

## **Important Information Regarding Your Healthcare Retirement Account (HRA)**

**History....**In 2007, Chrysler made a significant change to their Healthcare coverage for retirees that were age 65 and over. Instead of providing supplemental coverage for those on Medicare, they decided to provide funds via a Healthcare Retirement Account (HRA). Now as FCA, they continue to fund that account each year in January for the retiree and their spouse.

WageWorks is the HRA administrator. Upon becoming eligible, WageWorks sends out a Welcome Kit with instructions for submitting claims. Their contact info is listed at the end of this document.

Currently, assuming the retiree has full benefit credit (based on Age/Service Subsidy Percentage), the retiree receives up to \$1975 and the spouse receives up to \$1750. Some older retirees actually receive additional funding because a portion of their pension payment is now being folded into this account.

Beginning in the year after the retiree passes, the spouse's funding changes to the higher "retiree" amount.

Any unused funds accumulate year to year.

When both the retiree and the spouse are deceased, the beneficiary (ies) must submit claims within 12 months for healthcare expenses incurred by the retiree or spouse against any balance remaining in the HRA account. No claims will be accepted beyond 12-months after the death.

See ***"Spousal Transfer and Survivor Benefits for RHCA and HRA"*** section below.

### **Do You Have A Large HRA Balance?**

The purpose of this section of the document is to provide suggestions for receiving payments relatively easily whether your balance is large or small. It is not intended to be a complete tutorial in regard to claims submissions. To view your account balance, to see a list of eligible expenses, and to file claims, access the WageWorks website at

<https://participant.wageworks.com>. If you have additional questions or need more help call WageWorks at 877-924-3967.

1. If you have not filed for Advantage Plan, Medigap Plan, Part D Drug Plan, or Long Term Care premiums for prior years or even the current year, call your insurance company and request a letter that indicates your name, the period covered, (for example 1/01/20xx to 12/31/20xx), and the total amount you have paid for your premiums. This single letter(s) which includes proof of payment, along with a claim form will enable you

to file for reimbursement for prior years or even the current year to date. **This is the best way to get reimbursed for large sums in your HRA account.** This also applies to Retirement Healthcare Account (RHCA) reimbursement, if you have one.

2. Instead of filing periodically for individual prescription drug copays, you can file for them in a lump sum. This is done by calling the insurer or going to your Part D or Advantage plan's website and requesting a list of your prescription drug payments. Provide the period for which you are requesting the information. The listing must indicate who the prescription was for (you, your spouse, or eligible dependent child(ren)), the name of the insurer, the name of the drug, the date the prescription was filled, and the amount you paid.

It can be difficult, unless you are somewhat PC proficient, to get a simplified printout. Do not download it to a file because it may not display the insurer's logo and therefore may not be accepted as a legitimate listing. You may find it easier to call the insurer and request the info which they should be able to print and send you.

3. Verify that you and your spouse, if applicable, are signed up to receive the **automatic Medicare Part B premium reimbursement** that is available to you. Effective January 1, 2020 the amount was increased from the 2019 amount of \$109 to \$144.60. That amounts to \$1,735.20 per year or \$3,470.40 per couple. Not signed up? Call WageWorks (877-924-3967) and ask to sign up for Medicare Part B premium auto-reimbursement.

As an option, you can sign up online by accessing <https://participant.wageworks.com> and after logging in or registering for a log in:

- under the heading Current Programs, select *HRA-Healthcare Retirement Account*.
- then select *Program Options*,
- finally, under Auto Healthcare Plan Claims, select the "On" option.

4. The November Social Security notice that you receive each year indicates how much you will receive for Social Security in the upcoming year and how much is being deducted for premiums. Some retirees may be paying more than \$144.60 per month for their Part B premium in 2020 due to income related surcharges.

If you are incurring an income related surcharge, you can file for the **excess** over the \$144.60 amount by submitting a copy of this SS statement (request the 12-month amount on your claim form to WageWorks).

To clarify, if your Medicare Part B base premium of \$144.60 is being auto-reimbursed but your total premium is more than \$144.60, you may submit a claim to be reimbursed for the difference.

**Example:**

Your Medicare Part B Premium    \$150.00

Base Medicare Part B Premium    \$144.60 (Auto-Reimbursed)

Remainder                                \$ 5.40 (submit a claim to be reimbursed the \$5.40 difference only)

***This is an example only.*** Your actual premium may be different. In this particular scenario, you are being auto-reimbursed the base of \$144.60, and should not submit a claim for \$150 as this will result in overpayment. You should submit a claim for the \$5.40 difference only.

You can also request reimbursement for any income surcharges related to Part D. If you are paying an insurance company for an Advantage Plan (Part C) or RX Plan Part D premium using your SS payment, that amount can also be submitted for reimbursement. Of course, you can always claim your Part C (Medicare Advantage) Medigap or Part D RX premium costs regardless of whether it is being deducted from your SS payment or you pay it separately.

Not to be more confusing, but If you are paying more than \$144.60 for Part B, you also have the option to file for the total amount of your Part B premium deduction by not signing up for Medicare Part B premium auto-reimbursement or (if already signed up) by cancelling the auto-reimbursement option for the \$144.60 amount and then filing for the total amount instead of the net amount. On the WageWorks claim form be sure to indicate the 12-month amount you are requesting and insert the dates of 1/01/xx to 12/31/xx. Each month, you will receive the monthly amount. If you submit after January, you will receive a retro amount as well.

It would help if you included a simple worksheet showing your calculations if you are filing for other than the \$144.60. You can request several prior years' as well if you have those November statements for documentation.

**IMPORTANT:** Submit separate claims for you and your spouse.

5. Remember, if you file an approved claim for an amount greater than is available in your HRA, reimbursement will be made up to the remaining balance. The difference will be put into a pending status and paid the following January when the account is replenished for the next plan year.
6. When completing the claim form, select from which account you want to be paid:
  - HRA Only

- RHCA Only (*if you have one*)
- HRA then RHCA (once HRA funds are exhausted)

Remember the RHCA funds need to be in your ***ML Institutional Money Market II fund investment*** choice in order to be available for reimbursement. Also, the automatic Medicare Part B premium does not apply to receiving funds from your RHCA - *only from HRA funds.*

**Remember to file the information individually for you and your spouse (if applicable).**

*You may not submit claims for expenses incurred prior to your HRA effective date nor for any expenses previously reimbursed.*

### ***Spousal Transfer and Survivor Benefits for RHCA and HRA***

*Upon your death, if you originally elected to transfer your **RHCA** to your spouse, he or she should notify Benefit Connect. Benefit Connect will then notify Merrill Lynch. At that time, claim submissions (including any remaining expenses for the deceased retiree) are to be submitted under the surviving spouse's name and Social Security number.*

*Then, once the surviving spouse dies and there's a RHCA balance remaining, it will be paid in a lump sum to the beneficiary or to the estate of the surviving spouse. The payment may be taxable.*

*In the event of the death of a retiree or spouse who holds an **HRA**, the surviving spouse will have access to the entire account balance to file claims against. In the event of the death of a participant with no surviving spouse, the estate will have 12 months from the date of the death to submit HRA health care claims for reimbursement. No further amounts will be paid out after 12 months (there is no beneficiary payout for HRA).*

This is a lot of information to absorb. Therefore, if you encounter problems using these suggestions, you can always contact the Insurance Committee at [InsCom@NCRO.org](mailto:InsCom@NCRO.org) or call the office at 248-633-2827.

Of course, you can also call WageWorks at 877-924-3967 or online at <https://participant.wageworks.com>.

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