



HRA FAQ

How much will the district contribute?

50% (10 years) = \$5,950
100% (5 years) = \$11,900

Example:

Age 60 - \$11,900 over 5 years
Age 55 - choice between \$11,900 for 5 years
55-60, or \$5,950 from 55-65

Am I eligible?

Yes, as long as you are an Early Retiree of a participating REEP district between the ages of 55 and 65.

Can I rejoin the group plan once I have left and moved to the HRA?

No. Once you have left the district's group plan you will not be able to go back.

Will this benefit be taxed?

No. The benefit is tax free going into and coming out of the HRA. Any dollar amount that you do not use during the year will be rolled over into an interest-bearing account (1.75% for 2016). This is also tax free.

How much does it cost?

The fee to the participant is \$8 per month. This amount will be automatically deducted from your HRA balance.

What is a qualified medical expense?

§213(d) of the Internal Revenue Code defines what a qualified medical expense is. A list of qualified medical expenses is included in the Participant Guide.

How do I pay for medical expenses?

The HRA includes a debit card, which makes the process simple and easy for you.

What if I don't use all of my funds each year?

The money in an HRA rolls over year to year. Any amount you don't use in a given year will be rolled into an interest-bearing account (1.75% in 2016).

Can I contribute to my HRA?

No, only the employer can contribute funds to the HRA on your behalf.

Is there a vesting schedule for my HRA?

No, the funds are immediately available to you for your covered medical expenses.

More questions?

Contact your district representative or Charlotte Murray with Keenan Financial Services at 310.212.0363 x3613.



License No. 0451271