

Retirement Planning Workshop
2024

LEGACY RETIREE
MEDICAL
EXPENSE
REIMBURSEMENT
ACCOUNT

ALAMEDA RESOLUTION

- Approved by VCERA Board of Retirement on April 17, 2023
- Excludes portion of the flexible credit allowance from retirement compensation
- Results in reduction to retirement income for Legacy retirees and employees
- Reduction will vary based on age at retirement, years of service , and retirement plan participation, i.e., safety employees vs. non-safety

HEALTHCARE REIMBURSEMENT ARRANGEMENT

 Help mitigate the impact of the pension reductions to Legacy employees and retirees

 Board of Supervisors approved on June 27, 2023

 Provided through a Healthcare Reimbursement Arrangement (HRA) for Management and labor partners who have amended their Memorandum of Agreements to participant

 VCPFA employees (safety and non-safety) will receive a contribution to the VCPFA administered medical trust

 Funded solely through employer contributions

 Designed to parallel reduced VCERA pension benefit

WHAT IS A HRA?

Allows retirees to receive reimbursements for medical expenses such as:

Insurance premiums	Copays	Deductibles	Prescription expenses	Other IRS-approved expenses
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Paid on a non-taxed basis

Works like a Flexible Spending Account (FSA)

ELIGIBILITY

To be eligible for County contributions under the HRA plan, you must meet the following criteria:

- Be eligible for a VCERA Legacy (non-PEPRA) retirement plan
- Have commenced employment with the County no later than **April 16, 2023**, and
- Retire from County service on or after **July 30, 2020**

BENEFIT AMOUNT

Monthly HRA contribution is based on age and years of County service at the time of retirement

Non-safety Eligible Retiree

- Range from \$59 for individuals who retire at age 50 with 10 years of service
- Maximum of \$500 for individuals who retire at age 65 with 42 years of service

Safety Eligible Retiree

- Range from \$85 for individuals who retire at age 50 with 10 years of service
- Maximum of \$426 for individuals who retire at age 55 with 39 years of service

VCPFA Retiree

- Contribution to VCPFA Trust: Safety \$270, Non-Safety \$210

HOW WILL IT WORK?

Upon retirement, the HRA account will be created for eligible County retirees effective the first of the month following the retirement date

The amount of the monthly contribution will be determined based on age and County years of service at the time of retirement

Contribution amounts credited to the HRA account will be available for reimbursement of eligible healthcare expenses

Claims will be adjudicated by a third-party administrator - P&A Group

A debit card will be provided by P&A Group

The HRA account balance will carry forward for the life of retiree and pension eligible VCERA beneficiary

ADDITIONAL INFORMATION

- HRA monthly contribution amounts will be subject to an annual increase of up to 3% based on changes to the Los Angeles area Consumer Price Index (CPI)
- County contributions are not a vested benefit
- Agreements include language ensuring that any potential future elimination or reduction of the subsidy, after collective bargaining, would only affect prospective contributions
- Current retirees would continue to receive their benefit
- Board Appointed Oversight Committee includes:
 - County Financial Officer (designee of County Executive Officer)
 - Director of Human Resources
 - Auditor-Controller
 - County Counsel
 - Treasurer-Tax Collector

CONTACT



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