

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



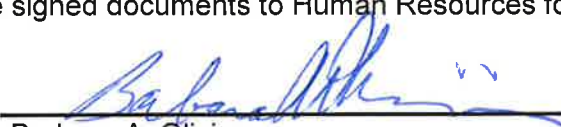
900

FROM: Human Resources Department

SUBMITTAL DATE:  
August 30, 2011

SUBJECT: 2011 Voluntary Employees' Beneficiary Association Post Employment Program Health Savings Plan - Nationwide Administrative Services Contract Addendum No. 1 with A.W. Rehn and Associates, Inc., and Amended Plan Summary.

**RECOMMENDED MOTION:** That the Board of Supervisors 1) approve the County's Voluntary Employees' Beneficiary Association (VEBA) Post Employment Program (PEP) Health Savings Plan (HSP) - Nationwide Administrative Services Agreement to offer a Fixed Annuity Fund for plan participants (Attachment A), effective November 1, 2011; 2) approve the Administrative Services Contract Addendum No. 1 with A.W. Rehn and Associates, Inc. (Rehn), and Amended Plan Summary, to direct the record keeper to perform administrative services in connection with the addition of the Nationwide Fixed Fund (Attachment B), effective November 1, 2011; 3) approve the amended VEBA PEP HSP Plan Summary (Attachment C), effective November 1, 2011; 4) authorize the chairperson to sign four (4) copies of the documents; and; 5) retain one (1) copy of each signed document and return three (3) copies of the signed documents to Human Resources for distribution.

  
Barbara A. Olivier  
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

SOURCE OF FUNDS: Fund fees are charged against Fund assets.

Positions To Be  
Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY:   
Elizabeth J. Olson

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL

BY:  TAWNY W. LIEU

DATE

Departmental Concurrence

☐ Consent ☒ Policy  
☐ Consent ☒ Policy

Dep't Recomm.:  
Per Exec. Ofc.:

Prev. Agn. Ref.: 4/5/2011, 3.10

District:

Agenda Number:

G:\EXEC\Form 11\Benefits\2011\VEBA 2011 final.doc

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

3.65

**BACKGROUND:**

The County of Riverside VEBA HSP was approved by the Board of Supervisors on November 26, 2002, and ratified on June 10, 2003. The VEBA HSP is designed to provide tax-free reimbursement for IRS qualified medical expenses incurred by the participant and/or the participant's eligible dependents. Eligible expenses are detailed in IRS Publication 502 and include such items as the purchase of post employment health coverage (medical, dental, vision, etc.), copayments and deductibles. There are approximately 1,712 participants in the VEBA HSP with account balances totaling an estimated \$24 million as of June 30, 2011.

On September 27, 2010, the Deferred Compensation Advisory Committee (DCAC) which was established by the Board of Supervisors on December 21, 1976, Item 6.22a to provide investment oversight for the County's Deferred Compensation Plans, agreed to provide investment oversight for the County's VEBA HSP. As a result, the DCAC directed Human Resources to review and recommend Fixed Fund Investment options for the VEBA HSP. Human Resources conducted a Request for Information (RFI) to solicit offers for alternate fixed funds to provide a better rate of return for VEBA HSP participants. Human Resources received three (3) responses to the RFI. The RFI was evaluated based on the following criteria: 1) rate of return; 2) fee; 3) contract terms; 4) plan limitations; and; 5) implementation timeframe.

On March 28, 2011, the DCAC reviewed and approved Human Resources recommendation to replace the Goldman Sachs Financial Square Government Fund with the Nationwide Fixed Annuity Fund. Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") offers a quarterly fixed fund rate guarantee of 3.25% in comparison to the Goldman Sachs Financial Square Government Fund investment returns of 0.01%. The Nationwide Fixed Fund has been offered to the County's 457 Deferred Compensation and 401(a) Money Purchase for the past 10 years.

The attachments listed below will establish the Nationwide Fixed Annuity Fund in the VEBA plan:

Attachment A:

The Administrative Services Agreement authorizes Nationwide to act as the Fixed Annuity Fund investment provider.

Attachment B:

The Addendum to the Administrative Services Contract directs Rehn, the County's record keeper for the Plan, to incorporate the Nationwide Fixed Fund in its Plan recordkeeping functions.

Attachment C:

The Plan Summary is amended to reflect the new Nationwide Fixed Annuity Fund option.

**Fees**

There is no direct compensation paid by the County to Nationwide or Rehn for services rendered to the Plan. As a result of the addition of the Nationwide Fixed Fund, Rehn has increased its fees from .05 to 1.5 basis points to compensate for increased administrative complexity. The additional fee will be assessed to individual participant accounts. While the increase in fees is significant, Human Resources conducted an RFP of VEBA providers and determined Rehn charges to be competitive. In the near future Human Resources will present to the Board its full findings and detailed recommendations of the RFP.

There is no charge to the County for the recommended action.

**SERVICES AGREEMENT**

This **SERVICES AGREEMENT** (the "Agreement") is made effective as of November 1, 2011 (the "Effective Date") by and between Nationwide Retirement Solutions, Inc., a Delaware corporation ("Nationwide") and the County of Riverside, a political subdivision of the State of California ("County")

**WHEREAS**, Nationwide Life Insurance Company, an Ohio corporation ("NLIC") underwrites the Fixed Annuity Contract NRC-0111WA (the "Fixed Annuity Contract") issued for the benefit of County of Riverside Voluntary Employees' Beneficiary Association Post-Employment Program Health Savings Plan (the "Plan") with Washington Trust Bank, as the Trustee of the Plan and contract owner of the Fixed Annuity Contract.

**WHEREAS**, the County has retained a Third Party Administrator (the "Recordkeeper") to provide recordkeeping and related administrative services on behalf of the Plan and the participants under the Plan (the "Participants"), including monthly valuation and processing of orders for investment and reinvestment of assets in the various investment options available under the Plans; and,

**WHEREAS**, on the terms and conditions hereinafter set forth, the parties desire to make units of the Fixed Annuity Contract available as an investment option under the Plan and the County will retain the Recordkeeper to perform certain administrative services on behalf of the Fixed Annuity Contract, and the Recordkeeper is willing and able to furnish such services;

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, the County and Nationwide agree as follows:

**1. Description of Services and Parties' Obligations**

1.1 **Transactions in the Fund.** Subject to the terms and conditions of this Agreement and the Fixed Annuity Contract, Nationwide will make units of the Fixed Annuity Contract available to be purchased or redeemed, by or on behalf of the Plan through a single account (the "Account") at the unit value applicable to each order. The Fixed Annuity Contract's units shall be purchased and redeemed on a net basis in such quantity and at such time as determined by Nationwide to correspond with investment instructions received by the Recordkeeper from the Participants.

1.2 **Administrative Services.** The County shall arrange and direct the Recordkeeper to provide administrative services for the Plan and Plan Participants, including but not limited to those specified in Attachment A (the "Administrative Services"). Nationwide shall not be required to provide Administrative Services for the benefit of the Plan or Plan Participants. The County shall require the Recordkeeper to maintain and preserve all records as required by law or its agreement with the Plan sponsor to be maintained and preserved in connection with providing the Administrative Services, and will otherwise comply with all laws,

rules and regulations applicable to the provision of the Administrative Services. The County will permit Nationwide or its representative to have reasonable access to its personnel and records in order to facilitate the monitoring of the Administrative Services as deemed necessary and subject to Sections 8 (HIPAA Business Associate Agreement) and 9 (Confidentiality) of this Agreement.

**1.3 Processing and Timing of Transactions.**

(a) Nationwide hereby appoints the Recordkeeper as its agent for the limited purpose of accepting purchase and redemption orders for Fixed Annuity Contract units from the Plan and/or Participants, as applicable. Washington Trust Bank or other designee of the Plan shall be the sole shareholder of Fund units purchased for the Plan pursuant to this Agreement (hereinafter the "Record Owner"). The Record Owner shall properly complete any applications or other forms required by Nationwide or its designated agent for the purposes of establishing or maintaining an account.

(b) County will direct Recordkeeper to place net purchase and/or redemption orders with the Fixed Annuity Contract to correspond with Instructions received from the Participants and according to the provisions outlined in Attachment B Manual Transaction Procedures. Units in the account will be credited on the day units are purchased or redeemed.

(c) Nationwide will confirm transactions have been processed and the number of units purchased/redeemed, including the total number of units in the Plan and the account value.

**1.4 Account Information.** The County hereby directs Nationwide and Nationwide agrees to provide to Recordkeeper:

(a) At the beginning of each calendar quarter, a quarters worth of daily unit values.

