

**Appleton Area School District
Section 105 Health Reimbursement Arrangement
Employee Instruction Sheet - RETIREES**

Appleton Area School District is continuing a Health Reimbursement Arrangement (HRA) to help provide better health care to Retirees. HRAs are designed to help slow the rising costs of health care while providing employees with choice on how health care dollars are spent. Your employer is working with Diversified Benefit Services, Inc. (DBS) to manage this plan. The program works as follows:

- You (Retiree) incur qualified medical expenses like you normally would.
- You are credited with a set amount of dollars to help pay for qualified medical expenses.
- Affix a completed Health Reimbursement Arrangement claim form to your documentation of expenses. The documentation must show the nature of the expense, name of the provider, date of service, and your out-of-pocket cost. Sign the form and send a **copy** of the documents to DBS, fax the forms to DBS at 262-367-5938, or file your claims online for processing.
- DBS reviews the claim and then reimburses you based on the plan design at your employer.
- Requests received by a Friday 9:00 a.m. (CST) will be reimbursed the following Friday.
- Unused dollars may rollover to the next year. You can use these dollars to offset future qualified health care expenses.

HRA Reimbursement Schedule

Plan Year:

07/01 to 06/30

Eligibility, Benefits, and Procedures: The School District will contribute 50% of the contracted amount in each of the 1st and 2nd years of retirement. HRA funds may be accessed upon retirement for any qualified expense allowed under the HRA.

Rollover: Retirees may rollover 100% of unused dollars from year to year. Retirees can spend rollover balances until the funds are exhausted (up to 10 years) and may also spend the entire rollover balance in one plan year.

Reimbursement Method: Direct Deposit

Qualifying Expenses: All section 213 (d) expenses including medical insurance premiums. Any expenses incurred on or after the date the participant retires will qualify for reimbursement.

Death Benefit: If the retiree dies, the HRA would be able to be used by a spouse or qualified dependent. The HRA can be used for any medical expenses for the spouse and/or qualified dependent, subject to the 10 year maximum listed above.



Additional Information:

- Any Retirees rehired by The District after retirement will have their Retiree HRA “frozen” for the month(s) you are re-employed with The District. This would mean no dates of service are reimbursable under the Retiree HRA for the month(s) you are rehired by The District.
- You are responsible for paying the doctor and/or hospital bills. You will be reimbursed directly after a completed claim form has been submitted with proper documentation.
- Any portion of the expense reimbursed by the HRA **IS NOT** eligible for reimbursement under any other program or by any other source. This includes, but is not limited to, Insurance Plans and Flexible Spending Accounts. Any portion of an expense reimbursed by the HRA **IS NOT** eligible as a deduction on your income taxes.
- Reimbursements are tax-free to you.
- If another source reimburses you and/or a provider (i.e. doctor, hospital, clinic) for an expense that the HRA also reimburses you for, you are responsible for paying back the HRA Plan.
- **At the end of each Plan Year you have a 90-day run-out period in which you may submit your claims.** If you terminate employment, you have a 90-day run-out period in which you may submit your claims.
- Your employer reserves the right to cancel or modify this program at any time.
- This Employee Instruction Sheet is intended only as an overview of the HRA benefits. The HRA plan qualifications and limitations are stated in the Plan Document. The Plan Document determines how the HRA plan benefits will be administered.

If you have questions on the HRA program, please call DBS at 1-800-234-1229.

www.dbsbenefits.com



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