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2023-2024 Albert Lea ISD #241 VEBA/FSA Plan

The VEBA Plan stands for *Voluntary Employees Beneficiary Association* and allows your employer to contribute money to a trust on your behalf. You can use the money in the trust to pay for eligible medical expenses. The money in your account is yours to use or save. Use it to pay for eligible medical expenses now or save it for future expenses. You also have the option to invest a portion of your unused VEBA dollars. All employees on the District's Sponsored Health Plan are automatically enrolled into a VEBA plan.

Employees are also able to elect to flex money with a Flexible Spending Account (FSA) and also a Dependent Care Flexible Spending Account.

Plan Highlights

- Both VEBA and elected FSA funds will be disbursed the 1st week of July or the first day of employment.
- Contributions to your VEBA Account are made by your employer and those contributions are excluded from your gross income.
- Eligible Expenses include any medical expenses under IRS Section 213 (same with the FSA account), also health insurance premiums paid with after-tax dollars (such as COBRA or Medicare supplementary coverage premiums).
- Funds can be used for health insurance deductibles, co-pays, coinsurance, as well as prescription drugs. Cannot be used to pre-tax premiums.
- Eligible expenses must be incurred on or after the effective date of enrollment in the VEBA Health Plan.
- Claims are processed on a daily basis. Claims can be submitted by using the Medsurety Debit Card, online, the mobile app, or by a paper claim form.
- If an employee chooses to participate in a FSA, all claims will be reimbursed through the FSA first. Once the FSA is exhausted, claims will then be paid from the employees VEBA money. Using the FSA money first will ensure the money gets spent before the end of the plan year; an employee is able to roll \$570 into the next plan year.
- Any unused VEBA funds can rollover at the end of the year (June 30th).
- There are Investment options for VEBA funds.
- VEBA funds contributed from District: *\$1,200 for single plans; \$2,400 for family plans*
- FSA: Maximum amount to Flex \$ 2,850
- Dependent Care FSA: \$5,000 (\$2,500 if married but filing separate)

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