

UNDERSTANDING YOUR “VEBA”

SOUTH WASHINGTON COUNTY PUBLIC SCHOOLS

	Voluntary Employee’s Beneficiary Association
IRS Tax Code Section	Section 105
Also Known As	VEBA
Who is eligible?	Employees enrolled in one of our High Deductible Health Plans (HDHP) (\$1,000 or \$3,000 plans) are eligible for VEBA contributions.
Can you fund the account through pre-tax payroll deductions?	No, accounts are funded with employer dollars only.
Can you roll over unused amounts from year to year?	Yes, unused dollars automatically roll over to the next plan year.
What medical expenses are eligible for reimbursement?	Unreimbursed Code 213(d) medical (and dental) expenses incurred for yourself and your qualified tax dependents. Your dependents must be enrolled in one of our HDHPs (\$1,000 or \$3,000 plans) OR have group coverage through another employer to qualify for reimbursements. These expenses are similar to what you can be reimbursed from a Health Flex Spending Account. In addition, you can request reimbursement for qualified Long Term Care premiums, COBRA and Medicare premiums from your VEBA account.
How do I request reimbursement?	You complete a BRI reimbursement claim form, include your documentation of the claim and submit via online, fax or U.S. Mail. Or submit documentation after using your debit card.
Can you 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.
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 dependents, any balance remaining in your account will be distributed to other participants from your collective bargaining group.
What are the “claim rules” for requesting reimbursement?	Claims requested cannot be more than one year old and must have been incurred on or after the date you enrolled in the District’s high deductible health plan.
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.
What if I have a medical flex account with the District?	If you are enrolled in a Health 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 Corporate Health Systems. Once the money is deposited in your account, it can never go back to the District.
How is my account funded?	The District will fund the annual negotiated amount; 50% on January 15, 25% on July 15 and 25% on October 15.
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
Does COBRA apply?	Yes – if you were to have a COBRA qualified status change, COBRA would be offered by BRI.