

Eden Prairie Schools

RETIREE BENEFITS

SPRING 2022

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TOPICS TODAY

- **Retiree/COBRA Continuation of Benefits**
 - When do my active benefits end?
 - What can be continued and for how long?
 - How do I make my election?
- **VEBA**
 - What is it?
 - How do I use it?
 - Reimbursements
 - Investments

RETIREE BENEFITS/COBRA

Continuation of Benefits

WHAT HAPPENS TO MY BENEFITS?

Active employee benefits will terminate:

End of month in which you last work your benefit-eligible assignment

- Example: Last day physically worked = June 9th: Benefits end 6/30/22

Exception for Teachers:

Teachers who complete their 2021-22 contract with a last day worked of June 10th:

Benefits end 8/31/22

WHAT ABOUT OPEN ENROLLMENT?

During Open Enrollment 2022 (April 22-May 6):

- Employees retiring in June 2022...
 - CAN elect a different medical plan design (Traditional vs. Three for Free) to be effective 7/1/22
 - Teachers: Online enrollment should be completed for this change
 - Non-Teachers: Email HRHelp@edenpr.org for the proper form
 - CANNOT add medical coverage for the first time

If considering retirement during or at the end of the 2022-23 school year,
Open Enrollment 2022 is the time to add dependents
you wish to cover into retirement.

WHAT CAN I CONTINUE?

Terminology:

- **COBRA**: Federal regulation requiring employers to offer 18 months of benefit continuation to employees who resign or retire.
- **Retiree Benefits**: Minnesota State regulation allowing for medical and dental continuation until age of Medicare provided employee retires with eligibility to receive an annuity from TRA/PERA. Medicare Supplement offered at age 65.

“COBRA” and “Retiree Benefits” run concurrently

If you are retiring from the district *and* you are eligible to receive an annuity from TRA/PERA, your benefit continuation will be referred to as “Retiree Benefits” even though COBRA still applies for the first 18 months of your continuation.

WHAT CAN I CONTINUE?

COBRA/Retiree Benefit continuation will be offered at the level of coverage you have on your last day of active coverage:

- **Medical Insurance**
- **Dental Insurance**
- **Life Insurance**
- **Integrated VEBA (if applicable)**
- **Medical FSA (if applicable)**

■ Single vs. Family

- If you are offered Family coverage and only wish to continue with Single, you can choose to continue with only Single coverage into retirement.

WHAT CAN I CONTINUE?

Medical Insurance (HealthPartners)

- Can continue until you reach age of Medicare*
- Premium Rates for 2022-23: “Total Monthly Premium”

| HealthPartners Medical Plan | Level | Cost |
|--------------------------------|--------|---------|
| Traditional \$500 - \$30 Copay | Single | \$799 |
| | Family | \$2,182 |
| Three for Free \$1000 | Single | \$699 |
| | Family | \$1,910 |

- Refer to your contract for possible district contribution to premiums
 - Example: Plan A Teachers receive the same district contribution as active teachers

*If you are 63½ or older at the time you retire, you will be offered 18 months of continuation under COBRA to ensure you are provided the full length of coverage under the law

WHAT CAN I CONTINUE?

Dental Insurance (Delta Dental)

- Can continue until you reach age of Medicare*
- Premium Rates for 2022-23: “Total Monthly Premium”

| Delta Dental Plan | Level | Cost |
|-------------------|------------------|---------|
| Composite | Single OR Family | \$76.65 |

- Refer to your contract for possible district contribution (not common)
- Depending on your medical election at age of Medicare, Delta Dental enrollment may continue beyond age 65

*If you are 63½ or older at the time you retire, you will be offered up to 18 months of continuation under COBRA to ensure you are provided the full length of coverage under the law

WHAT CAN I CONTINUE?

Life Insurance (Madison National Life)

- Can continue up to 18 months
- Basic Term Life (2x annual salary) & Supplemental Life
 - If you wish to continue Supplemental coverage, Basic coverage must be continued as well
- Premium cost based on salary and age at retirement

After 18 months: Optional conversion w/Madison National Life

- National Insurance Services: 1-800-627-3660
 - Written application required within 31 days of last date of eligibility
 - You will not be able to take advantage of this provision at a later date

WHAT CAN I CONTINUE?

