

UNDERSTANDING YOUR VEBA

IRS Tax Code Section	Section 105
Known as...	VEBA (Integrated VEBA vs. Post-Employment VEBA) or HRA
Who is eligible?	Employees enrolled in one of the District's "Three for Free" medical plans are eligible for <i>Integrated VEBA</i> contributions. Employees who meet the eligibility of certain bargaining units are eligible for <i>Post-Employment VEBA</i> contributions to be used after you have left employment with Eden Prairie Schools. All of these contributions are negotiated into your bargaining unit contract.
Can I fund the account through pre-tax payroll deductions?	No – Accounts are funded with employer dollars only. Integrated VEBA contributions are deposited on the 15 th of each month and Post-Employment VEBA contributions vary based on your bargaining unit contract.
Can I roll over unused amounts from year to year?	Yes – Unused dollars automatically roll over to the next plan year. Investment options are available and you will earn interest on your dollars until they are withdrawn.
What medical expenses are eligible for reimbursement?	Unreimbursed Code 213(d) medical, dental, and vision expenses incurred for yourself and your qualified tax dependents currently enrolled in an Eden Prairie Schools "Three for Free" plan. These expenses are similar to what can be reimbursed from a Medical Flex Spending Account. In addition, you can request reimbursement for qualified Long Term Care premiums, COBRA, and Medicare premiums from a Post-Employment VEBA account.
How do I request reimbursement?	Further administers your VEBA account. Claims can be submitted online, by mobile app, or manually by fax or US Mail. If you are an active employee with an Integrated VEBA, you can also use your Debit Card to pay for your expense at the point of sale, which will eliminate the need to submit a claim to Further. Please note that supporting documentation may still be required for debit card transactions.
What are the "claim rules" for requesting reimbursement?	Claims requested cannot be more than 18 months old and must have been incurred on or after the date your account was active with Eden Prairie Schools.
Is substantiation required for reimbursement?	Yes – Substantiation in the form of an IRS-approved receipt or Explanation of Benefits (EOB) is required to receive reimbursement for most claims.
What if I have a medical flex account with the District?	If you are enrolled in a Medical Flex Spending Account with the District, as you request reimbursement, your available flex dollars will always pay prior to VEBA dollars.
Where is my account funded?	Your account is in a 501(c)(9) external trust with Matrix.
Are account earnings taxable?	No – A VEBA is a tax-free vehicle.
Do I need to do anything differently on my personal income tax return?	No
Can I cash out balances for non-medical expenses?	No
What happens to my account if I retire or terminate employment?	You can continue to request reimbursement for eligible expenses until your account is exhausted. Administrative fees will apply once you are no longer employed by Eden Prairie Schools and will be deducted from your account balance.
Does COBRA apply?	Yes – If you were to have a COBRA qualified status change, COBRA would be offered by HR Simplified. Important to note: If VEBA continuation is elected through COBRA, access to your VEBA is limited to 18-months.
What happens to my account if I die?	Your account will transfer to your surviving spouse or tax-qualified dependent children. In the absence of spouse/dependents, any balance remaining in your account will be distributed to other participants from your collective bargaining group.