

Your HRA Plan Benefits

The **HRA VEBA Plan** is a great way to save up for future medical care costs. Here's how it works: (1) your employer makes contributions to your account¹; (2) you get to invest that money; and (3) you can use the funds to reimburse your out-of-pocket medical care expenses². Your employer, along with more than 570 other governmental employers in the Northwest, has made a wise choice to provide you with this important benefit.



Health reimbursement arrangement

A health reimbursement arrangement (HRA) is a spending account you can use to cover medical care expenses and premiums. Your HRA is funded with contributions from your employer. Common funding sources include unused leave cash outs (sick, vacation, etc.) and mandatory employee contributions.

HRA advantages

An HRA is one of the best ways to cover your medical care expenses.

- You **save money by paying no taxes** on contributions, investment earnings, and reimbursements.
- Your HRA can **cover retiree medical premiums** before and after age 65, including Medicare supplement and Medicare Part D premiums.
- Your **spouse and qualified dependents are covered**.
- Your HRA **does not require coverage under a high-deductible health plan**.
- Your **unused balance rolls over** each year—no annual “use-it-or-lose-it” requirement.
- Your HRA can be **transferred to a beneficiary**, if you pass away with no surviving spouse or dependents.

No taxes

Your HRA is exempt from federal income tax and FICA (Social Security and Medicare) taxes. You do not pay any taxes on employer contributions, investment earnings, or reimbursements (claims) from your HRA. Money goes in tax-free, is invested tax-free, and comes out tax-free. It doesn't get much better than that!

Common medical care expenses

Several of the most common medical care expenses include copays, deductibles, prescription drugs, and retiree insurance premiums. Medicare Part B, Medicare Part D, and Medicare supplement plan premiums are also eligible for reimbursement.

Electronic services

The HRA VEBA Plan offers several convenient e-services:

- Online account access
- Online claims submission
- HRAgo® (mobile app)
- My Care CardSM (debit card)
- e-Communication
- Direct deposit

Get started today!

To learn more, contact your local Gallagher VEBA representative listed below, or visit hraveba.org.

Chase McCarthy | 1-509-818-3110 | chase_mccarthy@ajg.com

¹ Your HRA funds are held in a voluntary employees' beneficiary association (VEBA) trust. VEBAs are authorized under IRC Section 501(c)(9). Many use the term “VEBA” when referring to health plans that reimburse out-of-pocket medical care expenses and premiums. These plans are actually HRAs, as defined by the IRS, but are often called VEBA plans. ² Your HRA may be subject to post-separation benefits only, or other limitations, depending on your employer's plan design.