Integrated VEBA (OneBridge as of 7/1/22)

- The government views an Integrated VEBA (HRA) as a health plan, therefore subject to COBRA regulations
- If you have the Three for Free medical plan at retirement, you will be offered COBRA continuation of your Integrated VEBA along with your Retiree medical insurance...

DO NOT ELECT TO CONTINUE YOUR VEBA THROUGH COBRA!

- If you elect to continue your VEBA through COBRA: You will pay a monthly “premium” to keep the account open and your access to funds will be limited to up to 18 months
- If you *do not* elect your VEBA through COBRA: Access will continue without limitation

WHAT CAN I CONTINUE?

Medical Flexible Spending Account (OneBridge)

1) If your CONTRIBUTIONS > REIMBURSEMENTS

- Can elect to continue Medical FSA through COBRA until the end of the calendar year
- Post-tax payments would be made to keep the account open allowing you to submit claims for funds that would otherwise have been lost

2) If your REIMBURSEMENTS > CONTRIBUTIONS

- COBRA will not be offered
- You will not owe the difference back to the district

OTHER CONTINUATION

Long Term Care Policy Conversion (Unum)

- If you are enrolled in Long Term Care (LTC), you will receive an application included with your initial Retiree/COBRA letter from the district allowing you to apply for continuation of your elected coverage
- Questions? Unum: 1-877-225-2712

ADDITIONAL RESOURCES TO CONSIDER

Social Security

- 1-800-772-1213
- www.ssa.gov/benefits/retirement

Teachers Retirement Association (TRA)

- 651-296-2409
- www.minnesotatra.org

Public Employees Retirement Association (PERA)

- 651-296-7460
- www.mnpera.org

ADDITIONAL RESOURCES TO CONSIDER

Tax Sheltered Annuity (403b/457b)

- If you have contributed to a TSA during your employment, you will want to reach out to your agent to discuss your options.
- Paperwork requiring a district signature for distributions or rollovers should be directed to:

Aviben

1995 E. Rum River Drive S. Suite 2

Cambridge, MN 55008

Phone: 763-689-0111

Fax: 763-689-6685

ELECTING RETIREE CONTINUATION

Step One: Retire!

NOTE FOR TEACHERS:

If you are retiring 6/10/22, your final paycheck will take place 6/30/22...

- If you are 24-pay: Lump sum payout of July and August contract pay on your June 30th paycheck
- July and August benefits will be deducted from your June 30th paycheck, regardless of 20-pay or 24-pay election

ELECTING RETIREE CONTINUATION

Step Two: District Letter

- Arrives the week after your last day worked
- Personalized letter explaining the termination of your active benefits
- Outlines the timeline requirements of your upcoming benefit offerings
- Provides contact information for HR Simplified and OneBridge

ELECTING RETIREE CONTINUATION

Step Three: Retiree/COBRA Packet

- From **HR Simplified**
- Contains continuation options, cost of coverage, and election form
 - If you will receive a district contribution to your monthly premiums, this will be called a “subsidy” in your paperwork and will be included on a separate page
- Arrives up to two weeks after your last day worked
 - Exception for Teachers: Expect arrival approximately the first week of August

If you plan to elect coverage outside of EPS as a result of your loss of coverage (“qualifying event”), this notice will provide supporting documentation for enrollment with another employer or insurance company

ELECTING RETIREE CONTINUATION

Step Four: Complete election & return it to:

HR Simplified

- 60 days to elect
- Enrollment effective retroactively to offer date
- Online election and payment options available to expedite re-enrollment
- ***An election must be returned in order for coverage to continue!***

ELECTING RETIREE CONTINUATION

Step Five: Receive Payment Coupons

- Mailed to you for any monthly premiums you owe based on your election
- Payments due to HR Simplified by first of the month of coverage
- ACH (automatic bank account withdrawal) option is available
- HR Simplified provides a 30-day grace period for payments to be received
 - *If payment is not made on time, coverage will be terminated*

