

## Quick Facts

### Health Reimbursement Arrangement (HRA)

An HRA is a type of health plan that puts you in control. It's a tax-free account for your family's medical expenses and premiums. It's easy to use, and you'll pay less in taxes

- ✓ **Pay no income or FICA taxes**—most save up to 30%
- ✓ **Unused balance carries over**—no annual “use-it-or-lose-it” or carryover limits
- ✓ **Getting your money out is quick and easy**—most claims are processed within three business days
- ✓ **Participant-directed investments**—similar to your retirement accounts
- ✓ **Spouse, dependents, or eligible survivors can continue using if you pass away**—best survivor benefit

### How You Get It

You must retire from an employee group that has voted to participate. IRS rules require employees to decide in groups (bargaining unit or non-represented group). There is no individual choice. A list of participating groups can be found at:

[www.kingcounty.gov/audience/employees/benefits/retirement/VEBA.aspx](http://www.kingcounty.gov/audience/employees/benefits/retirement/VEBA.aspx)

### How Much You'll Get

Depending on how your employee group votes, you'll get either one or both of the following cash outs contributed to an HRA at retirement:

- 35% of your unused sick leave
- 50% of your unused vacation up to your annual maximum (you'll get the other 50% paid as regular taxable wages)

[More Information](#)  
HRAveba.org

[Ask Questions](#)  
1-888-659-8828

## Why You Need It

You'll need money to pay your own medical premiums and expenses during retirement. You might spend over \$1,000 per month for you and your spouse. You can use your HRA funds to reimburse these costs. Several common examples are listed below.

### Premiums

Medical, Dental, Vision  
 Medicare Part B  
 Medicare Part D  
 Medicare Supplement  
 TRICARE  
 Long-term Care (*tax qualified; subject to IRS limits*)

### Expenses

Copays, Deductibles  
 Prescriptions  
 Dental, Orthodontia  
 Vision, Laser Eye Surgery  
 Preventive Care  
 Chiropractic

## How It Works

The County establishes your HRA VEBA account with your eligible contributions. You get to invest that money from the available fund lineup, and you can change your election one time per calendar month. You can use your funds right away for medical care expenses or save them up for later. Either way, you won't pay any taxes, and you'll get to keep a lot more for yourself.

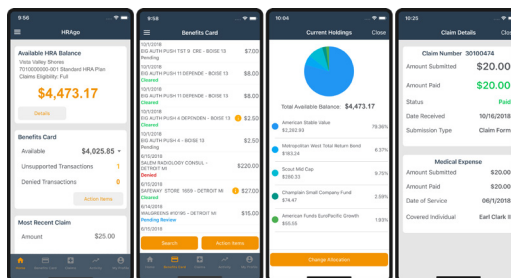
	Regular Taxable Wages	Tax-free HRA VEBA
Sick Leave & Vacation Cash Out	\$25,000	\$25,000
Estimated Income Tax (25%)	- \$6,250	- \$0
Estimated FICA tax (7.65%)	- \$1,913	- \$0
<b>Amount You'll Get</b>	<b>= \$16,837</b>	<b>= \$25,000</b> <i>That's \$8,163 more!</i>

Note: Accounts are subject to an administrative fee of \$1.50 per month, plus a 1% (+/-) annualized asset-based fee. The monthly fee is waived if account balance is more than \$5,000. A 0.25% asset-based fee discount applies on any portion of account balance in excess of \$10,000.

## How You Use It

Managing and using your HRA is easy. You can access your account online any time, and there are several ways to get your money back fast.

- Fast online and mobile claims
- Handy mobile app (HRAgo®)
- Benefits Card (debit card)
- Automatic premium reimbursement
- Direct deposit



## Want more information? Have questions?

- Visit [www.HRAveba.org](http://www.HRAveba.org) or [www.kingcounty.gov/audience/employees/benefits/retirement/VEBA.aspx](http://www.kingcounty.gov/audience/employees/benefits/retirement/VEBA.aspx)
- Call King County Benefits, Payroll, and Retirement Operations at (206) 684-1556 (9:00 a.m. to 4:00 p.m. weekdays)
- Call HRA VEBA's Customer Care Center at 1-888-659-8828 (6:00 a.m. to 5:00 p.m. weekdays)

