

VMERS VantageCare Retirement Health Savings (RHS) Plan

SUMMARY OF PLAN PROVISIONS

► Eligible Employees/Retirees

All members and retirees of the Vermont Municipal Employees' Retirement System who have a minimum of 5 years of contributory service in the plan.

► Participation

Your participation in the RHS plan is mandatory; you may not choose to opt out of the RHS program.

► Contributions

Direct Employer Contributions: All eligible active and retired members will receive a flat sum equivalent to 5 shares that will be deposited into a medical account that may be used to reimburse all eligible medical expenses when benefit eligible. Those active and retired members who have more than 5 years of contributing service will also receive an equivalent share for each additional year beyond 5 years, which will be placed into an insurance account. The insurance account may also be used to reimburse the cost for medical, dental or other types of health-related insurance premiums upon benefit eligible.

Please take note of the following important information:

- The VMERS Board will make a determination whether there are surpluses to fund the RHS accounts each year based on the results of the actuarial valuation for the fiscal year ending June 30th. There is no guarantee that the RHS accounts will receive funding each year.
- The VMERS Board has voted to continue to pay the \$30 monthly stipend to retirees for the foreseeable future.
- If you separate from service and elect to receive a refund of your contributions from the VMERS prior to commencement of retirement benefits, all funds in your RHS account will be forfeited back to the VMERS.

RHS Plan Information

Plan Name:	Vermont Municipal Employees' Retirement System (VMERS)
Plan Number:	801712
Account Number:	Your ICMA-RC assigned Reference Number
Plan Effective Date:	July 1, 2007

► Health Care Benefits

Timing of Eligibility: You will be eligible to receive medical expense reimbursements **at retirement only**. Retirement is as defined in the primary retirement plan of the Plan Sponsor. You will also become eligible for benefits if you become totally and permanently disabled. Total and permanent disability is also defined by the Plan Sponsor's primary retirement plan.

► Permissible Medical Benefit Payments

You will be able to reimburse from your *medical account* all medical expenses eligible under IRC Section 213* other than direct long-term care expenses, and including non-prescription medications allowed under IRS guidance for Medical Reimbursement.

You will be able to reimburse from your *insurance account* the following insurance premiums: Medical, Medicare Part B, Medicare Part D, Medicare Supplemental, Prescription Drug, COBRA, Vision, and Qualified Long-Term Care.

Amounts paid from your account to reimburse you for qualifying medical expenses for yourself and your spouse will be tax-free.

Reimbursement Requests: Once you are eligible for health care benefits, the Plan Sponsor will notify ICMA-RC of your eligibility. At that time you must also complete the *VantageCare RHS Plan Benefit Eligibility Form* to notify

**THIS LETTER CONTAINS IMPORTANT INFORMATION ABOUT YOUR
VMERS VANTAGECARE RETIREMENT HEALTH SAVINGS (RHS) PLAN
KEEP THIS LETTER WITH YOUR BENEFITS INFORMATION FOR FUTURE REFERENCE.**

ICMA-RC of your spouse information. Then, you may begin requesting reimbursements by filing the *VantageCare RHS Plan Reimbursement Request Form*. Reimbursement requests are submitted directly to Meritain Health, ICMA-RC's third party claims processor for RHS Plans. Meritain Health's address and telephone number are on the form. You may also call Meritain Health directly at 888-587-9441 with any questions about reimbursement requests.

► **Post-Death Account Use**

In the event of your death,

- Your account will be transferred to your surviving spouse for continuing tax-free health care benefits.
- If no spouse survive you, your remaining account assets will revert to the Plan Sponsor.

Please see the VantageCare RHS Plan Employee Enrollment/Change Form for important information on this designation.

► **Questions?**

For further information on the VMERS VantageCare RHS Plan, please contact:

Meritain Health (888-587-9441)

- For all claim-related issues once you are eligible to receive benefits
- To change personal data if you are eligible for benefits (also inform ICMA-RC)

ICMA-RC (800-669-7400)

- For all account issues not claim-related
- With questions regarding your account statement
- To change personal data (also inform Meritain Health if you are eligible for benefits)

VMERS (800-642-3191)

- For information on plan specifics (benefit eligibility, etc.)

VantageCare RHS

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*It's a benefit for you
that can last
a lifetime*