FUTURE OPEN ENROLLMENT OPTIONS

Each year you are enrolled in Retiree Benefits, you will be eligible to participate in Open Enrollment

- Can: Change between plans, change from family to single, drop coverage
- Cannot: Add dependents, pick up new coverage
 - Exception: If still within 18-month COBRA window, new dependents may be allowed

You will receive a letter from the district each April providing you with information for the new plan year and instructions to make a change if you wish

FUTURE OPEN ENROLLMENT OPTIONS

Important to note:

- If at any time you choose to drop EPS retiree coverage, you will not be eligible to come back on to the plan at a future date

FUTURE TAX DOCUMENTS

Each year you are enrolled in Retiree Benefits, you will receive tax form:

1095-C

- Documentation for your taxes showing you have health insurance
- Typically arrives the first week of March
- Historically, taxes could be filed without the form. Keep it with your records in case of a future IRS audit.

MEDICARE ELIGIBILITY

Medicare benefits become effective:

1st of the month in which you turn 65

Exception: If birth date = 1st of the month, benefits become effective 1st of the *previous* month

- **Retiree coverage with EPS is automatically terminated at Medicare eligibility**
- Sixty (60) days prior to your 65th birthday, HR Simplified will mail you a letter:
 - UCare Medicare Supplement information (enrollment is optional)
 - Rules pertaining to potential continuation of district Delta Dental insurance and dependent coverage (if applicable)

MEDICARE SUPPLEMENT - UCARE

Coverage available to supplement Medicare

- **Three options (2022):**
 - Basic - \$79/month
 - Core - \$177/month
 - High - \$342/month
- **Provides:**
 - Supplemental medical coverage
 - Prescription coverage
 - Preventative Dental coverage
 - Comprehensive coverage at additional premium
 - Potential eyewear allowance

MEDICARE SUPPLEMENT – DEPENDENT IMPACT

Dependent Continuation when Retiree turns 65

- Upon retirement, if you continue Family coverage and will reach age of Medicare before your spouse reaches 65 or dependent child reaches 26, you **must** elect the UCare Medicare Supplement plan in order for an enrolled dependent to be eligible for additional continuation of EPS benefits:
 - Spouse can continue until his/her Medicare eligibility
 - Dependent Child can continue until age 26
- Full cost of premium for any dependent coverage continued

VEBA

Voluntary Employee's Beneficiary Association

WHAT IS A VEBA?

- Health Reimbursement Arrangement (HRA)
 - Tax-Free Account
- Funded with Employer dollars only
 - Funds held in 501(c)(9) external trust
- Reimbursement of medical, dental, and vision expenses
 - Eligible expenses per the IRS
- Dollars remain in the account year after year until exhausted
 - Not “Use it or lose it” like Flexible Spending Accounts

TWO VEBA TYPES

Integrated VEBA

VS.

Post-Employment VEBA

TWO VEBA TYPES

Integrated VEBA

- Requires enrollment in the Three for Free Medical Plan
- Monthly contribution amount defined by contract
- Access to dollars while in active employment
 - Limited access for family members not covered on EPS medical plan

TWO VEBA TYPES

Post-Employment VEBA

- No medical plan enrollment needed
- Contribution amount defined by contract
 - Retirement severance, early retirement incentive contributions, annual longevity contributions, and Q-Comp awards are deposited into a Post-Employment VEBA
- May receive contributions during active employment
- Can only access funds after employment has ended
 - Spouse and eligible dependent expenses allowed

WHAT HAPPENS AT RETIREMENT?

