

Orange County Fire Authority Health Reimbursement Arrangement (HRA)



Frequently Asked Questions

What is a Health Reimbursement Arrangement (HRA)?

A Health Reimbursement Arrangement is an interest-bearing, employer-funded account created in your name to reimburse you tax-free in retirement for eligible medical expenses and premiums. Your employer makes deposits while you are employed, but you will not be able to access funds until retirement or separation of service, having met your employer's vesting requirements.

Do I have to enroll?

You were automatically enrolled by your employer. No action is necessary on your part.

When will I be vested?

You are 100% immediately vested in your account, meaning you own your account.

What are the benefits of an HRA?

- Employer deposits are tax-free (not subject to FICA, Federal, or State income taxes), so you receive 100% of the value of each benefit dollar.
- Deposits earn interest tax-free.
- Reimbursements from the plan are tax-free for eligible medical expenses and premiums for you, your spouse, and any qualifying dependents, if applicable.
- Account balance rolls over each year and there is no time frame by when you must submit expenses for reimbursement.
- Once you have access, you have the flexibility to choose when to submit eligible expenses for reimbursement.

How often will my employer contribute to my account?

Your employer makes deposits to your account on a bi-weekly basis during your active employment. For detailed information regarding contribution amounts and timing, please contact your employer or consult your employment agreement or employee handbook.

Where are funds invested?

Fixed funds are invested in a fixed annuity with a guaranteed rate of return. Investments are provided by American United Life Insurance Company®, a OneAmerica® Company (AUL). For more information on your investments, please visit www.oneamerica.com.

Variable funds are invested with Matrix Financial Solutions, Inc. (Matrix), a Broadridge company, is a leading independent provider of products and services for financial professionals, including banks, third-party administrators, record keepers, financial advisors, broker-dealers, mutual fund providers and insurance providers, among others. Recognized as a leader of automated mutual fund clearing, among all distribution firms that submit mutual fund transactions through National Securities Clearing Corporation (NSCC), Matrix is responsible for \$780 billion in assets under administration.

How often will I receive account statements?

You will receive statements on a quarterly basis. However, you may access your account activity anytime by logging in to your account on our secure website, www.myMidAmericaJourney.com. If this is your first time logging in, you would simply select **Create Your New Username and Password** from the login page and follow the prompts on the screen to establish your credentials. From your home page, select the **View Plan Activity** button to view additional details.

Can I make contributions to my HRA?

Only an employer can fund an HRA. You cannot contribute.

Can I move HRA funds to another plan?

The funds deposited in your account must stay within your employer-sponsored HRA plan.

Why do I see two different account balances?

When viewing your online account, you may find your account balance upon initial login is not the same dollar amount you see when you click on **View Plan Activity**. Your HRA funds are invested in a variable annuity and the Journey platform enables variable accounts to receive a debit card to pay for qualified medical expenses, avoiding out-of-pocket costs and reducing the burden on you to submit claim reimbursements!

Enabling debit cards for variable accounts requires a 10% holdback of your HRA variable investments. This means when you view your balance upon initial login, you're viewing 90% of your variable balance along with 100% of your fixed interest balance (which is the amount accessible via your debit card). When you select View Plan Activity, you're able to see 100% of your entire balance.

Why is the holdback necessary?

Upon retirement or separation of service, you will receive two debit cards to pay for qualified medical expenses. The 10% holdback of your variable balance prevents you from inadvertently overspending should the market adjust negatively. When and if the market adjusts, your balance will reflect the changes within 24 hours.

What if I want access to 100% of my account balance?

Upon retirement or separation of service, your balance is yours to use. If you wish to use 100% of your available HRA funds, we recommend **simply** transferring your funds from the variable investment to the fixed interest investment. This will allow you to access 100% of your funds via your debit card and online claims submission. To transfer your funds, simply log into www.myMidAmericaJourney.com, select **View Plan Activity** and then select **Manage Investments** from the new window. From here, you will see a Move Money option.

Can I name a beneficiary?

No. However, a surviving spouse or qualifying dependent will still be able to access funds for eligible medical expenses and premiums. If you do not have a surviving spouse or qualifying dependent, the executor of your estate or trustee can use your remaining funds to reimburse eligible medical expenses and premiums not previously submitted on your behalf, including expenses related to your death. If an account balance still remains after 12 months with no plan activity, the balance will forfeit back to the employer.

Are there any fees?

While you are actively employed, you are responsible for the \$3 administrative fees. Once you retire or separate from service, you will be billed a \$1 administrative fee that covers the use of a debit card and full access to the online portal and mobile app for claim submission. You may incur reimbursement fees for claims not submitted through the online portal or mobile app.

Will I receive additional information once I am able to access my funds?

Yes. Once you are able to access your funds, you will receive information about the eligible medical expenses, reimbursement process, and all necessary forms.

What if I have more than one reimbursement account for qualified medical expenses?

If you have a combination of reimbursement accounts, such as an HRA plus an HSA, an FSA plus an HSA, or an FSA plus an HRA, there could be limitations on the types of reimbursements you may receive from your accounts. Please visit https://www.mymidamerica.com/hra_fsa_hsa_interaction/ for more information on HRA/FSA/HSA interaction.

Questions?

If you have questions regarding your plan, please contact MidAmerica Administrative & Retirement Solutions (MidAmerica), the plan administrator, at (855) 329-0095 or email us at healthaccountservices@myMidAmerica.com.

