

Orange County Fire Authority Health Reimbursement Authority (HRA)



Frequently Asked Questions – Retired/Separated

What is a Health Reimbursement Arrangement (HRA)?

A Health Reimbursement Arrangement is an interest-bearing, employer-funded account created in your name to reimburse you tax-free in retirement for eligible medical expenses and premiums. Your employer made deposits while you were employed and, now that you are retired or separated from service, you are able to access your funds.

Why is the HRA considered an employer-funded account?

The HRA is considered employer-funded because when the plan was originally established in 2006, the agreed-upon 4% salary contribution was not optional and has not been since. It is a required contribution that employees cannot receive as earnings. The benefit of OCFA maintaining the tax-exempt status is that all employee contributions and withdrawals (at the time of retirement or separation) are tax-free to the participant.

How much is contributed to the HRA?

While you were actively employed, an Authority directed mandatory employee contribution of 4% of base salary was deposited into your HRA from each paycheck. These funds are now available to you.

Can I contribute more or less than four percent of my base earnings to my HCRA?

No. According to the current bargaining agreements, all regular, limited-term and probationary employees hired on or after January 1, 2007, are required to contribute 4% of base salary to the HRA. You are not permitted to contribute more or less to the plan, even after you have retired or separated from employment.

Do I have to enroll?

Yes, you were automatically enrolled by the OCFA. No action was necessary on your part.

What are the benefits of an HRA?

- Deposits are tax-free (not subject to FICA, Federal, or State income taxes), so you receive 100% of the value of each benefit dollar.
- Deposits earn interest tax-free.
- Reimbursements from the plan are tax-free for eligible medical expenses and premiums for you, your spouse, and any qualifying dependent(s), if applicable.
- Account balance rolls over each year and there is no time frame by when you must submit expenses for reimbursement.
- You have the flexibility to choose when to submit eligible expenses for reimbursement.

Who is eligible to receive the benefits of my HRA?

You, your spouse, and any qualifying dependents are able to seek reimbursement for eligible medical expenses and premiums from the HRA. Qualifying dependents include children under the age of 27 at the end of the tax year and any tax dependents.

Where are funds invested?

You control where your funds are invested. There are two primary options (fixed and variable funds) in addition to a self-directed brokerage account option as described below:

Fixed funds are invested in a fixed annuity with a guaranteed rate of return. Investments are provided by American United Life Insurance Company®, a OneAmerica® Company (AUL). For more information on your investments, please visit www.oneamerica.com.

Variable funds are invested with Matrix Financial Solutions, Inc. (Matrix), and have varied rates of return. For more information on your investment options, please visit <https://www.broadridge.com/cit/about-us>.

Self-directed brokerage accounts allow funds to be directed *outside* of the program investment options into an account held with TD Ameritrade. This option offers additional investment options and flexibility beyond the fund choices included in the OCFA's plan investment profile.

How do I set-up a self-directed brokerage service with TD Ameritrade?

You can establish a new TD Ameritrade account by completing an Account Application which can be found at https://www.tdameritrade.com/retail-en_us/resources/pdf/SDPS186.pdf.

Complete the application according to the instructions on the form. For the Plan ID Number and Plan Name requested in Section 1 of the application, provide the following information:

1. ACCOUNT INFORMATION		
Plan ID Number:	Plan Name:	
Choose from the following check-boxes to indicate the type of account you would like to open:		
<input type="checkbox"/> Non-Roth Self-Directed Brokerage Account	<input type="checkbox"/> Roth Self-Directed Brokerage Account	<input type="checkbox"/> Both (Roth and Non-Roth)
<small>*Please check with your plan for eligibility before selecting a Roth account. If no box is checked, a non-Roth account will be opened.</small>		

Plan Name: **Orange County Fire Authority (HRA-WEX)**

Plan ID: **OCFIREWEXG5**

When your application is complete, return it to the mailing address or email address indicated on the form. Once TD Ameritrade has established your self-directed brokerage account, they will send you a Welcome Kit and login information for their website.

Please be sure to contact Participant Services at US BENCOR/MidAmerica (USB/MA) to provide USB/MA with your TD Ameritrade account number. Participant Services can be reached at (855) 329-0095. If you have any questions related to the self-directed brokerage program or how to complete the application, please contact TD Ameritrade at (866) 766-4015 or ZSDPSProcessing@TDAmeritrade.com.