Integrated VEBA remains available

- **Reminder:** If you have the Three for Free medical plan at retirement, you will be offered COBRA continuation of your Integrated VEBA along with your Retiree medical insurance...
 - *COBRA election is NOT RECOMMENDED for your VEBA as it will limit access to the integrated account to only 18 months*
 - As long as your Integrated VEBA is not elected through COBRA, it will continue with no limitations to access

Post-Employment VEBA becomes “Active”

- List of eligible expenses expands to include insurance premiums

The two VEBA accounts do not combine into one

POST-EMPLOYMENT VEBA

Medical / Dental / Vision Expenses

- Section 213(d) – Medical Expense list, including:
 - Office Visit and Rx Co-pays
 - Medical deductible
 - Co-insurance amounts
 - Out-of-pocket dental expenses
 - Vision expenses (glasses & contacts)
- Expenses for yourself, your spouse, and eligible tax dependents

POST-EMPLOYMENT VEBA

Insurance Premiums

- Medical and Dental Insurance
 - Premiums paid with post-tax dollars (includes EPS Retiree/COBRA premiums and Medicare Supplement Plan)
 - Excludes any plan purchased via the exchange (MNSure) due to tax credit provided for those plans
- Long Term Care Insurance – Subject to IRS maximums

POST-EMPLOYMENT VEBA

Debit Card Remains Active

- If you have a debit card for an Integrated VEBA or FSA at your time of retirement, you will continue to be able to access your fund(s) by debit card into retirement
 - New cards from OneBridge effective 7/1/22
- If you do not currently have a card, you will receive one from OneBridge

POST-EMPLOYMENT VEBA

Expenses must be:

- 1) Incurred after your date of retirement; and
- 2) Submitted within 18 months from the date of service

HOW DO I REQUEST REIMBURSEMENT?

OneBridge

Effective July 1, 2022

Customer Care Center: 1-888-338-4415

www.onebridgebenefits.com

****More details to come this summer****

HOW DO I REQUEST REIMBURSEMENT?

www.onebridgebenefits.com

- Account Balance
- File a claim
- Claim history
- Statements & Notifications
- Set up direct deposit
- Many helpful resources!

HOW DO I ACCESS MY VEBA FUNDS?

Online Account Access:

- OneBridge will mail all VEBA participants a letter closer to July 1, 2022 containing your custom online account login information and new debit card.
- If you wish to view your Further account before the transition, but have never accessed the Further website:
 - When your account was established with Further, an SA number was mailed to you. They also include this SA number on all communications and statements mailed to you. If you have discarded your mailings, you will want to reach out to their Customer Service department to obtain your SA number: 651- 662-5065
 - You will then be able to go online to create your username & password and access your account

HOW DO I ACCESS MY VEBA FUNDS?

Debit Card:

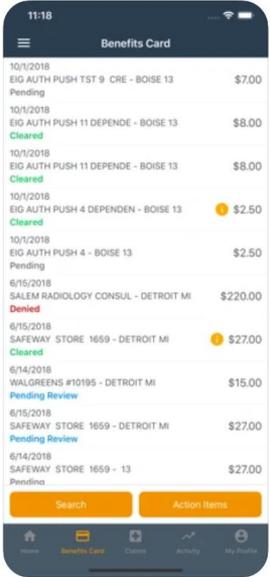
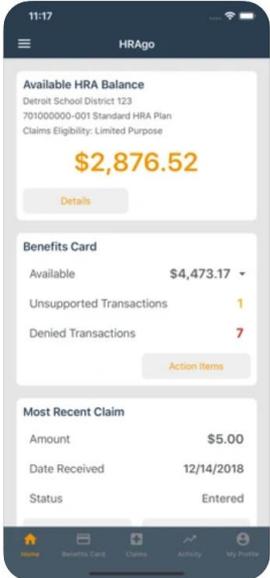
- Provides instant access to your VEBA dollars at point of sale
 - Defined HealthPartners Rx co-pays: Loaded into OneBridge's system for automatic processing
 - Recurring claims: System can automatically process recurring amounts from the same provider
 - Supporting documentation may be required for other card swipes - multiple ways to submit receipts
 - OneBridge will contact you by email if supporting documentation is needed
 - Card suspension will take place if documentation is not provided and payback of funds will be required
- Card will be denied if claim exceeds account balance
- If you use your debit card, do not also go online and file that expense as a claim

HOW DO I ACCESS MY VEBA FUNDS?

