

# VEBA Participant FAQ

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## 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 allows your employer to contribute money to a trust on your behalf. You may use funds in the VEBA to pay for eligible medical expenses now or in retirement. Unused funds roll over from year to year. You have the option to invest 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. Employer contributions include:

1. A specific dollar amount contributed on a specific interval (e.g., \$X per pay period)
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 based on 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 plan?**

The VEBA 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. It's like free money to spend on healthcare 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 determined by the terms of your employer's plan document. It may be the result of what has been negotiated in collective bargaining and dependent upon the plan provisions. The ability to submit claims for reimbursement can begin as soon as you receive your first contribution or 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 healthcare expenses.

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

Your plan details are readily available online. You will need to access the WEX Benefits Portal and under **I Want To** select **Manage my VEBA**. From the Resource Center tab select **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 WEX from paying for services to dependents not listed in your profile. It is important that you keep your dependent information up to date. To add/remove dependents:

- Login to your account at [wexinc.com](https://wexinc.com). Go to **I Want To** then **Manage My VEBA**
- Navigate to **Accounts Tab**
- Under Profile, click **Profile Summary**
- Click **Add Dependent**

## 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 healthcare 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 is “OK” to share PHI with your spouse, we cannot legally discuss any information with him/her unless you sign the authorization.

**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 specific period following termination of employment. Assets can simply remain invested if you so choose.

**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, laser surgery
- Individual insurance premiums (i.e., dental, vision, long-term care) may be eligible

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 excluded from gross income.

### **What happens to my assets and the end of the year?**

Your assets will remain in your account and roll over from year to year.

### **What happens to the 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 healthcare 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.

### **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:

- You are separated from the employer that made, or is making, contributions to your VEBA
- Your VEBA balance has always been and stays under \$5,000 or
- You have elected limited VEBA coverage. If you are 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 benefits card?**

There will be times WEX will require documentation to comply with the IRS guidelines for debit card purchases. You will be required to send an itemized statement or Explanation of Benefits (EOB) from your insurance carrier to verify the service received complies with the IRS rules.

If a receipt for benefits card purchase is required, a notice will be provided and noted on your online account. If the receipt/documentation is not received, a temporary deactivation will be placed on your card until the complete substantiation required by the IRS is received. Please ensure your current email address has been provided to WEX so you receive these notices.

You will receive an email notice after the debit purchase is made should documentation be required. Documentation can be uploaded to your secure online account or mobile app, or sent to us via fax or mail.

If you have 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 does not provide us with enough information to determine whether the services you received are eligible for reimbursement. There may be times WEX will need an itemized receipt to verify that an expense is eligible. For example, if you visit your dentist and have your teeth cleaned and whitened, only the cleaning is eligible. You would need an itemized receipt for the eligible expense to be verified.

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

Login into your WEX benefits participant portal

- Navigate to the **Accounts Tab**
- Select **Profile**, click **Banking/Cards**
- Below Debit Cards, select **Report Lost/Stolen** or **Order Replacement**

## Access your VEBA account by visiting your Wex benefits participant portal

- Hover over **Login** and select **Benefits Accounts** at the top of the page. Under Participant Accounts select **HSA.FSA.HRA/Wellness & Commuter**
- Under **New User** select **Get Started**
- Complete the required fields to verify your identity and select **Next**
- Check your email, and provide the one-time password you received, and then select **Next**
- Complete the required fields for your personal information and select **Next**
- Enter all applicable contact information as this will help recover your account if you forget your username or password and select **Next**
- Change your username and create a password and select **Submit**
- Add a mobile Number and any authorized representatives

## 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. You may also view your account balance by choosing the following options from the Account Summary tab once you have accessed "Manage My VEBA" from your online account.

- 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 source
- Source Detail. Your account balance is displayed by money source and investment

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

You will be able to access your investment elections once you log in to your WEX benefits participant portal. Go to **I Want To** and then **Manage My VEBA**. Your current investment elections are shown on your account home page. 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 will 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 do not receive a confirmation number after clicking Confirm, your transaction request will not be processed.



Please contact a VEBA Fund Customer Service Representative at 1-866-401-5272 for additional assistance. All transactions must be initiated by 4 p.m. EST for same day processing (except on days when the New York Stock Exchange closes before 4 p.m. EST).

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

Your participant portal contains a wealth of information about investments available in your VEBA plan. From the **Fund Information** tab under **Manage My VEBA**, 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 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.

When 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.