(b) Transaction confirmations confirming purchase and redemption transactions.

(c) Monthly statements provided within fifteen Business Days after the end of each month.

(d) Such other reports as may be reasonably requested by the County or Recordkeeper, the cost of which will be paid by the party requesting such reports, if necessary.

(e) Quarterly fund fact sheet to be used by Recordkeeper to provide to Plan Participants.

**1.5 Records open for Inspection.** County shall direct Recordkeeper that the books, records, and papers of the Recordkeeper that are directly related to the Recordkeeper's administration of the Fixed Annuity Contract, not to include any records and/or protected health information of Plan Participants, shall be open for inspection and copying during normal business hours by Nationwide, state and/or federal regulators. County shall require Recordkeeper to maintain books, records and papers in accordance with general standards for books and recordkeeping, and to make them available at all reasonable times upon reasonable request by Nationwide.

**2. Period of Performance.** This Agreement shall be effective as of the Effective Date and continue in effect through June 30, 2012, with the option to renew for two (2) additional years, renewable in one year increments by written amendment, unless otherwise terminated pursuant to Section 10 (Termination).

**3. Compensation.** There is no direct compensation paid by the County or Participants for using the Nationwide Fixed Account. NLIC provides Nationwide a recordkeeping reimbursement for administering the product. There is no administrative fee assessed to Participants or other compensation paid to Nationwide. NLIC's costs and expenses (such as Plan charges and any expense credits issued to the Plan) are reflected in the crediting rate. This represents the difference between what NLIC earns on investments and what it credits Plan Participants as interest.

**4. Independent Contractor.** The relationship between Nationwide and County is an independent contractor relationship. Neither Nationwide nor its employee(s) and/or agent(s) shall be considered to be an employee(s), and/or agent(s) of County. County nor any employee(s) and/or agent(s) of County shall be considered to be an employee(s) and/or agent(s) of Nationwide. None of the provisions of this Agreement shall be construed to create a relationship of agency, representation, joint venture, ownership, control or employment between the parties other than that of independent contractors contracting for the purposes of effectuating this Agreement.

**5. Nondiscrimination.** Nationwide shall not be discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent applicable, Nationwide shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.) and all other applicable laws or regulations.

**6. Licenses.** Nationwide shall maintain any professional licenses required by the laws of the State of California at all times while performing services under this Agreement.

**7. Conflict of Interest.** The parties hereto and their respective employees or agents shall have no interest, and shall not acquire any interest, direct or indirect, which shall conflict in

any manner or degree with the performance of services required under this Agreement.

8. **HIPAA Business Associate Agreement.** The parties acknowledge and agree that Nationwide, in its performance of services to the County pursuant to this Agreement, will not be creating, receiving and/or have access to protected health information (“PHI”) of any Plan Participants, and therefore, is not a business associate of the County, as such term is defined by Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), Public Law 104-191, enacted August 21, 1996, and its corresponding Privacy Regulations set forth at 45 CFR Parts 160 and 164.

Notwithstanding the foregoing, if subsequent to the parties’ execution of this Agreement, Nationwide reasonably determines that access to PHI of any Plan Participants is necessary for Nationwide’s performance under this Agreement, Nationwide shall first notify the County. If the County concurs with Nationwide’s determination, the parties shall enter into a Business Associate Agreement Addendum prior to the disclosure of any PHI by the County (or its business associate on behalf of the County) to Nationwide. In that event, the parties shall comply with all relevant requirements contained in HIPAA, the Health Information Technology of Economic and Clinical Health Act (“HITECH”) provisions of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, enacted February 17, 2009, and the laws and regulations promulgated subsequent thereto, and shall adhere to all terms and conditions in the Business Associate Agreement Addendum.

9. **Confidentiality; Public Disclosure of Documents**

9.1 Except as otherwise provided in Section 9.2 below, Nationwide and the County agree to keep confidential all proprietary data software, processes, information and documentation related to this Agreement (“Confidential Information”), except as may be necessary to perform under this Agreement or as otherwise may be agreed to from time to time by the parties.

9.2 Notwithstanding any other provisions contained in this Agreement, including but not limited to Section 9.1 above, Nationwide acknowledge and agrees that any information (including Confidential Information), communications, and documents given by Nationwide to the County and meetings involving the County may be subject to the public records and meeting laws and regulations of the State of California, including the California Public Records Act (Government Code Section 6250 et seq.) and the California Brown Act (Government Code Section 54590 et seq.). County may determine, at its sole discretion and without notice to Nationwide, whether or not the above-described information (including Confidential Information), communications, and documents if requested by a third party is disclosable pursuant to applicable law on public disclosures and/or public meetings.

9.3 County shall enter into a separate agreement with Recordkeeper to require Recordkeeper’s compliance with the provisions of this Section 9.

10. **Termination**

10.1 This Agreement shall terminate upon termination of the Fixed Annuity Contract.

10.2 Either party may terminate this Agreement at anytime without cause upon ninety (90) days written notice served upon the other party.

10.3 If, for any reason, this Agreement is terminated prior to the full completion of services, Nationwide agrees to immediately furnish to County all documents related to services rendered under this Agreement as County may reasonably request in writing.

10.4 Should County reasonably determine that there is a basis for termination for cause, such termination shall be effected upon five (5) days written notice to Nationwide.

10.5 The rights and remedies of either party provided in this Section 10 shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

11. **Notices.** All notices and other communications required to be given under this Agreement shall be in writing and either delivered personally or by express delivery or United States mail at the addresses set forth below or at such other addresses as the parties may hereafter designate:

To the County of Riverside:

The County of Riverside  
Attn: Stacey Beale  
4080 Lemon St., 1<sup>st</sup> Floor  
Riverside, CA 92501

To Nationwide:

Nationwide Retirement Solutions  
Attn: Eric Stevenson  
5900 Parkwood Place  
Dublin, OH 43016

Any notice, demand or other communication given in a manner prescribed in this Section 11 shall be deemed to have been delivered on receipt.

## 12. **Records and Documents**

12.1 Recordkeeping. Nationwide shall maintain and provide adequate records

and information as reasonably necessary to properly administer the Agreement consistent with state and federal law. Such records shall be retained by Nationwide for at least five (5) years from the close of County's fiscal year in which this Agreement is in effect. This obligation is not terminated upon a termination of the Agreement, whether by rescission or otherwise.

12.2 Provision of Information. Nationwide shall provide County and/or governmental agencies with such data and other information regarding the rendition of services as may be reasonably requested or as may be otherwise required for compliance with applicable regulatory and disclosure requirements. Nationwide shall execute such additional verifications or documents as may be required by law or regulation.

12.3 Records Open for Inspection. All books, records, and papers of Nationwide or subcontractor of Nationwide relating to the performance of this Agreement must be open to inspection and copying during normal business hours by the County, or state and/or federal regulators. Records shall include, without limitation, financial records pertaining to the cost of operations and income received for services rendered. Such records shall be made available at all reasonable times upon reasonable request by County. Nationwide or subcontractor of Nationwide shall maintain its books and records in accordance with general standards for books and recordkeeping.

13. **Successors and Assigns.** Neither party shall, without prior written consent of the other party, assign any duties or rights under this Agreement. The assignment of this Agreement shall not change the obligations, rights or responsibilities of the parties under this Agreement and it shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns. Nothing in this section shall limit the County's sole authority to designate a successor Recordkeeper to the Plan under the same conditions and terms of this Agreement. Any assignment in contravention of this paragraph shall constitute a material breach of this Agreement and shall be void.

14. **Force Majeure.** In the event that Nationwide or the County are unable to perform its obligations under the terms of this Agreement because of acts of God, strikes, equipment or transmission failure or damage reasonably beyond its control, or other causes reasonably beyond its control, such party shall not be liable to the other party for any damages resulting from such failure to perform or otherwise from such causes.

15. **Hold Harmless/Indemnification of County by Nationwide**

15.1 Nationwide shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "Indemnitees") from any liability whatsoever, based or asserted upon any services of Nationwide, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any



kind or nature whatsoever arising from the performance of Nationwide, its officers, employees, subcontractors, agents or representatives from this Agreement. Nationwide shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions.

15.2 With respect to any action or claim subject to indemnification herein by Nationwide, Nationwide shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Nationwide's indemnification to Indemnitees as set forth herein. Nationwide's obligation hereunder shall be satisfied when Nationwide has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.