File a Claim:

- Online: www.onebridgebenefits.com (Login with Username & Password)
- Mobile App: HRago

HOW DO I ACCESS MY VEBA FUNDS?



HOW DO I ACCESS MY VEBA FUNDS?

Claims will require supporting documentation

- Recommended: Explanation of Benefits (EOB)
- Provider statement, invoice, or itemized receipt
 - Rx copays (bag receipt), vision expenses, etc.
- Carrier or administrator invoice showing monthly premium costs
 - EPS Retiree Coverage: HR Simplified Letter/Coupons

Must Include: Patient's name, Provider's name, Date of service, Type of service, Cost after insurance has paid their portion (if applicable)

HOW DO I RECEIVE MY REIMBURSEMENT?

Claims are typically paid in 3 business days

- Important to maintain current address and email address with OneBridge
- **Strongly Recommended: Update your current Further account to your personal email prior to June 1st before the transition to OneBridge takes place**
 - Your Further account was created with your district email, so it is recommended you change it to a personal email since you will not have access to your district email after you retire. The email address in the Further database will be transferred to OneBridge in June.

Direct Deposit is available

- Default reimbursement method is a paper check mailed to your home

ADMINISTRATION FEE

VEBA Administration Fee - \$4.50/month

- During active employment, administration fee is paid by the district
- Upon retirement, the fee becomes your responsibility and is deducted from your VEBA account
- Deducted on a monthly basis

INVESTING VEBA DOLLARS

Employees can invest their VEBA dollars

- VEBA dollars can be invested as an active employee and as a Retiree
- Fund Choices ranging from Low to High Risk
- Discuss your investments with your personal investment advisor

****More investment information coming from OneBridge this summer****

Investment Fees will apply

TRANSFERENCE RULE

Upon Death of Participant...

- Transference to eligible party
 - Spouse
 - Eligible Dependent
 - Child under 27 through end of taxable year
- Forfeiture
 - Allotted per capita to Participants within same Bargaining Group

FUTURE TAX DOCUMENTS

Each year you have a balance in a VEBA, you will receive tax form:

1095-C

- The IRS views an HRA as a “health plan” so the district must report it
- Typically arrives the first week of March
 - **Important: Keep your address current with Further!**
- Keep it with your records in case of a future IRS audit

RESOURCES

RESOURCES

Eden Prairie Schools Staff Portal:

www.edenpr.org

[Staff Portal \(Login\)](#) > [Departments](#) > [Human Resources & Benefits](#) >
[User Resources](#) > [Retirements & Resignations](#)

- Resources available while still an active employee
 - [Leaving the District FAQ](#)
 - [Example of a resignation/retirement letter](#)
 - [Link to Post-Employment Benefits page](#)

RESOURCES

Eden Prairie Schools Public Website:

www.edenpr.org

[Experience](#) > [Departments](#) > [Human Resources](#) > [Post-Employment Benefits](#)

- Resources available after employment ends
- Maintained to provide instant access to documents & resources
 - Vendor contacts, Open Enrollment, Medical, Dental, Life, VEBA, Annual Notices, etc.
 - Additional retirement documents available:
 - Retirement Resources: Social Security, TRA, and PERA Contact Information
 - UCare Supplement information
 - 403b Rollovers and Distributions – Aviben Contact Information

CONTACTS

- **HR Simplified (Retiree Benefits/COBRA)**
 - Phone: 952-737-6020
 - Email: cobra@hrsimplified.com

- **OneBridge (VEBA)**
 - Phone: 1-888-338-4415
 - www.onebridgebenefits.com

CONTACTS

■ Eden Prairie Schools – Human Resources

- **Katy Stromberg, Benefits Coordinator**
- Phone: 952-975-7035
- Email: kstromberg@edenpr.org
- **Amy Fox, HR Executive Assistant**
- Phone: 952-975-7105
- Email: afox@edenpr.org

■ OneDigital

- George Vander Weit
 - Phone: 952-873-7111
 - Questions about Medicare or Individual Marketplace

QUESTIONS

Please ask now!



