

Our Way of Saying Thanks

Retiree Health Reimbursement Accounts

Sonoma County is pleased to offer a Retiree Health Reimbursement Account (HRA) to dedicated employees as a way of saying thanks for all your hard work. The information below offers a brief overview of the HRA program and gives you an idea of what to expect when you meet the eligibility requirements..

What is a Health Reimbursement Account?

Health Reimbursement Accounts (HRAs) are IRS-approved reimbursement accounts which enable you to pay or be reimbursed for medical expenses incurred including insurance premiums for health, dental, vision, long-term disability (LTD) or Long-Term Care (LTC) as provided by §213(D) IRC.

What expenses are eligible for reimbursement?

Eligible HRA expenses include: co-payments, co-insurance, out-of-pocket medical expenses, dental & vision expenses, and premiums for health, LTD and LTC. Prescription and eligible Over-the-Counter (OTC) expenses can also be reimbursed through your HRA.

How do HRAs work?

The County will make contributions to the account of all eligible employees. Employees are immediately vested in 100% of deposited HRA funds which are available for use once you terminate employment with Sonoma County and either attain age 50 or commence retirement benefits from the Sonoma County Employees' Retirement Association, whichever is earlier.

These funds cannot be used while you are actively employed by Sonoma County. During this time, the funds will be invested in securities (mutual funds) on a tax-free basis.

Once you've retired, you may use these funds throughout your plan year to pay for your eligible medical expenses. Unused HRA balances are carried over from year to year (subject to established guidelines).

Who is Eligible?

Regular employees hired after January 1, 2009 are eligible to participate in this program under the following conditions:

- ▶ Complete two (2) full years of consecutive regular service with the County and,
- ▶ who are contributing members of the Sonoma County Employees' Retirement Association during that period.

When a full-time employee becomes eligible, Sonoma County will make a one-time, lump sum contribution of \$2,400. The contribution for eligible part-time employees will be pro-rated. Each pay period following the initial contribution, Sonoma County will contribute \$.58 for every hour the eligible employee is in pay status, up to 80 hours per biweekly pay period (excluding overtime hours). This includes periods of qualified leave with pay.

What are the advantages of having an HRA?

- ▶ HRAs are 100% employer-funded.
- ▶ HRAs are not taxable
- ▶ HRA contributions are invested and participants are not taxed on the earnings.
- ▶ It can be used for reimbursement of your co-insurance payments, monthly premiums, deductibles and co-pays.

You may also be eligible to participate if you meet the following alternative conditions:

- ▶ Employees who are eligible to retire or terminate during designated windows as adopted by the Board of Supervisors (details on eligibility and contributions may vary for different groups).
- ▶ Employees who pursuant to collective bargaining Memorandum of Understanding (MOU) are eligible to participate (Currently only ESC and WCE see your MOU for details on eligibility and contributions).

Note: Domestic Partners and dependents of Domestic Partners are not eligible for HRA participation or reimbursement according to current federal tax codes.

Questions? If you have additional questions about the Retiree HRA program, please contact your Human Resources Department Benefits Unit at (707) 565-2900 or via e-mail at benefits@sonoma-county.org.