

Health Reimbursement Arrangement (HRA)

Frequently Asked Questions for New Administrators Hired After July 1, 2009 – Upon Separation of Service



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 premiums. Your employer made deposits while you were employed and, now that you are separated from service, you are able to access your funds.

Do I have to enroll?

You were automatically enrolled by your employer. No action is necessary on your part.

What are the benefits of an HRA?

- Employer 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 premiums for you, your spouse, and any qualifying dependents, 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 premiums from the HRA. Qualifying dependents include children under the age of 27 at the end of the tax year and any tax dependents.

How often will my employer contribute to my account?

Your employer made deposits to your account on an annual basis during your active employment. For detailed information regarding contribution amounts and timing, please contact your employer or consult your employment agreement or employee handbook.

Where are funds invested?

Your employer has selected a default investment option for all plan participants. Once vested and then the “owner” of the funds, you can self-direct investments from a platform of investment options provided for your plan. Investment election changes can be made online through the participant portal or by completing the Investment Change and Transfer Form, also available through the participant portal. Investments are provided by American United Life Insurance Company®, a OneAmerica® Company (AUL). All earnings in the account are tax-free. For more information on your investments, please visit www.oneamerica.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 make contributions to my HRA?

Only an employer can fund an HRA. You cannot contribute.

Can I move HRA funds to another plan?

The funds deposited in your account must stay within your employer-sponsored HRA plan.

Why do 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 premiums, 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?

No. However, a surviving spouse or qualifying dependent will still be able to access funds for eligible 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 premiums not previously submitted on your behalf. If an account balance still remains after 12 months with no plan activity, the balance will forfeit back to the employer.

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

Special rules may apply if you return to work for your former employer. Please consult your employer.

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; however, your employer is still able to contribute to your account during the suspension and your account continues to earn interest. 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

When can I request a reimbursement?

You may request a reimbursement at any time, as expenses do not expire. You must exhaust any Flexible Spending Account (FSA) funds prior to receiving reimbursement from your HRA. Your unused HRA funds roll over each year while any unused FSA funds are forfeited, so it is advantageous to use FSA funds first.

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 premium expenses ahead of time?

Premium expenses can only be reimbursed one month ahead of time. You are not able to submit a reimbursement request for more than one month in advance regardless of when those premiums were due and/or if those premiums were already paid.

Will I receive a debit card?

Yes. You will receive two MidAmerica Journey Benefit Cards in the mail in your name. You can give one to any eligible dependent to pay for eligible premiums from your account.

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 eligible premiums 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 premium reimbursement?

You can substantiate your claim with a Premium Notice, such as a bill or acceptance 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

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. A \$1.00 monthly platform fee is applied to cover debit card access and electronic claims management.

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.

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.



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