



County of Sacramento

Retiree Health Savings Plan

Frequently Asked Questions

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<http://www.hra.saccounty.net/employ/ben/content.htm>

COUNTY OF SACRAMENTO RETIREE HEALTH SAVINGS PLAN FREQUENTLY ASKED QUESTIONS

Q1: What is the Retiree Health Savings Plan (RHSP)?

The Retiree Health Savings Plan (RHSP) is an employer-sponsored health savings benefit that allows you to accumulate assets to pay for medical expenses on a tax-free basis for you, your spouse and/or your dependents when you leave County employment. No enrollment is required; enrollment is automatic as a benefited County employee.

Q2. How much money will be in the plan?

The County of Sacramento will contribute \$25 for each pay check you receive into your RHSP account.

Q3: Where will the money go?

The funds will be held by ICMA-RC in their VantageCare Retirement Health Savings Plan. You will be able to decide how to invest the money.

Q4. What are the benefits of the VantageCare Retirement Health Savings Plan?

RHSP offers you a number of benefits, including tax-deferred accumulation of earnings, and, when account assets are used to pay for tax qualified medical benefits for you, your spouse and/or your dependents, the additional benefit of tax-free withdrawals.

Q5: How do I get started?

There are no enrollment forms necessary. You should, however, go to www.icmarc.org/sacramentorhs to select your investment options. Once on the website, you will be able to complete this information by logging into "Account Access." For further assistance with Account Access, please contact our Investor Services Line at 1-800-669-7400.

Q6: Where will my RHS assets be invested?

The investment funds available to RHS participants are ICMA-RC's Vantagepoint Funds*. This family of SEC registered mutual funds consist of actively managed funds, index funds, model portfolio funds**, and target date funds**.

Upon initial enrollment in the RHSP, your investment allocation is automatically established as the age-based Milestone Funds.** However, you may change the investment allocation for future contributions or transfer existing balances at anytime. Changes can be made one of three ways:

- VantageLine – toll-free at 1-800-669-7400
- Online through Account Access - www.icmarc.org
- Investor Services Representative (1-800-669-7400, then press 0 to speak to a representative)

** Please consult the current Vantagepoint Funds Prospectus carefully for a complete summary of all fees, expenses, charges, financial highlights, investment objectives, risks and performance information. Investors should consider the Fund's investment objectives, risks, charges and expenses before investing or sending money. The prospectus contains this and other information about the investment company. Please read the prospectus carefully before investing. Vantagepoint Funds are distributed by ICMA-RC Services LLC, a wholly owned broker-dealer subsidiary of ICMA-RC, member NASD/SIPC. For a current prospectus, contact ICMA-RC Services LLC, 777 North Capitol Street NE, Washington, DC 20002-4240. 1-800-669-7400.*

*** Please be advised that with "Fund of Fund" arrangements, additional underlying fees may apply. Please consult the prospectus for details.*

Q7. Can I invest additional money into the program?

Although, we hope to be able to offer this option in the future, employee contributions will not be allowed at this time.

Q8: When can I use the funds in my account?

You become eligible to collect benefits when you separate from service from the County of Sacramento.

Q9: Who handles medical benefit claims?

Medical benefit claims processing and payment will be handled by ICMA-RC's third-party claims administrator, *Meritain Health Inc.* There is a \$7.50 claims administration charge to your account each quarter after you leave County service.

Q10: What is the procedure for submitting a claim for medical reimbursement? How long does it take?

After you become benefit-eligible, claims for medical expenses that qualify under your employer's RHS Plan are submitted for reimbursement on *VantageCare Retirement Health Savings Plan Benefits Reimbursement Request Form*. This form is available from the Employee Benefits Office, or directly from the Meritain Health (1-888-587-9441). The claims are generally processed within 10 days (and no more than 30 days). If a claim is suspended or denied, you will be notified in writing within 30 days.

Q11: What are eligible expenses?

Benefits eligible for reimbursement consist of all Medical Expenses eligible under the Internal Revenue Code Section 213 other than direct long-term care expenses, and including non-prescription medication allowed under IRS guidance.

Examples are as follows:

Medical Insurance Premiums, Medical Out-of-Pocket Expenses, Medicare Part B Insurance Premiums, Medicare Part D Insurance Premiums, Medicare Supplemental Insurance Premiums, Prescription Drug Insurance Premiums, COBRA Insurance Premiums, Dental Insurance Premiums, Dental Out-of-Pocket Expenses, Vision Insurance Premiums, Vision Out-of-Pocket Expenses, Qualified Long-Term Care Insurance Premiums, Non-Prescription medications allowed under IRS guidance, and other qualifying medical expenses.

Q12: When will I be fully vested?

Your account will be 100 percent vested at all times. That means that the funds in that account are available for you to use when you leave County employment.

Q13: What happens to the account balance if I die?

Upon your death, remaining assets will be transferred to an account for continuing tax-free use by your surviving spouse and/or dependents for their own qualifying health expenses.

Q14: How are payments from RHSP accounts treated for tax purposes?

RHSP benefits paid in the form of medical expense reimbursements will never be taxed to you, your spouse, or dependents. No income tax withholding or reporting is required, and you do not need to report any medical benefits on your income tax return.

Q15: Whom should I contact with questions regarding the RHSP?

Depending upon your question, you may contact the Employee Benefits Office, ICMA-RC, or Meritain Health, Inc.

- ICMA-RC (800) 669-7400
 - For all account issues not claim-related
 - With questions regarding your account statement
 - To change personal data (also inform Meritain Health if you are eligible for benefits)

- Employee Benefits Office (916) 874-2020
 - For eligibility
 - Plan details

- Meritain Health, Inc. 1-888-587-9441
 - For all claim-related issues once you are eligible to receive benefits
 - To change personal data if you are eligible for benefits (also inform ICMA-RC)