How often will I receive account statements?

You will receive statements on a quarterly basis. However, you may access your account activity anytime by logging in to your account on our secure website, www.myMidAmericaJourney.com. If this is your first time logging in, you would simply select **Create Your New Username and Password** from the login page and follow the prompts on the screen to establish your credentials. From your home page, select the **View Plan Activity** button to view additional details.

Can I move HRA funds to another plan?

The funds deposited in your account must stay within your employer-sponsored HRA plan, or through the approved self-directed brokerage account option as described above.

Why might I see two different account balances?

When viewing your online account, you may find your account balance upon initial login is not the same dollar amount you see when you click on **View Plan Activity**. Your HRA funds are invested in a variable annuity and the Journey platform enables variable accounts to receive a debit card to pay for qualified medical expenses, avoiding out-of-pocket costs and reducing the burden on you to submit claim reimbursements!

Enabling debit cards for variable accounts requires a 10% holdback of your HRA variable investments. This means when you view your balance upon initial login, you're viewing 90% of your variable balance along with 100% of your fixed interest balance (which is the amount accessible via your debit card). When you select View Plan Activity, you're able to see 100% of your entire balance.

Why is the holdback necessary?

The 10% holdback of your variable balance prevents you from inadvertently overspending should the market adjust negatively. When and if the market adjusts, your balance will reflect the changes within 24 hours.

What if I want access to 100% of my account balance?

Your balance is always yours to use. If you wish to use 100% of your available HRA funds, we recommend simply transferring your funds from the variable investment to the fixed interest investment. This will allow you to access 100% of your funds via your debit card and online claims submission. To transfer your funds, simply log into www.myMidAmericaJourney.com, select **View Plan Activity** and then select **Manage Investments** from the new window. From here, you will see a Move Money option.

Can I name a beneficiary?

Beneficiaries are not allowed for HRAs. However, a surviving spouse or qualifying dependent(s) will still be able to access funds for eligible medical expenses and premiums. If you do not have a surviving spouse or qualifying dependent, the executor of your estate or trustee can use your remaining funds to reimburse eligible medical expenses and premiums not previously submitted on your behalf, including expenses related to your death. If an account balance still remains after 12 months with no plan activity, the balance reverts forfeit back to the OCFA, who may use it to pay for plan expenses and/or divide it among participant accounts.

What happens if I go back to work for my employer?

Upon rehire, your claims eligibility will be restricted as of your rehire date. Any expenses incurred before your date of rehire must be claimed prior to your rehire date or after you once again retire or separate.

Am I still eligible for a Premium Tax Credit (subsidy) if I have an HRA?

Yes. If you qualify for a Premium Tax Credit under the Affordable Care Act (ACA), you must suspend your HRA account balance to receive the credit. You will not be able to submit or incur expenses for reimbursement during the time your HRA is suspended. To learn more about suspending your HRA and to complete the suspension form, log into www.myMidAmericaJourney.com, and select **Tools & Support** from the choices at the top. From this page, download the form titled, **Account Restriction/Suspension Form**.

Submitting Claims

What is considered an eligible medical expense?

Most common eligible medical expenses:

- Insurance plan deductibles
- Insurance plan coinsurance
- Office visit copays
- Physician service copays
- Prescription copays
- Over-the-counter drugs*

*IRS requires a doctor's note or prescription for over-the-counter drugs or medication, or menstrual care products purchased through December 31, 2019. If purchased on or after January 1, 2020, a prescription or doctor's note will not be required for these items to be considered eligible, per the CARES Act of 2020.

Eligible medical expenses are defined under Section 213(d) of the Internal Revenue Code. A Partial Listing of 213(d) Eligible Medical Expenses has been provided for you online by logging in to your secure account on www.myMidAmericaJourney.com. IRS Publication 502 can also be used as a guide. However, there may be instances where the information in IRS Publication 502 does not apply to Health Reimbursement Arrangements.

What is considered an eligible premium expense?

Most common eligible premium expenses:

- Health insurance premiums
- Dental and vision premiums
- Long-term care premiums subject to IRS limitations
- Medicare Part B, Part C, Part D, and Medicare supplement plans
- Individual policies both on and off the exchange
- Employer-sponsored group coverage premiums as long as they are not paid for on a pre-tax basis

Can I be reimbursed for medical expenses I haven't paid yet?