15.3 The specified insurance limits required in this Agreement shall in no way limit or circumscribe Nationwide's obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

15.4 Nationwide's indemnification obligations shall also apply to any action or claim regarding actual or alleged intellectual property infringement related to any material or product provided to County pursuant to this Agreement. In the event of any such action or claim, Nationwide shall provide immediate notice to County of the action or claim. Nationwide may defend or settle the action or claim as Nationwide deems appropriate; however, Nationwide shall be required to obtain for County the right to continue to use the material or product (or a similar non-infringing material or product with the same function) on terms identical to those stated in this Agreement.

## **16. Hold Harmless/Indemnification Between Nationwide and Recordkeeper**

16.1 Prior to the commencement of Administrative Services, the County shall obtain from the Recordkeeper a letter of indemnification which indemnifies and holds harmless Nationwide, its affiliates, and each of their officers, employees, agents against any losses, claims, damages, liabilities or suits to which any one of them may become subject insofar as those losses, claims, damages, liabilities or suits or actions in respect thereof, arise out of or are based on (i) Recordkeeper's negligence, bad faith, or willful misconduct in performing its obligations hereunder, (ii) any material breach by Recordkeeper of its agreement to provide Administrative Services or (iii) Nationwide's acceptance of and reliance on any transaction or account maintenance information from Recordkeeper.

16.2 Nationwide agrees to indemnify and hold harmless the Recordkeeper, its affiliates, and each of its officers, employees, agents against any losses, claims, damages, liabilities or suits to which any one of them may become subject insofar as those losses, claims, damages, liabilities or suits or actions in respect thereof, arise out of or are based upon (i) Nationwide's negligence, bad faith, or willful misconduct in performing its obligations

hereunder, (ii) any material breach by Nationwide of any provision of this Agreement, including any breach by Nationwide of a representation or warranty made in this Agreement or (iii) Recordkeeper's acceptance of and reliance on any transaction or account maintenance information from Nationwide, including any implementation by Recordkeeper of the restrictions of the Fixed Account portion of this Agreement as such instructions are provided to Recordkeeper in writing by Nationwide.

16.3 Promptly after receipt by a party entitled to indemnity under this Section (an "Indemnified Party") of notice of the commencement of an investigation, action, claim or proceeding, such Indemnified Party will, if a claim in respect thereof is to be made against the indemnifying party under this Section, notify the indemnifying party of the commencement therefore, but the omission to notify the indemnifying party will not relieve it from any liability which it may have to any Indemnified Party otherwise. In case any such action is brought against any Indemnified Party, and it notified the indemnifying party thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, assume the defense thereof, with counsel satisfactory to such Indemnified Party. After notice from the indemnifying party of its intention to assume the defense of an action, the Indemnified Party will bear the expense of any additional counsel obtained by it and the indemnifying party will not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation. Neither the Indemnified Party nor the indemnifying party may settle any action without the written consent of the other, which consent will not be unreasonably withheld.

## 17. Insurance

17.1 Without limiting or diminishing Nationwide's obligation to indemnify or hold the County harmless, Nationwide shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage during the term of this Agreement. With respect to this Section 11, Insurance, the term "County" as used herein shall refer to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives.

17.2 Workers' Compensation: If Nationwide has employees as defined by the State of California, the Nationwide shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the County.

17.3 Commercial General Liability: Commercial General Liability insurance coverage, including but not limited to, premises liability, insured contracts, products and completed operations liability, personal and advertising injury, and separation of insureds, covering claims which may arise from or out of Nationwide' performance of its obligations hereunder. Policy shall name the County as an Additional Insured. Policy's limit of liability shall

not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

17.4 Vehicle Liability: If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then Nationwide shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County as an Additional Insured.

17.5 Professional Liability: Nationwide shall maintain Professional Liability Insurance providing coverage for Nationwide's performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If Nationwide's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and Nationwide shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that Nationwide has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2), or 3) will continue as long as the law allows.

17.6 General Insurance Provisions - All lines:

(a) Nationwide agrees to declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the County, and at the election of the County's Risk Manager, Nationwide's carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the County, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

(b) Nationwide shall cause Nationwide's insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate

of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. *Nationwide shall not commence operations until the County has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.*

(c) It is understood and agreed to by the parties hereto that the Nationwide's insurance shall be construed as primary insurance, and the County's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

(d) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; the County reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the Nationwide has become inadequate.

(e) Nationwide shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

(f) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the County.

(g) Nationwide agrees to notify County of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

## **18. General Provisions**

18.1 Entire Agreement. This Agreement, including the Attachments hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and it incorporates all of the covenants, conditions, promises, and agreements exchanged by the parties hereto with respect to such matter. This Agreement supersedes any and all prior or contemporaneous negotiations, agreements, written or oral, with respect to the subject matters of this Agreement. Nothing in this Agreement is intended to convey rights to any third parties such as Plans, Plan Participants or Trusts.

18.2 Amendment. This Agreement may be amended or modified only by mutual written amendment signed by the parties hereto. Amendments shall require the formal approval of the Board of Supervisors for Riverside County to be effective, except as expressly provided herein.

Amendments which shall not require the formal approval of Riverside County Board of Supervisors to be effective may include, but shall not be limited to amendments of rate adjustment and amendments to the policies and procedures, and/or operations as required by new laws and regulations, or by a court of competent jurisdiction. Such amendments shall be effective upon the date of approval by County's Assistant CEO/Director of Human Resources.

18.3 Governing Law; Venue. This Agreement shall be governed and construed by the laws of the State of California without regard to its conflict of laws principles. All actions and proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state and federal (if permitted by law and a party elects to file an action in federal court) courts located in the County of Riverside, State of California.

18.4 Government Claims Act. The provisions of the Government Claims Act (Government Code section 900 et seq.) must be followed first for any disputes arising under this Agreement.

18.5 Severability; Limitations. In case anyone or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

In the event the removal of a provision rendered invalid or unenforceable or declared null and void had the effect of materially altering the obligations of either party in such manner as to cause serious financial hardship to such party, the party so affected shall have the right to terminate this Agreement upon providing thirty (30) days prior written notice to the other party.

18.6 Time is of the Essence. Time shall be of the essence of each and every term, obligation, and condition of this Agreement.

18.7 Waiver of Default. The waiver by either party of any one or more defaults shall not be construed as a waiver of any other or future defaults, under the same or different terms, conditions or covenants contained in this Agreement.

18.8 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any party hereto may execute this Agreement by signing any such counterpart.

18.9 Certification of Authority to Execute this Agreement. Nationwide certifies that the individual signing below has the authority to execute this Agreement on behalf of Nationwide, and may legally bind Nationwide to the terms and conditions of this Agreement, and any attachments hereto.

**IN WITNESS WHEREOF**, the parties hereto have caused their duly appointed representatives to execute this Service Agreement.

**ATTEST:**

Clerk of the Board  
Kecia Harper-Ihem

**COUNTY OF RIVERSIDE:**

By: \_\_\_\_\_  
Deputy

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Chairman, Board of Supervisors

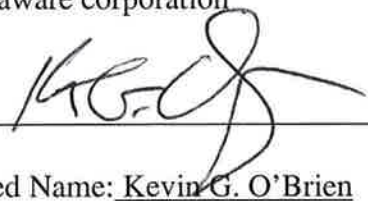
Date: \_\_\_\_\_

Approved as to form:

Pamela J. Walls  
County Counsel

By:  \_\_\_\_\_  
Deputy County Counsel

**Nationwide Retirement Solutions,**  
a Delaware corporation

By:  \_\_\_\_\_

Printed Name: Kevin G. O'Brien

Title: Vice President and CFO

Date: August 15, 2011

**ATTACHMENT A**  
**ADMINISTRATIVE SERVICES**

Pursuant to the Agreement to which this is attached, County shall direct the Recordkeeper to perform services required or requested by the Plan, including, but not limited to, the following:

1. Maintain separate records for each Participant under the Plan, which records shall reflect the units of the Fixed Annuity Contract purchased and redeemed and account balances of such Participants. Nationwide will maintain a single master account on behalf of the Plan and such account shall be in the name of the trustee of the Plan (or its nominee) as the record owner of units owned by the Plan.
2. Disburse or credit to the Plan all proceeds of redemption of units of the Fixed Annuity Contract.
3. Prepare and transmit to the Plan and/or Participants, as required by law or the Plan, periodic statements showing the total number of units of the Fixed Annuity Contract owned by the Participants as of the statement closing date, purchases and redemptions of Fixed Annuity Contract units by the Participants during the period covered by the statement and distributions paid during the statement period and such other information as may be required, from time to time, by the Plan.
4. Transmit purchase and redemption orders to Nationwide on behalf of the Plan in accordance with the procedures set forth in Section 1.3 to the Agreement.
5. Distribute to the Plan and/or Participants, as appropriate, copies of the periodic fund reports to Unit Holders and other materials that are required by law or otherwise to provide to their Unit Holders or prospective Unit Holders.
6. Maintain and preserve all records as required by law to be maintained and preserved in connection with providing the Administrative Services for the Plan.

