

## HRA

HealthSecure HRA<sup>®</sup>

A tax-advantaged program that funds pre- and post-retirement healthcare expenses

SAVING : INVESTING : PLANNING

**An HRA is a health reimbursement arrangement that is funded by your employer.**

An HRA provides a tax-free source of funds to pay for the cost of healthcare expenses for you, your spouse and/or your qualified dependents. An HRA may be used to reimburse you for qualified medical, dental or vision out-of-pocket expenses (deductibles, co-payments, co-insurance, etc.). It also covers premiums for post-retirement medical, dental or vision insurance, Medicare Part B and Part D, Medicare supplement plans and tax-qualified long-term care insurance premiums.

The specific terms of your HealthSecure HRA with VALIC depend on your employer's plan design. Generally reimbursements will be available:

- > During and/or after leaving employment
- or
- > Only after leaving employment

Contributions to an HRA are not subject to federal income tax or FICA tax. Earnings credited to your HRA are not subject to federal income tax. Benefits paid out for qualified medical expenses to participants, their spouses or qualified dependents are also generally excluded from tax.

#### **HRA tax advantages**

- > Enables employers to make tax-free deposits to the plan on your behalf
- > Credits your account with tax-free investment earnings
- > Enables you to obtain tax-free reimbursements for qualified medical expenses and insurance premium payments

HRA contributions are not reported on your W-2, neither do you report HRA contributions, earnings or benefit payments on your individual 1040 federal income tax form.

# HealthSecure HRA

## Participation provisions

After your employer sets up its HRA plan, your account is opened when your completed enrollment form and a contribution on your behalf is received by the third-party administrator. Enrollment forms are available from your employer or your local financial advisor. IRS rules do not permit you to elect to make contributions on an individual basis from your salary to the HRA plan. Employer contributions to an HRA are typically the result of collective bargaining or employer policy.

## Your HRA account

You can choose from among the investment funds listed on the enrollment form. You can invest your account in any combination of the listed investment funds, and you can change your investment allocations as often as once per calendar month. An investment overview with investment performance history and fund objectives is available online at [VALIC.com/hra](http://VALIC.com/hra). In addition, you can view up-to-date fund fact sheets and prospectuses on each fund's website. Website addresses are listed on the investment overview.

You will receive a quarterly statement detailing all activity in your account. You can also call or e-mail the third-party administrator and request additional statements at any time. If you have questions about your account or a pending claim, or need claim forms, contact the third-party administrator.

## Vesting

Your HRA account may contain vesting provisions and depends on your employer's plan. Please check with your employer to determine if vesting applies to you.

Your employer will notify the third-party administrator when you are vested and eligible to file claims.

## Moving out of state

If you move out of state after separating from service, you will retain any vested account balance and may continue to file claims until your account is exhausted.

## Status of funds in your HRA account in case of death

Your surviving spouse or qualified dependents as defined by the Internal Revenue Code may continue to file claims for medical expense reimbursements until your account is exhausted. If you are not survived by a spouse or qualified dependent, funds remaining in your account will either be reallocated to other participants under the plan or forfeited back to your employer, depending on your employer's plan design.

## Out-of-pocket expenses eligible for reimbursement

- > Qualified medical, dental and vision expenses not covered by your insurance plans
- > Medical, dental and vision insurance premiums, including Medicare Part B and Part D and Medicare supplement plans
- > Tax-qualified long-term care insurance premiums (subject to IRS limits)
- > Prescription and certain over-the-counter drugs, if properly substantiated

Log in to your HRA account,  
24/7 at [healthsecurehra.com](http://healthsecurehra.com)

- > [Account balance](#)
- > [Detailed account activity](#)
- > [Claims in progress](#)
- > [Investment fund allocation](#)

Update your HRA account, 24/7

- > [Change fund allocations](#)
- > [Change your address](#)
- > [Change account preferences](#)

# HealthSecure HRA

Claims for key employees may be limited to insurance premiums only. Eligible expenses are defined in Internal Revenue Code Section 213(d). A list of qualified expenses is available on our website, [VALIC.com/hra](http://VALIC.com/hra).

## **Filing HRA claims**

Some plans allow employees to file claims while in-service. Others require an employee to separate from service and be vested in all or a portion of his or her account prior to filing a claim. Your employer's plan design determines which applies.

In-service claims might be subject to annual withdrawal limits. When eligible, you can submit an HRA claim form for eligible expenses. You can even choose direct deposit for your reimbursement (recommended).

You should receive a claims packet when eligible from the third-party administrator and you can file claims for expenses, but not for more than your account balance and subject to any annual in-service withdrawal limit.

You can arrange for your HRA account to automatically reimburse you for your insurance premiums by completing and submitting a systematic premium reimbursement form. Direct deposit is available and recommended.

## **Third-party administrator**

The third-party administrator is Meritain Health, an experienced employee benefits administrator specializing in the administration of account-based plans. Meritain Health provides all correspondence, accounting and benefit payment services. Please notify the third-party administrator of any address, name or systematic premium reimbursement change. HRA forms can be obtained from your benefits department or online at [VALIC.com/hra](http://VALIC.com/hra) or by writing:

[HealthSecure HRA Third-party Administrator](#)

[Meritain Health](#)

[P.O. Box 27810](#)

[Minneapolis, MN 55427-0810](#)

or by calling [toll-free, 1-888-364-5027](tel:1-888-364-5027)

or by e-mailing [myHealthSecureHRA@meritain.com](mailto:myHealthSecureHRA@meritain.com)

## **Plan expenses**

Plan expenses are paid by a flat-fee deduction from participant accounts and a reduction of invested assets each month. The fees vary depending on your employer's plan design selection and the size of your employer's plan.

Any applicable per-participant account fees will be reflected on your quarterly participant statement. For each investment fund, investment management costs and other fund expenses are based on the fund(s) selected. Please refer to the investment overview to review these expenses.

# HealthSecure HRA

## Plan development and management

Your employer is the plan sponsor and has joined an experienced team of HRA service providers to offer you a program supported by professionals who provide the best in local educational services and experienced HRA plan administration. This team includes the following:

### Plan administrator

HRA Administrator, LLC  
A member of the VALIC family of companies  
906 West 2nd Avenue, Suite 400  
Spokane, WA 99201-4502

### Plan consultant

HRA Consultants,  
A Division of VEBA Service Group, LLC  
Mark Wilkerson, CFP®  
906 West 2nd Avenue, Suite 400  
Spokane, WA 99201-4502

### Third-party administrator

HealthSecure HRA Third-party Administrator  
Meritain Health  
P.O. Box 27810  
Minneapolis, MN 55427-0810  
Toll-free: 1-888-364-5027  
myHealthSecureHRA@meritain.com

Meritain Health and VEBA Service Group, LLC have been administering these types of plans for 25+ years. They are regarded nationwide as leaders in servicing HRA plans.

For more information on our HRA plan and its investments, contact your local financial advisor. If you would like information regarding your current HRA account (including filing a claim), please contact the third-party administrator.

## Healthy alternative

Your  
healthcare  
benefit  
savings plan

## CLICK

[VALIC.com/hra](http://VALIC.com/hra)

## CALL

1-888-364-5027

## VISIT

your VALIC  
financial advisor

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