

Retirement Planning Workshop  
**2025**

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**

**Funds work 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 \$62.58 for individuals who retire at age 50 with 10 years of service
- Maximum of \$529.42 for individuals who retire at age 65 with 42 years of service

## Safety Eligible Retiree

- Range from \$90 for individuals who retire at age 50 with 10 years of service
- Maximum of \$451 for individuals who retire at age 55 with 39 years of service

## VCPFA Retiree

- Contribution to VCPFA Trust: Safety \$286, Non-Safety \$222

# HOW WILL IT WORK?

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

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

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

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Qualified claims will be determined by the County's HRA third-party administrator - P&A Group

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A debit card will be provided by P&A Group

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

# ADDITIONAL INFORMATION

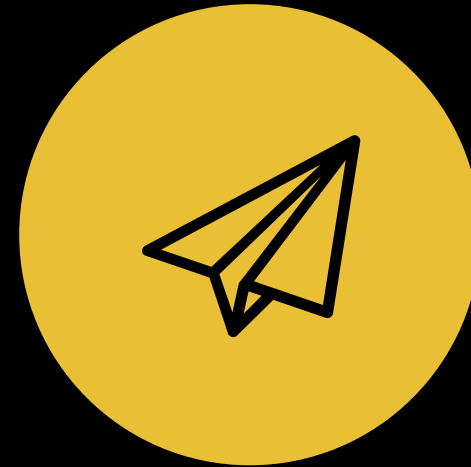
- HRA monthly contribution amounts will be subject to an annual increase of up to 3% based on changes to the Los Angeles area Consumer Price Index (CPI)
- County contributions are not a vested benefit
- Agreements include language ensuring that any potential future elimination or reduction of the subsidy, 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 (or appointed designee)
  - Auditor-Controller
  - County Counsel
  - Treasurer-Tax Collector



# CONTACT



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