## **ATTACHMENT B**

### **MANUAL TRANSACTION PROCEDURES**

1. The parties shall follow the procedures set forth on this Attachment B for manual processing.
2. No later than three (3) Business Days prior to the beginning of the calendar quarter, Nationwide shall provide to Recordkeeper, the final unit price to be utilized for each Business Day of the following quarter.
3. On each Business Day, Recordkeeper may receive instructions from the Plans and/or Participants for the purchase and/or redemption of units of the Funds ("Orders"). Orders received and accepted by Recordkeeper prior to the Close of Trading on any given Business Day (but after the Close of Trading on the immediately preceding Business Day) ("Trade Date") will be transmitted to Nationwide or its designated agent via email and/or facsimile by 8:30 a.m. Eastern Time on the next Business Day ("Trade Date + 1") and will be executed by Nationwide or its designated agent at the unit value determined as of the Close of Trading on the Trade Date.
4. As mutually agreed upon by the parties, Nationwide or its designated agent will provide confirmations of such Orders (i.e. acknowledgements).
5. Settlement of all Orders shall occur by the end of Business Day on Trade Date + 1. Payments for net purchase and/or net redemption Orders shall be made by wire transfer by the Plan (for net purchases) or by the Funds (for net redemptions) to the account designated by the appropriate receiving party.
6. Nationwide or its designated agent shall provide to Recordkeeper account activity reports as may be reasonably requested by Recordkeeper.



**ADDENDUM NO. 1 TO THE ADMINISTRATIVE SERVICES CONTRACT**

This ADDENDUM NO. 1 to the Administrative Services Contract (the "Addendum") is made effective as of November 1, 2011 (the "Effective Date"), by and between the County of Riverside, a political subdivision of the State of California (the "Client"), and A.W. Rehn & Associates, Inc., a Washington corporation (the "Administrator"), and referred to collectively as the "Parties."

WHEREAS, the Parties have entered into an Administrative Services Contract (the "Contract") dated effective as of February 1, 2003, and pursuant to the Contract, Client has retained the Administrator to provide recordkeeping and related administrative services on behalf of the County of Riverside Voluntary Employees' Beneficiary Association Post-Employment Program Health Savings Plan (the "Plan") and the participants under the Plan (the "Participants"), including monthly valuation and processing of orders for investment and reinvestment of assets in the various investment options available under the Plan; and,

WHEREAS, Nationwide Life Insurance Company, an Ohio corporation ("NLIC") underwrites the Fixed Annuity Contract NRC-0111WA (the "Fixed Annuity Contract") issued for the benefit of the Plan with Washington Trust Bank as the Trustee of the Plan and contract owner of the Fixed Annuity Contract; and,

WHEREAS, Client will enter into a Services Agreement with Nationwide Retirement Solutions, Inc., a Delaware corporation ("Nationwide"), whereby Nationwide will make units of the Fixed Annuity Contract available as an investment option under the Plan; and,

WHEREAS, the Administrator is willing to perform certain administrative services on behalf of the Fixed Annuity Contract, and the Parties hereby desire to modify the Contract as set forth in this Addendum;

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein, the Parties agree as follows:

1. Defined Terms. Unless otherwise defined herein, the capitalized terms used herein shall have the same meaning set forth in the Contract.
2. Appendix B. The attached Appendix "B" to Administrative Services Contract, Fixed Account Administrative Services and the provisions contained therein shall be incorporated into and made a part of the Contract.
3. Full Force and Effect. Except as modified by this Addendum, all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to execute this ADDENDUM NO. 1 to the Administrative Services Contract.

**ATTEST:**

Clerk of the Board  
Kecia Harper-Ihem

By: \_\_\_\_\_  
Deputy

Approved to form:

Pamela J. Walls  
County Counsel

By:  \_\_\_\_\_  
Deputy County Counsel

**A.W. REHN & ASSOCIATES, Inc.**  
a Washington corporation

By:  \_\_\_\_\_

Name: DAVID W. KIMMET

Title: PRESIDENT

Date: 8/11/11

**COUNTY OF RIVERSIDE:**

By: \_\_\_\_\_  
Chairman, Board of Supervisors

Date: \_\_\_\_\_

**APPENDIX "B" TO ADMINISTRATIVE SERVICES CONTRACT  
FIXED ACCOUNT ADMINISTRATIVE SERVICES**

The Administrator shall perform the following additional functions and assume the following additional responsibilities:

1. Maintain separate records for each Participant under the Plan, which records shall reflect the dollars of the Fixed Annuity Contract purchased and redeemed and account balances of such Participants. Client will require Nationwide to maintain a single master account on behalf of the Plan and such account shall be in the name of the trustee of the Plan (or its nominee) as the record owner of dollars owned by the Plan.
2. Disburse or credit to the Plan all proceeds of redemption of dollars of the Fixed Annuity Contract.
3. Prepare and transmit to the Plan and/or Participants, as required by law or the Plan, periodic statements showing the total number of dollars of the Fixed Annuity Contract owned by the Participants as of the statement closing date, purchases and redemptions of Fixed Annuity Contract dollars by the Participants during the period covered by the statement and distributions paid during the statement period and such other information as may be required, from time to time, by the Plan.
4. Transmit purchase and redemption orders to Nationwide on behalf of the Plan. No later than three (3) Business Days prior to the beginning of the calendar quarter, Administrator will accept from Nationwide the final unit price to be utilized for each Business Day of the following quarter. Administrator will transmit redemption orders on a weekly basis, if needed, to fund participant reimbursement requests and transmit purchase or redemption orders by the third business day of the following month for participant reallocation requests and employer contributions received during the prior month. Administrator will apply the quarterly guaranteed rate supplied by Nationwide to calculate earnings on individual participant accounts monthly. Administrator will adjust earnings the following month of any amount that is different from the calculated quarterly guaranteed rate and the monthly statement provided by Nationwide.
5. Settlement of all Orders shall occur by the end of Business Day on Trade Date + 1. Payments for net purchase and/or net redemption Orders shall be made by wire transfer by the Plan (for net purchases) or by the Funds (for net redemptions) to the account designated by the receiving party.
6. Distribute to the Plan and/or Participants, as appropriate, copies of the periodic fund reports to unit holders and other materials that are required by law or otherwise to provide to their unit holders or prospective unit holders under the terms of the Plan.
7. Maintain and preserve all records as required by law or agreement with Client to be maintained and preserved in connection with providing administrative services and will comply with all laws, rules and regulations applicable to the provision of the Administrative Services.

8. Make available the books, records and papers of the Administrator that are directly related to its administration of the Fixed Annuity Contract, not to include any records and/or protected health information of Plan Participants, open for inspection and copying during normal business hours by Nationwide, state and/or federal regulators. Administrator shall maintain the above-described books, records and papers in accordance with general standards for books and recordkeeping and shall make them available at all reasonable times upon reasonable request by Nationwide.
9. Shall not disclose to Nationwide any records and/or protected health information of Plan Participants.
10. Keep confidential all proprietary data software, processes, information and documentation related to this Appendix B ("Confidential Information"), except as may be necessary to perform under this Appendix B or as otherwise agreed to from time to time by Client and Nationwide.

## WELCOME

Dear VEBA Participant:

Welcome to your County of  
Riverside VEBA Post  
Employment Health Savings Plan  
(VEBA HSP). Please carefully  
review this brochure regarding  
your VEBA HSP account.

When you separate from  
service, you may begin  
withdrawing benefits. The VEBA  
HSP third-party administrator  
(TPA) is REHN & ASSOCIATES.  
You will receive quarterly  
statements detailing your  
account activity. If you have  
questions, you may contact the  
TPA at the toll-free number on  
the front of this brochure. The  
TPA maintains plan records and  
accounts.

In the event of a discrepancy  
between this Plan Summary and  
the actual Plan and Trust  
documents, the Plan and Trust  
documents control.

This Plan Summary supersedes  
any previously published Plan  
informational materials.

