

Individual Premium Reimbursement Account

A tax-savings benefit program offered by your employer to save you money

Why join this Plan?

To Save Money. By using pre-tax money to pay your premiums, you could save 20% to 40% or more of your premium costs.

If you pay \$400 for premiums, you could save \$900 to \$1900 per year.

How does this Plan work?

When you elect to participate in this benefit, you authorize your employer to redirect part of your income to pay for your premium costs. These amounts are taken off of the top of your pay and are not subject to taxes. Your funds are held by your employer until you submit a claim form and supporting documents.

When do I enroll in this Plan?

If you are newly eligible, you must enroll within 30 days. Otherwise, you can only enroll during the annual open enrollment period.

What premiums are eligible?

Examples of eligible insurance premiums are individual HMO membership such as Kaiser or individual Anthem or Blue Shield policies for yourself and your eligible dependents. You can also include the cost of COBRA premiums that you pay directly but not if they are deducted from a paycheck.

The premium coverage period must be during the plan year, while you were an active participant. While the premiums must be paid, the payment date does not establish the coverage period. For example, if your Plan year is calendar and your premium bill is for coverage from November to January, the premiums you paid for November and December would be eligible in one plan year and the premiums for January in the next year.

What premiums are not eligible?

Individual or group life insurance, disability insurance and long-term care insurance premiums are not eligible. Generally, group or employer-sponsored health insurance premiums are not eligible, except COBRA premiums that you pay directly (not deducted out of a paycheck).

How do I get reimbursed for my premiums?

You send a claim form, signed and dated, with a copy of the premium bill and proof of payment.

Proof of payment would be a copy of your canceled check, a cashier's check or money order, a premium statement which reflects the payment or a copy of the bank statement showing the check has cleared or that the automatic debit by the insurance company has occurred.

Can I change or stop during the year?

The IRS requires that your elections be enforced for the entire plan year. You cannot stop contributing to the Plan during the plan year except in cases of a "Change In Status." A Change In Status is defined by the IRS as events such as marriage, divorce, death, birth, adoption, change in employment status, or a significant change in coverage due to spouse's employment. Your election change must directly relate to the Change in Status. To change your election, you must request an election change within *30* days of the date the Change in Status event.

Are there any other requirements?

Your expenses must be for coverage in the Plan Year during your "period of coverage" (while you are an eligible, active participant) in this benefit. Prepayments are not eligible and expenses that were incurred (services received) prior to the effective date of your participation or those premiums for coverage after you terminate participation are not usually eligible.

If you do not use your contributions to pay for eligible premium expenses, funds left in your account will be forfeited. Therefore, it is important that you carefully estimate your premium expenses for the plan year.

Where can I get more information?

The Summary Plan Description (SPD) your employer gave you includes a full description of the Plan. This brochure is a brief introduction and is not intended as tax advice or consultation. We recommend you consult your tax advisor regarding your personal tax situation.