Yes. You can submit a claim prior to paying the bill as long as you have incurred the expense. The exception to this would be Long-Term Care premiums. Long-term care premiums cannot be set up for recurring reimbursements due to IRS annual limitations based on the year in which the payment was made. For this reason, proof of payment is required for all long-term care claims.

Can I be reimbursed for premium expenses ahead of time?

Premium expenses can only be reimbursed one month ahead of time.

Will I receive a debit card?

You will receive two debit cards upon retirement or after separation that will allow you to access your funds. Additional card packages (two debit cards per package) may be purchased for \$5, and all cards will be issued in your name.

How do I submit a claim?

- To submit a claim, log into your account at www.myMidAmericaJourney.com. Please note if this is your first time logging in you would simply select **Create Your New Username and Password** from the login page and follow the prompts on the screen to establish your credentials.
- Once logged in, select the **Submit a Claim** button from the **I Want To** section of your home page.
- From your **Claim Details** screen you will see a **Category** dropdown menu and a **Type** dropdown menu. These menus will display only the medical expenses for which you can be reimbursed.
- All claims will be processed in approximately 7-10 business days.
- Direct deposit is available by accessing **Payment Method** from the **Accounts** drop-down menu. From here, you can select how you prefer to be reimbursed from your account.

What type of documentation should I include with my eligible medical expense reimbursements?

You can substantiate your claim with one of the following:

- The Explanation of Benefits (EOB) statement returned to you from the insurance carrier indicating the amount you are responsible for
- Copay receipts if you are covered under a managed care or prescription drug plan
- If there is no insurance for the health care expenses, submit an itemized bill with the following:
 - Name of the provider and patient
 - Service cost, date, and description
 - Notation when there is no coverage

What type of documentation should I include with my premium reimbursement?

You can substantiate your claim with a Premium Notice, such as a bill or letter from the insurance company, which includes the following:

- The premium amount
- The effective date of coverage
- Name of the person insured - this will be you, your spouse or a qualifying dependent(s)

If you are requesting reimbursement of a long-term care premium, you must also provide proof of payment (in addition to the items listed above.)

Are there any fees?

There is no fee for claims submitted through the Journey platform and/or the Journey mobile app. There is a \$5.00 claims fee assessed per MidAmerica Claim Form either uploaded online, faxed, mailed or emailed. Expenses do not expire and can be submitted at any time.

A \$1 monthly administrative fee is applied to cover debit card access and electronic claims management. The monthly administrative fee will be deducted from your available balance quarterly in arrears.

There are ancillary fees assessed for your Journey Benefit Card depending on the scenarios and requests detailed in the table below:

MidAmerica Journey Benefit Card Ancillary Fees			
Item	Description	Cost	Cost Frequency
Returned Card Fee	Cost for undeliverable cards returned.	\$5.00	Per card, per occurrence.
Dependent, Replacement or Additional Card Fee	Cost per dependent, replacement (i.e., lost/stolen) or additional cards issued.	\$5.00	Per card package. (2 cards per package)
Lost or Stolen Card Investigation	Cost for investigative reports and research on lost or stolen cards.	\$25.00	Per report, per occurrence.
Chargeback Disputes	Cost for research on disputed transactions.	\$25.00	Per disputed transaction submitted.
Card Embossing Cancellation	Cost for cancellation of card orders that have already been submitted to the card issuer and are in the production process.	\$5.00	Per card, per occurrence.
Card Redirect	Cost for a redirect request to pull a card and mail to a different address other than the address supplied. Redirected cards are shipped via US mail, unless otherwise specified.	\$5.00	Per card, per occurrence.

What if I have more than one reimbursement account for qualified medical expenses?

If you have a combination of reimbursement accounts, such as an HRA plus an HSA, an FSA plus an HSA, or an FSA plus an HRA, there could be limitations on the types of reimbursements you may receive from your accounts. Please visit https://www.mymidamerica.com/hra_fsa_hsa_interaction/ for more information on HRA/FSA/HSA interaction.

Questions?

If you have questions regarding your plan, please contact MidAmerica Administrative & Retirement Solutions (MidAmerica), the plan administrator, at (855) 329-0095 or email us at healthaccountservices@myMidAmerica.com.