# EMPLOYEE BENEFITS

County of Riverside Human Resources

VEBA Post Employment Health Savings Plan



## Plan Summary

November 2011

### County of Riverside VEBA HSP Third-party Administrator

REHN & ASSOCIATES

P.O. Box 5433

Spokane, WA 99205-0433

1-800-VEBA101 (832-2101)

Fax: (509) 535-7883

riversideco@rehnonline.com

### Plan Consultant

VEBA Service Group, LLC

906 West 2<sup>nd</sup> Avenue, Suite 400

Spokane, WA 99201-4502

1-800-888-VEBA (8322)

Fax: (509) 838-5613

### Trustee

Washington Trust Bank

Spokane, WA

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## **PART I**

### **Questions & Answers**

#### ***What is the County of Riverside VEBA Post Employment Health Savings Plan (VEBA HSP)?***

The VEBA HSP is a post-employment health reimbursement arrangement (HRA) account. The funds are held in a non-profit, tax-exempt voluntary employees' beneficiary association (VEBA) trust authorized under Internal Revenue Code (IRC) § 501(c)(9). You can use these tax-free funds to reimburse eligible out-of-pocket healthcare costs and premiums for yourself, your spouse, and your qualified children and dependents.

#### ***What is an HRA?***

An HRA is a type of health plan that reimburses qualified out-of-pocket healthcare costs and insurance premiums. All contributions, investment earnings, and withdrawals (claims) are tax-free.

#### ***What is a VEBA?***

VEBA stands for voluntary employees' beneficiary association and is a tax-exempt trust authorized by Internal Revenue Code Section 501(c)(9). The tax objectives of this plan are to enable your employer to make tax-free contributions into a trust account on your behalf, your account to be credited with tax-free investment earnings, and to enable you to obtain tax-free reimbursements for your eligible out-of-pocket health care costs and premiums for you, your spouse, and your qualified dependents. VEBA contributions are currently not reportable on your W-2 Form. However, the Patient Protection and Affordable Care Act of 2010 (PPACA) will require the value of health benefits to be reported on Form W-2 for the 2012 tax year. Though the value of health benefits is to be included on Form W-2 for tax year 2012, such amounts will not be taxable. You do not report investment earnings or withdrawals on your personal income tax return. You will not receive a 1099 for earnings or withdrawals.

#### ***When and how do I get money out of my VEBA HSP account?***

Your VEBA HSP account is now open. After you separate from service, you may submit a completed VEBA HSP Claim Form to the third-party administrator (TPA) for qualified out-of-pocket medical, dental, or vision expenses incurred by you, your spouse, and your qualified children and dependents. You will need to include proper substantiation of your expense such as a detailed receipt or an EOB (Explanation of Benefits) from your insurance provider. Withdrawals from your

account can be made for eligible out-of-pocket healthcare expenses and premiums which were incurred after you separate from service.

Claims payment is efficient and hassle free and you may choose direct deposit. Claims are processed weekly, and you may file claims for any amount. Benefits will be paid until your account is used up.

#### ***What expenses are eligible for reimbursement?***

Eligible expenses include qualified medical, dental, and vision expenses not covered by your insurance plans, or medical, dental, vision, Medicare Part B and Part D, Medicare supplement, and tax-qualified long-term care insurance premiums. Purchases made prior to January 1, 2011 of certain over-the-counter drugs, if properly substantiated, qualify for reimbursement. After January 1, 2011, the law permits expenses for over-the-counter drugs (other than insulin) to be reimbursed only if documentation is provided that the drug was prescribed. Eligible expenses are defined in Internal Revenue Code § 213(d).

Insurance premiums paid by an employer, or premiums that are or could be deducted pre-tax through your or your spouse's section 125 cafeteria plan, are not eligible for reimbursement.

#### ***Whose expenses are eligible for reimbursement?***

Your VEBA HSP account covers you, your spouse, and any qualified children and dependents. Qualified dependents are defined in IRC § 105(b) and described in IRS Publication 502. IRS publications may be obtained by calling 1-800-TAXFORM or by visiting [www.irs.gov](http://www.irs.gov).

#### ***Can my VEBA HSP automatically pay for my insurance premiums?***

Yes. You may also arrange to have monthly insurance premiums paid by using the VEBA HSP Systematic Payment Form upon termination from the County. If your spouse or qualified children and dependents are covered by different medical plans, their insurance premiums can also be paid for out of this account. Simply submit a completed VEBA HSP Systematic Payment Form included in your welcome packet and the TPA will mail a check each month to your insurance provider or automatically reimburse you for the cost of your premium(s).

#### ***If CalPERS deducts my medical insurance premiums from my pension, can I request a reimbursement for the payment?***

Yes. If CalPERS is deducting your medical insurance premium from your pension check, you may file a VEBA HSP Systematic Payment Form with the TPA and request a reimbursement of your premium amount. You only need to file this form one time and you will receive a monthly reimbursement deposited directly to your checking or savings account.

You will need to notify the TPA each year by phone, fax, mail, or e-mail if your premium amount changes so that your reimbursement may be changed accordingly.

***Can I take a loan from my VEBA HSP?***

No. Loans are not permissible from the Plan. Per IRS rules, withdrawals (claims) may be for qualified medical, dental, and vision expenses and insurance premiums only.

***What happens if I get divorced?***

In the event that you become divorced or a legally separated, your account cannot be split as part of a property settlement agreement. Contact the TPA for more information on how a divorce or legal separation affects your account.

***What is the death benefit?***

If the participant dies with a positive participant account balance, his/her surviving spouse, if any, may file claims for eligible expenses incurred by the participant, the surviving spouse, and any other qualified children and dependents. If a participant dies without a surviving spouse and with qualified children and dependent(s), the guardian(s) of the qualified children and dependent(s) may file claims for eligible expenses on behalf of the qualified children and dependent(s). Upon the death of the last to die of the participant, surviving spouse, or qualified children and dependent(s), the executor or administrator of the estate may file claims for any eligible expenses after which any remaining account balance will be forfeited to the Plan.

***How are my funds invested?***

The Trust offers you five funds options. You may choose to have all or a portion of your VEBA HSP account in any combination of the following funds:

**Fund Name / Fund objective**

**JPMorgan Investor Growth Fund /** Long-term growth

**JPMorgan Investor Growth & Income Fund /** Long-term growth and current income

**JPMorgan Investor Balanced Fund /** Total return and capital preservation

**JPMorgan Investor Conservative Growth Fund /** Income with modest growth

**Nationwide Fixed Account/** Stable principal and current income

Investment allocation changes are allowed up to once each calendar month. However, exchanges and/or transfers from the Fixed Account may not exceed four (4) exchanges in a calendar year (January 1 – December 31). Note that no more than 20% of your Fixed Account value from the previous calendar year-end may be transferred out to another fund, excluding claim reimbursements for qualified expenses.

Please carefully study Part IV Investment Fund Information in this brochure and call the VEBA HSP TPA and ask for the Investment Fund Overview. You may also obtain additional information from a VALIC representative or the VEBA HSP TPA. Phone numbers are listed on page four of this Plan Summary.

***Will I receive a statement of my account?***

You will receive quarterly statements detailing all activity in your account. You may also call and request additional statements at any time from the TPA.

***Will my account grow?***

The net investment earnings or losses (after expenses are deducted) are credited tax-free to your account on a monthly basis.

***How are expenses paid?***

Each participant will be charged a monthly fee of \$3.00 per month plus an asset-based fee which is converted to a flat dollar amount which will be deducted from each account by the TPA. This fee will help pay for plan expenses such as the TPA fee, postage, printing, trustee/custodial fees, etc. There will also be fees deducted from your accounts as a percent of assets. These will include the investment management fee which varies depending upon which funds you choose.

***What is a health savings account (HSA) and can a VEBA HSP participant contribute to an HSA?***

HSAs are a type of tax favored medical reimbursement account (your VEBA HSP account is not an HSA). If you want to make contributions to an HSA, you must meet the contribution eligibility requirements. HSA eligibility requirements are contained in the U.S.

Treasury Department's HSA Basics brochure at [www.ustreas.gov](http://www.ustreas.gov).

Current IRS rules require that you limit your VEBA HSP coverage to permit the reimbursement of only certain types of expenses and insurance premiums as one of the eligibility requirements if you want to make contributions to an HSA. To limit withdrawals from your VEBA HSP account, simply submit a completed and signed Election of Limited VEBA HSP Plan Coverage Form. If you have any questions, please contact the TPA.

***What about amendments or termination of the Plan?***

The County reserves the right to amend or discontinue offering the Plan. In the event of Plan termination, plan assets will be treated in accordance with the terms of the Plan Document. Plan amendment may not cause forfeiture or reduction of benefits.

***Where do I get more information?***

Contact the County of Riverside Human Resources Department or the VEBA HSP TPA.

