

What's a VEBA?

Voluntary Employees' Beneficiary Association

It's a great benefit. Your employer deposits funds into a VEBA, which is a tax exempt irrevocable trust arrangement, for you to use for current or future out-of-pocket health-related expenses. The VEBA doesn't replace your group health insurance plan. It works with your plan to provide additional coverage options. How great is that?



Did you know that VEBA assets are protected from creditors?



Active Employees

Use money in your VEBA to pay health plan deductibles, co-pays and coinsurance as well as prescription drugs and certain insurance premiums. Don't worry. If you don't spend all of the money in your VEBA by the end of the year, your balance will simply roll into the next year. You'll accumulate funds over time which means you'll have money to pay for health expenses when you retire.



Post-retirement

Your employer can contribute funds to help you, your spouse and eligible dependents pay for medical expenses even after your retirement. That's pretty generous! Use your post-retirement VEBA funds to pay for medical premiums and long-term-care premiums. Your employer can choose to make contributions throughout your working life or convert accumulated unused sick time, vacation, severance money, or other longevity-based benefits.



Tax Advantages

VEBA is a tax advantaged account so you aren't taxed on your employer's contributions to it. Plus, your VEBA accrues interest that grows on a tax-free basis. Since VEBAs have to be used for eligible medical expenses, your distributions are tax free, too. So, let's get this straight: **money goes in tax free, is invested tax free, and comes out tax free.**



Full Coverage

All medical expenses defined under IRS Code Section 213(d) are eligible under your VEBA including:

- Co-pays, prescriptions, and deductibles
- Dental, medical, and vision services
- Medicare Part B and D
- Premiums for long-term-care insurance

	No VEBA	VEBA
Initial Deposit	+\$25,000	+\$25,000
Federal Income Tax (appx. 25%)	-\$6,250	-\$0
FICA Tax (appx. 7.65%)	-\$1,912	\$0
Amount you get	\$16,838	\$25,000



Online Services

With Medsurety, you'll find all of the tools to manage your account with the simple click of a mouse:

- Investment elections/reallocate account balance
- Interactive banner messaging
- Fund fact sheets and prospectuses
- Online statements
- Statement on-demand capabilities
- Online claim submission
- Claims status and history
- Plan documents
- Pertinent forms
- Educational materials
- Legislative information

Debit Card

We offer debit cards as part of our standard service so accessing funds in your VEBA is easy. There are no administrative fees for the debit card. Simply pay for eligible expenses at the point of purchase just like it's a credit card. Funds are automatically paid to the provider out of your VEBA. No transaction fees. No waiting for a check.

A Few Guidelines

- A VEBA may only be funded with employer dollars; employees may not contribute.
- You'll need to submit an insurance Explanation of Benefits (EOB) or itemized statement with a claim form to get reimbursed for eligible expenses.
- Funds in the accounts continue to grow until claims are processed and funds are withdrawn.
- Participants may submit claims for reimbursements one of four ways: Online, Mobile App, Fax, or US Mail.
- To ensure IRS compliance, 100% of claim requests are substantiated.
- We issue payments for eligible expenses to participants either through direct deposit or with a manual check.

We Have Your Back

Your VEBA is administered by MEDSURETY, and your funds are held with BPAS a national provider of retirement plans and a transfer agency, collective investment fund, and other institutional trust services. Our VEBA Plan holds assets for 3,800 retirement plans, \$77 billion in trust assets, \$1 trillion in fund administration, and more than 400,000 participants. With our breadth of services, depth of creative talent, and financial resources, we are well positioned to help our clients solve all their benefit plan challenges without the need to engage multiple providers. One company. One call.

Questions? Reach Out.
Call 1.888.816.4234



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