- Coinsurance
- Deductibles
- Dental and Orthodontia
- Vision Expenses
- Retiree insurance premiums

**To File for Reimbursement:** Visit [www.hraveba.org](http://www.hraveba.org) and download the claim form and complete.

- Provide proof of each expense: Best document to submit Explanation of Benefits (EOB)
- Submit the claim along with the proof of expense (EOB) to:
  - Via email (preferred): [claims@hraveba.org](mailto:claims@hraveba.org)
  - Fax: (206)577-3020
  - Mail: HRA VEBA Plan, PO Box 80587, Seattle, WA 98108

### Online Services:

Register for myHRA VEBA online at [www.hravebaorg](http://www.hravebaorg).

After logging in, you will be able to quickly and easily:

- View your account balance
- Track claims in progress
- View claims history
- Update your investment selection(s)
- Update your covered spouse and dependent information

## Common Examples

The below list of qualified expenses and premiums is not a complete list, but it does contain many examples of the types of expenses and premiums eligible for reimbursement from your HRA VEBA account. The most common include co-pays, coinsurance, deductibles, retiree insurance premiums (including Medicare Part B and Part D and Medicare supplement plans), and tax-qualified long-term care insurance premiums (subject to annual IRS limits).

Internal Revenue Code § 213(d) defines qualified expenses, in part, as “medical care” amounts paid for insurance or “for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body...” Expenses solely for cosmetic reasons generally are not considered expenses for medical care (e.g. facelifts, hair transplants, hair removal (electrolysis)). Expenses that are merely beneficial to your general health, such as vacations, are not medical care expenses.

**Questions?**

1-888-659-8828

myHRAVEBA@meritain.com

hraveba.org

### General expenses

- Acupuncture
- Alcoholism and drug treatment center costs
- Birth control pills
- Chiropractic
- Christian Science
- Contact lenses, solutions, etc.
- Co-pays
- Coinsurance
- Deductibles
- Dental
- Eye glasses
- Fertility treatments
- Gynecology/Obstetrics
- Hearing aids & batteries
- Immunizations
- Laser eye surgery
- Lifetime care at medical facility
- Medical supplies and equipment
- Naturopathic
- Organ transplants
- Orthodontia
- Osteopathy
- Physical therapy
- Prescription medicines
- Preventive care
- Psychiatric
- Retirement home (costs allocable to medical care)
- Stop smoking programs
- Transportation (subject to IRS limits)
- Vaccines
- Vasectomy
- Vision
- Wheelchair

### Over-the-counter (OTC)

#### **PRESCRIPTION REQUIRED (medicines and drugs):**

- Acne medications
- Allergy medicines
- Antacids
- Aspirin
- Cold medicines
- Cough suppressants
- Dietary supplements
- Eye products (e.g. Visine®)
- First aid creams/liquids
- Herbal medicines
- Nicotine gum/patches
- Pain relievers
- Sinus medications
- Sleeping aids
- St. John's Wort
- Weight loss drugs

#### **NO PRESCRIPTION REQUIRED (non-medicine items):**

- Bandages
- Crutches
- Insulin
- Diagnostic devices (e.g. blood sugar kits)

#### **OTC ITEMS NOT ELIGIBLE:**

- Cosmetics; face creams
- Medicated shampoos
- Tooth brushes (including electronic)
- Vitamins (most cases)

### Insurance premiums

- Medical
- Dental
- Vision
- Long-term care (tax-qualified; subject to IRS limits)
- Medicare Part B
- Medicare Part D
- Medicare supplement plans

### Medicare

- Co-pays
- Coinsurance
- Deductibles
- Home health care
- Hospice care
- Hospital stay
- Outpatient hospital services
- Skilled nursing facility stay

### TRICARE (military retirees)

- Co-pays
- Coinsurance
- Deductibles
- Vision
- Miscellaneous
- Premiums:
  - Extra
  - Medicare Part B
  - Medicare Part D
  - Prime supplement plans
  - Retiree dental
  - Standard



## Important Notices

A fully-completed **Claim Form** along with proper documentation is required when requesting reimbursements. Claim Forms are available online at [hraveba.org](http://hraveba.org) or by contacting the third-party administration (TPA) service provider. Please read the **How to File a Claim** handout available online to learn more about your HRA VEBA plan's overall claims process, including IRS documentation requirements and standard claims processing turnaround times. Please note the following:

1. Only qualified expenses and premiums incurred after you become and remain a claims-eligible participant may be submitted for reimbursement.
2. If you are a participant in a Section 125 healthcare flexible spending account (FSA), you must exhaust your FSA benefits before submitting eligible claims.
3. Qualified insurance premiums are reimbursable beginning with the month in which you become a claims-eligible participant.
4. **IRS regulations provide that insurance premiums paid by an employer, or premiums that are or could be deducted from your paycheck pre-tax through your employer's Section 125 cafeteria plan, are not eligible for reimbursement.** When requesting reimbursement of premiums deducted from your paycheck after tax, you should include a letter from your employer that confirms a pre-tax option for the deduction of such premiums is not available to you. Premiums deducted from your spouse's paycheck after tax may be eligible for reimbursement.
5. Systematic reimbursement of recurring qualified insurance premiums may be set up online after logging in to your account or by submitting a **Systematic Premium Reimbursement Form**.

**Regarding OTC drugs and medicines:** To be eligible for reimbursement, federal healthcare reform requires that OTC medicines and drugs (except insulin) purchased on or after **January 1, 2011** be prescribed by a medical professional or accompanied by a note from a medical practitioner recommending the item or service to treat a specific medical condition. Thus, OTC medicines and drugs such as aspirin, antihistamines, and cough syrup must be prescribed. Eligible OTC medicines and drugs purchased on or before **December 31, 2010** remain reimbursable without a prescription. The prescription requirement applies only to medicines and drugs, not to other types of OTC items such as bandages and crutches.

## Definition of Dependent

Generally, dependents must satisfy the definition of **Qualifying Child** or **Qualifying Relative** as of the end of the calendar year in which expenses were incurred to be eligible for benefits. These requirements are defined by Internal Revenue Code § 105(b) and summarized below. Go to [hraveba.org](http://hraveba.org) and click **Covered Dependents** for a detailed definition.

### Qualifying child

A **Qualifying Child** is a person who: (1) is the participant's son or daughter, stepchild, or foster child; and (2) at the end of the calendar year in which expenses were incurred will be age 26 or younger or permanently and totally disabled; and (3) is a citizen, national, or resident of the U.S. or a resident of Canada or Mexico. Other individuals are subject to additional requirements.

**Qualifying Child of Divorced or Separated Parents.** A participant's child is treated as the dependent of both parents for the purposes of health plan coverage if during the calendar year in which expenses were incurred: (1) the participant's child is in the custody of the participant or their other parent for more than half the year; and (2) the participant's child receives over half of his or her support during the year from the participant or their other parent.

### Qualifying relative

A **Qualifying Relative** is a person who: (1) is the participant's son or daughter, stepchild, foster child, or other relative as defined by the IRS (e.g. father, mother, brother, sister, niece, nephew, aunt, uncle; go to [hraveba.org](http://hraveba.org) and click **Covered Dependents** for a complete list) or any other person (other than the participant's spouse) who lived with the participant all year as a member of the household if such relationship did not violate local law; and (2) will not be a Qualifying Child of any other person as of the last day of the calendar year in which expenses were incurred; and (3) received over half of his or her support for the calendar year from the participant; and (4) has a gross income for the year of less than \$3,650; and (5) is a citizen, national, or resident of the U.S. or a resident of Canada or Mexico.