**County of Riverside Human Resources Department**

P.O. Box 1569  
Riverside, CA 92502  
Benefits Information: (951) 955-4981  
(select the retirement option)  
Fax: (951) 955-8538

**VEBA HSP Third-party Administrator (TPA)**

REHN & ASSOCIATES  
P.O. Box 5433  
Spokane, WA 99205-0433  
Phone: 1-800-VEBA101 (832-2101)  
Fax: (509) 535-7883  
E-mail: [riversideco@rehnonline.com](mailto:riversideco@rehnonline.com)

**VEBA Plan Consultant**

VEBA Service Group, LLC  
906 West 2<sup>nd</sup> Avenue, Suite 400  
Spokane, WA 99201-4502

**Investments**

**JPMorgan Investor Funds**  
[www.jpmorganfunds.com](http://www.jpmorganfunds.com)

**Local Plan Service**

VALIC  
333 S. Anita Dr., Suite 875  
Orange, CA 92868  
1-800-892-5558

VALIC is on site at the County Administrative Center 4080 Lemon St, 1<sup>st</sup> Floor on Thursdays from 10:30 a.m. to 3:00 p.m.

If you already use a VALIC Financial Representative for your 457 Deferred Compensation and/or 401(a) Money Purchase Plan with the County, contact your Representative to obtain more information or to set up an appointment to discuss the advantages of the VEBA Post Employment Program. If you do not use a VALIC Financial Representative, you can contact the local VALIC office at 1-800-892-5558 to inquire who services your area.

## **PART II**

### **Other Plan Information**

The name of the Plan is the County of Riverside, California Voluntary Employees' Beneficiary Association Post Employment Health Savings Plan.

The assets of the Plan are held in a trust. Washington Trust Bank has been named trustee.

Washington Trust Bank  
Attn: Private Banking  
717 W. Sprague Avenue  
P.O. Box 2127  
Spokane, WA 99210-2127

This Trust is a Voluntary Employees' Beneficiary Association under Internal Revenue Code 501(c)(9).

The Plan administration is conducted by a third party, REHN & ASSOCIATES, P.O. Box 5433, Spokane, WA 99205-0433, 1-800-VEBA101 (832-2101) or (509) 534-0600.

The Plan consultant is VEBA Service Group, LLC, 906 West 2<sup>nd</sup> Avenue, Suite 400, Spokane, WA 99201, 1-800-888-8322 or (509) 838-5571, Attn: Mark R. Wilkerson, CFP®.

The Trust's investment funds are offered through JPMorgan and Goldman Sachs.

Local plan service and plan education is offered by VALIC, 1-800-892-5558.

The Plan's agent for service of legal process is the County of Riverside Clerk of the Board.



This Plan is provided under collective bargaining agreements or employer policy.

All accounts are 100% vested and the Plan does not discriminate regarding eligibility to participate.

In the event the TPA is unable to locate you, or a dependent of yours, or your personal representative, and your account is unclaimed for a period of at least three years since your whereabouts was last known to the TPA, your account will be forfeited to the Plan, as authorized by California's Unclaimed Property Law, to pay operating expenses of the Plan and your account will terminate.

The Plan year is the calendar year.

Requests for benefits under the Plan must be made in writing to the TPA in accordance with the claims procedure described in this Plan Summary. Requests for benefits which are denied may be appealed in writing to the VEBA HSP third-party administrator.

### **PART III**

#### **Procedure Disputed Claims**

If your claim is denied in whole or in part, the TPA shall notify you of the denial and will include the specific reasons for the denial; the specific plan provisions or IRS rules or regulations upon which the denial is based; a description of any material necessary for your claim to be processed; and information on how to appeal the denial through a written request for review.

If your claim is denied, you or your authorized representative may appeal the denial in writing to the TPA. You have 180 days from the date you receive the written notification of your denial to make your appeal. You will have the right to review pertinent documents and submit written issues and comments concerning your claim to the TPA.

After the TPA receives an appeal of a denied claim from you or your authorized representative, the TPA shall deliver the complete file to the County, who shall consider your appeal within 60 days from the time that your appeal was received by the TPA.

In special circumstances, the County may exercise a 60-day extension to review the decision. The County's decision shall be furnished to you and shall include

specific reasons for its decision and specific references to pertinent Plan provisions or IRS rules or regulations on which the decision was based.

The County may determine that a hearing is required to properly consider a claim that has been appealed. In that event, such determination shall constitute special circumstances permitting an extension of time in which to consider the claim that is appealed.

Claims proceedings set forth in this Plan Summary and in more detail in the Plan Document must be strictly adhered to by each claimant and no judicial or arbitration proceedings with respect to any claim for Plan benefits shall be commenced by any such claimant until the appeal has been exhausted in full.

### **PART IV**

#### **Investment Fund Information**

##### **INVESTMENT RISK**

Accounts invested in stocks or bonds are not guaranteed and will fluctuate in value on a monthly basis. Benefit withdrawals (claims) from these funds may be worth more or less than your original deposit.

The Nationwide Fixed Account seeks current income and stability of principal.

Periodically review your selected investment fund choice(s). Should your investment objectives change, you should reevaluate your fund selection(s) and notify the TPA in writing of any changes.

Remember, any investment which contains stock market investments entails the risk of loss. There have been numerous loss periods in the past in these types of funds and there will be others in the future. Please remember that investment returns, particularly over shorter time horizons, are highly dependent on trends in various investment markets. Thus, the stock or bond investments are suitable primarily as longer term investments and should not be for short term use.

##### **TRANSFERS**

You may transfer among the five funds monthly. Transfers are effective the 1<sup>st</sup> business day of each month. However, exchanges and/or transfers from the Fixed Account may not exceed four (4) exchanges in a calendar year (January 1 – December 31). Note that no more than 20% of your Fixed Account value from the previous calendar year-end may be

transferred out to another fund, excluding claim reimbursements for qualified expenses.

Participants may use an Account Change Form or login to their VEBA HSP online account at [www.rehnonline.com](http://www.rehnonline.com) to make fund transfers. Transfer requests must be received in writing by the TPA by the 25<sup>th</sup> of each month in order to be effective on the 1<sup>st</sup> business day of the following month.

#### **WITHDRAWALS**

If you have multiple funds, withdrawals made from your account will be withdrawn prorata based on your fund allocation percentage on file with the TPA, unless you request otherwise.

#### **USING MULTIPLE FUNDS**

You may have your account allocated to a single fund, two funds, three funds, four funds, or to all five funds.

#### **CONTRIBUTIONS**

Contributions are held in a short term investment fund and credited with monthly earnings until the 1<sup>st</sup> of the month following receipt when they will be allocated per the participant's current allocation instructions on file with the TPA. Participants may not make additional contributions to this plan. Rollovers to and/or from the Plan are not permitted.

#### **INVESTMENT FUNDS**

**Fund Name / Fund objective**

**JPMorgan Investor Growth Fund / Long-term growth**

**JPMorgan Investor Growth & Income Fund / Long-term growth and current income**

**JPMorgan Investor Balanced Fund / Total return and capital preservation**

**JPMorgan Investor Conservative Growth Fund / Income with modest growth**

**Nationwide Fixed Account/ Stable principal and current income**

#### **INVESTMENT ADVICE**

Participants are encouraged to seek advice regarding these investment funds from their personal financial advisor. The County of Riverside, Trustee, Plan Consultant, or TPA do not give investment advice.

#### **INVESTMENT EXPENSES**

Investment expenses are expressed as a percent of assets on an annualized basis and paid by a reduction

to investment earnings, or if there are no earnings, charged as a deduction to participant accounts.

#### **ADDITIONAL INFORMATION**

You may view additional information regarding the JPMorgan funds (including risk, performance, holdings, fees, management, etc.) at [www.jpmorgan.com](http://www.jpmorgan.com). Fund prospectuses may be viewed on the website and are also available from VALIC, or copies may be obtained from the County's Human Resources Department. Additional information regarding Nationwide Fixed Account may be obtained at [www.nationwide.com](http://www.nationwide.com) or by contacting the TPA.

### **PART V**

#### **COBRA Notice, USERRA Rights, and FMLA Notice**

**Important information regarding COBRA continuation coverage rights for all participating employees, spouses, and covered children.**

##### **Introduction**

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) is a federal law that provides participants and those covered by this Plan the right to continue to make contributions and/or file claims for a specified time period if such rights are lost due to certain qualifying events.

You, your spouse, and covered children should carefully read this notice. It is intended to generally explain your COBRA continuation coverage rights and the responsibilities of you and your employer as described by the law. This notice is a summary only. It is not an exhaustive description.

Questions regarding your COBRA continuation coverage rights and responsibilities should be directed to the Plan's TPA, REHN & ASSOCIATES.

##### **General information**

A "qualifying event" is an event resulting in the loss of continued employer contributions and/or access to benefits to which you would have otherwise been entitled under the Plan.

Individuals losing coverage due to a qualifying event are known as "qualified beneficiaries." Qualified beneficiaries have a right to elect COBRA continuation coverage; however, either the employer or participant

is required to notify the TPA within certain time limits for COBRA continuation coverage rights to apply.

COBRA continuation coverage must begin on the day coverage would otherwise end; no lapse in coverage is permitted. Qualified beneficiaries electing COBRA continuation coverage must pay a monthly premium for such coverage.

#### **Qualifying events**

**Participating employee.** If you are a participating employee, you will become a qualified beneficiary if continued employer contributions to the Plan are lost due to any of the following qualifying events: (1) you are voluntarily or involuntarily terminated (other than for gross misconduct); or (2) you experience a reduction in hours of employment.

**Spouse.** If you are the spouse of a participating employee, you will become a qualified beneficiary if continued employer contributions and/or access to benefits to which you would have otherwise been entitled under the Plan are lost due to any of the following qualifying events: (1) employee is voluntarily or involuntarily terminated (other than for gross misconduct); (2) employee experiences a reduction of hours of employment; (3) you become divorced or legally separated from employee; (4) employee passes away; or (5) employee becomes entitled to Medicare benefits.

**Covered Children.** Covered children of a participating employee will become qualified beneficiaries if continued employer contributions and/or access to benefits to which they would have otherwise been entitled under the Plan are lost due to any of the following qualifying events: (1) employee is voluntarily or involuntarily terminated (other than for gross misconduct); (2) employee experiences a reduction of hours of employment; (3) employee and spouse become divorced or legally separated; (4) child reaches age limitation or no longer meets definition of qualifying child; (5) employee passes away; or (6) employee becomes entitled to Medicare benefits.

#### **Qualifying event notification**

The TPA will offer COBRA continuation coverage to qualified beneficiaries after being notified within allowable time limits.

When the qualifying event is due to an active participating employee's (1) voluntary or involuntary termination (other than for gross misconduct); (2)

reduction of hours of employment; or (3) death, the employer must notify the TPA within 30 days of the occurrence of such event.

All other qualifying events (divorce or legal separation, or child reaches age limitation or no longer meets the definition of qualifying child) require that the participating employee or qualified beneficiary notify the TPA within 60 days of the occurrence of such event.

#### **COBRA continuation period**

The "COBRA continuation period" is the maximum period of time during which a qualified beneficiary may continue coverage under COBRA.

COBRA continuation coverage can last for up to 18 months when the qualifying event is due to a participating employee's (1) voluntary or involuntary termination (other than for gross misconduct); or (2) reduction of hours of employment.

A maximum of up to 36 months is allowed when the qualifying event is due to the participating employee's (1) legal separation or divorce; (2) death; (3) becoming entitled to Medicare benefits; or (4) when a covered child reaches age limitation or no longer meets the definition of qualifying child.

#### **18-month COBRA continuation period extension**

If you or any other family member covered under the Plan is determined by the Social Security Administration to be disabled within the first 60 days of an 18-month COBRA continuation period, an 11-month extension, for a total of up to 29 months, is allowable for all covered individuals. To receive the extension, you or the qualified beneficiary(ies) must notify the TPA within 60 days of the disability determination and before the end of the original 18-month COBRA continuation period.

Also, if a second qualifying event occurs during an 18-month COBRA continuation period involving the participating employee's legal separation or divorce, death, or becoming entitled to Medicare benefits or when a covered child reaches age limitation (no longer meets the definition of a qualifying child) the covered spouse and/or covered children may continue coverage for up to the number of months totaling a maximum 36-month COBRA continuation period. To be eligible for the extension, the qualified beneficiary(ies) must notify the TPA within 60 days of the occurrence of the second qualifying event.

## **Information resources**

Questions concerning your COBRA continuation coverage under this Plan (including the cost of such coverage and when payments are due) should be directed to the TPA, or you may visit [www.dol.gov/ebsa](http://www.dol.gov/ebsa) to view more information or locate a U.S. Department of Labor Employee Benefits Security Administration (EBSA) office near you.

## **USERRA RIGHTS**

If you are on military leave that is governed by the Uniformed Services Employment and Re-employment Rights Act (USERRA), you may continue to file claims for qualified expenses for you and your qualified dependents.

If you were entitled to receive a future contribution, but will not receive the contribution due to the military leave, you or your covered qualified dependents may elect to continue contributions to the plan for the lesser of 24 months or the period ending on the date in which you could, but fail to, apply for or return to a position of employment with your participating employer. If you make this election, you will generally be required to pay 102% of the contributions to which you were entitled.

Should you have any questions regarding USERRA rights, please contact the TPA.

## **FMLA NOTICE**

The County of Riverside VEBA HSP plan qualifies as a group health plan under the Family and Medical Leave Act (FMLA). If you are receiving monthly or other recurring contributions to your VEBA HSP account, you may be entitled to continued contributions paid by your employer should you go out on FMLA leave.

## **PART VI Privacy Notice**

### ***Introduction***

This notice informs you of the ways VEBA HSP may use and disclose medical information about you, and describes our obligations and your rights regarding the use and disclosure of medical information.

This notice also describes how you can access such information. Please review carefully. Questions should be directed to the Plan's TPA, REHN &

ASSOCIATES at 1-800-VEBA101 (832-2101) or [riversideco@rehnonline.com](mailto:riversideco@rehnonline.com).

### ***Who will follow this notice***

The Plan is structured so that your medical information is administered and maintained solely by the Plan's TPA, and neither the Plan, the Plan Sponsor, nor your Employer will create or receive medical information except for summary health information for limited purposes and enrollment/disenrollment information. The TPA and any other third party that assists in the administration of Plan claims are required by law and by contract with the Plan to follow this notice.

### ***Privacy pledge***

Medical information about you and your health is personal, and we are committed to protecting it. A record of your health care claims reimbursed under the Plan is kept for administration purposes only. This notice applies to all medical records we maintain.

We are required by law to (1) make sure medical information identifying you is kept private; (2) make sure that information stored or transmitted in electronic form is secure; (3) provide this notice of our legal duties and privacy/security practices concerning medical information about you; and (4) follow the terms of the notice currently in effect.

### ***How we may use and disclose medical information about you***

The following categories describe various ways we use and disclose medical information. Explanations and examples are provided for each category of uses or disclosures. Not every use or disclosure is listed. However, all the ways we are permitted to use and disclose information will fall within one of the categories.

### ***For payment (as described in applicable regulations).***

We may use and disclose medical information about you to determine eligibility for Plan benefits, to facilitate payment for the treatment and services you receive from health care providers, to determine benefit responsibility under the Plan or to coordinate Plan coverage. For example, we may tell your health care provider about your medical history to determine whether a particular treatment is medically necessary, or to determine whether the Plan will cover the treatment. We may also share medical information with another entity to assist with the adjudication or subrogation of health claims, or with another health plan to coordinate benefit payments.

**For health care operations (as described in applicable regulations).** We may use and disclose medical information about you for other Plan operations necessary to run the Plan. For example, we may use medical information in connection with conducting quality assessment and improvement activities; other activities relating to Plan coverage; conducting or arranging for legal services, audit services and fraud and abuse detection programs; business planning and development such as cost management; and business management and general Plan administrative activities.

**As required by law.** We will disclose medical information about you when required to do so by federal, state or local law. For example, we may disclose medical information when required by a court order in a litigation proceeding such as a malpractice action.

**To avert a serious threat to health or safety.** We may use and disclose medical information about you, when necessary, to prevent a serious threat to your health and safety, or the health and safety of the public or another person, but only to someone able to help prevent the threat. For example, we may disclose medical information about you in a proceeding regarding the licensure of a physician.

**Special situations: Military and veterans.** If you are a member of the armed forces, we may release medical information about you as required by military command authorities. We may also release medical information about foreign military personnel to the appropriate foreign military authority.

**Workers' compensation.** We may release medical information about you for workers' compensation or similar programs providing benefits for work-related injuries or illness.

**Public health risks.** We may disclose medical information about you for public health activities such as to (1) prevent or control disease, injury or disability; (2) report births and deaths; (3) report child abuse or neglect; (4) report reactions to medications or problems with products; (5) notify people of recalls of products they might be using; (6) notify a person who might have been exposed to a disease or might be at risk for contracting or spreading a disease or condition; or (7) notify the appropriate government authority if we believe a patient has been the victim of abuse, neglect or domestic violence (we will only make this disclosure if you agree or when required or authorized by law).

**Health oversight activities.** We may disclose medical information to a health oversight agency for activities authorized by law. For example: audits, investigations, inspections and licensure necessary for the government to monitor the health care system, government programs and compliance with civil rights laws.

**Lawsuits and disputes.** If you are involved in a lawsuit or a dispute, we may disclose medical information about you in response to a court or administrative order, or in response to a subpoena, discovery request or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request, or to obtain an order protecting the information requested.

**Law enforcement.** We may release medical information if asked to do so by a law enforcement official (1) in response to a court order, subpoena, warrant, summons or similar process; (2) to identify or locate a suspect, fugitive, material witness or missing person; (3) about the victim of a crime if, under certain limited circumstances, we are unable to obtain the person's agreement; (4) about a death we believe may be the result of criminal conduct; (5) about criminal conduct at the hospital; and (6) in emergency circumstances to report a crime, the location of the crime or victims, or the identity, description or location of the person who committed the crime.

**National security and intelligence activities.** We may release medical information about you to authorized federal officials for intelligence, counterintelligence and other national security activities authorized by law.

**Inmates.** If you are an inmate of a correctional institution or under the custody of a law enforcement official, we may release medical information about you to the correctional institution or law enforcement official necessary (1) for the institution to provide you with health care; (2) to protect your health and safety or the health and safety of others; or (3) for the safety and security of the correctional institution.

**Your rights regarding medical information about you**  
You have the following rights regarding medical information we maintain about you.

**Right to inspect and copy.** You have the right to inspect and copy medical information that may be used to make decisions about your Plan benefits. To inspect and copy such information, you must submit a written request to the TPA. We may charge a fee for the costs of copying, mailing or other supplies associated with

your request. We may deny your request to inspect and copy in certain very limited circumstances, in which case you may request that the denial be reviewed.

**Right to amend.** If you feel that medical information we have about you is incorrect or incomplete, you may ask us to amend the information. You have the right to request an amendment for as long as the information is kept by or for the Plan. To request an amendment, you must submit a written request to the TPA including a reason that supports your request. Your request may be denied if it is not in writing or does not include a reason to support the request, or if you ask us to amend information that (1) is not part of the medical information kept by or for the Plan; (2) was not created by us, unless the person or entity that created the information is no longer available to make the amendment; (3) is not part of the information which you would be permitted to inspect and copy; or (4) is accurate and complete.

**Right to an accounting of disclosures.** You have the right to request an “accounting of disclosures” where such disclosure was made for any purpose other than treatment, payment or health care operations. This includes any unauthorized access, use, disclosure, modification or destruction of electronic medical information or any interference with an information system handling such information. To request an accounting of disclosures, you must submit a written request to the TPA stating a specific time period, which may not be longer than six years, and may not include dates before Plan participation began. Your request should indicate in what form you want the list (for example, paper or electronic). The first list you request within a 12-month period will be free; you may be charged for additional lists. We will notify you of any charge and you may choose to withdraw or modify your request before any costs are incurred.

**Right to request restrictions.** You have the right to request a restriction or limitation on the medical information we use or disclose about you for treatment, payment, health care operations, or to someone who is involved in your care or the payment for your care, like a family member or friend. For example, you could ask that we not use or disclose information about a surgery you had. We are not required to agree to your request. To request restrictions, you must submit a written request to the TPA detailing (1) what information you want to limit; (2) whether you want to limit our use, disclosure or

both; and (3) to whom you want the limits to apply (i.e., your spouse).

**Right to request confidential communications.** You have the right to request that we communicate with you about medical matters in a certain way or at a certain location. For example, you can ask that we only contact you at work or by mail. To request confidential communications, you must submit a written request to the TPA specifying how or where you wish to be contacted. We will not ask the reason and will accommodate all reasonable requests.

**Right to a paper copy of this notice.** You have the right to a paper copy of this notice at any time, even if you have agreed to receive this notice electronically. To obtain a paper copy of this notice, contact the TPA.

### **Changes to this notice**

We reserve the right to change this notice and make the revised notice effective for medical information we already have about you as well as any information we receive in the future.

### **Complaints**

If you believe your privacy rights have been violated, you may file a complaint with the Plan or the Secretary of the Department of Health and Human Services. To file a complaint with the Plan, contact the TPA. You will not be penalized for filing a complaint.

### **Other uses of medical information**

Other uses and disclosures of medical information not covered by this notice or the laws that apply to us will be made only with your written permission. Such permission may be revoked, in writing, at any time and we will no longer use or disclose medical information about you for the reasons covered by your written authorization. You understand we are unable to take back any disclosures already made with your permission, and that we are required to retain our records of the service we provided you.

## **PART VII**

### **Medicare Part D Notice of Noncreditable Coverage**

**To participants, spouses, children and dependents eligible or becoming eligible for Medicare. Important notice regarding your prescription drug coverage under this Plan and Medicare Part D.**

### **Introduction**

Please read this notice carefully and keep it where you can find it. This notice contains information about prescription drug coverage provided by this Plan and Medicare Part D prescription drug coverage available for everyone with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

***Medicare Part D prescription drug coverage became available in 2006.***

You may have heard about Medicare's prescription drug coverage and wondered how it will affect you. Medicare prescription drug coverage became available to everyone with Medicare in 2006. All Medicare Part D prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

***You might want to consider enrolling in Medicare prescription drug coverage.***

Prescription drug coverage provided by this Plan is limited to your available account balance and is considered "non-creditable." In other words, coverage provided by this Plan is, on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay. Therefore, you might want to consider enrolling in a Medicare prescription drug plan.

***If you don't enroll when first eligible, you may pay more and have to wait to enroll.***

Generally, individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15 through December 31. If, after becoming eligible for Medicare, you go 63 days or longer without creditable coverage (prescription drug coverage that is at least as good as Medicare's prescription drug coverage), your premium will go up at least 1% per month for every month that you did not have creditable coverage. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. For example, if you go nineteen months without creditable coverage, your premium will always be at least 19% higher than what many other people pay.

***If you or your spouse, children, or dependents are currently Medicare eligible, you need to make a decision.***

The terms of this Plan will not change if you choose to enroll in a Medicare prescription drug plan. This Plan will continue to reimburse all qualified premiums and

expenses, including prescription drug costs not payable under the Medicare prescription drug plan, subject to the terms of the Plan and limited to your available account balance.

When making your decision whether to enroll, you should compare your current coverage, including which drugs are covered, with the coverage offered by the Medicare prescription drug plans in your area.

***Information resources***

More detailed information about Medicare plans that offer prescription drug coverage is contained in the *Medicare & You* handbook from Medicare available online at [www.medicare.gov](http://www.medicare.gov). You may also be contacted directly by Medicare-approved prescription drug plans. Obtain additional information by (1) visiting [www.medicare.gov](http://www.medicare.gov) for personalized help; (2) calling your State Health Insurance Assistance Program (see your copy of the *Medicare & You* handbook for telephone numbers); or (3) calling 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Find out more by visiting the Social Security Administration online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or by calling 1-800-772-1213 (TTY 1-800-325-0778).

NOTE: You might receive this notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage and when necessitated by coverage changes. You may also request a copy at anytime from the TPA.

## **PART VIII**

### **Coordination of Benefits with Medicare**

**Coordination of Benefits with Medicare.**

If you are entitled to Medicare and are claims eligible under your HRA account, federal law governs whether your HRA account or Medicare pays or reimburses your medical expenses first. The following summarizes the priority of claims payment as between your HRA account and Medicare. To comply with federal law you should file your claims in accordance with these primary and secondary payer rules.

If you, your spouse, or dependents are entitled to Medicare benefits due to end-stage renal disease (ESRD), and you have an active VEBA HSP account (regardless of your employment or retirement status),

your account is primary to Medicare for the first 30 months of your Medicare eligibility. During the first 30 months of your Medicare eligibility you should file claims against your VEBA HSP account prior to submitting expenses or claims to Medicare.

**MMSEA Section 111 Reporting.**

Section 111 of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA), a federal law that became effective for HRA (your VEBA HSP) plans for plan years beginning on or after October 1, 2010, requires the TPA for your VEBA HSP account to report specific information about Medicare beneficiaries who have other group coverage (such as your VEBA HSP coverage). To comply with this federal law, the policies and procedures of the TPA will now require you to provide information necessary to comply with the MMSEA Section 111 reporting requirements in order to file claims in your VEBA HSP account. In addition, in submitting claims for reimbursement for coverage under your VEBA HSP account and Medicare, you should follow the priority of payment rules summarized above. If you have any questions about MMSEA Section 111 reporting or about who should pay first, you should contact the TPA or you can call the Medicare Coordination of Benefits Contractor at 1-800-999-1118. TTY users should call 1-800-318-8782.