Northfield PUBLIC SCHOOLS

VEBA/HRA Guide

MEDSURETY

Issued from the Human Resources Office November 2025

What is a VEBA HRA

The VEBA is a great benefit! Your employer deposits funds into a VEBA account, which is a tax-exempt irrevocable trust arrangement. It's paired with a Health Reimbursement Arrangement (HRA) which allows you to use the VEBA funds for current or future out-of-pocket health-relatedexpenses. The VEBA HRA doesn't replace your group health insurance plan. **It works with your plan to provide additional coverage.**

Did you know that VEBA assets are protected from creditors?

Active Employees

Use money in your VEBA HRA to pay health plan deductibles, co-pays and coinsurance as well as prescription drugs and certain insurance premiums. Don't worry. If you don't spend all of the funds in your VEBA HRA by the end of the year, your balance will simply roll into the next year. You'll accumulate funds over time which means you'll have money to pay for health expenses when you retire.

Post-retirement

Your employer can contribute funds to help you, your spouse and eligible dependents pay for medical expenses even after your retirement. That's pretty generous! Use your post-retirement VEBA funds to pay for certain medical premiums and long-term care premiums. Your employer can choose to make contributions throughout your working life or convert accumulated unused sick time, vacation, severance money, or other longevity-based benefits.

Tax Advantages

VEBA is a tax-advantaged account so you aren't taxed on your employer's contributions to it. Plus, your VEBA accrues interest that grows on a tax-free basis. Since VEBAs have to be used for eligible medical expenses, your distributions are tax free, too. **Money goes in tax free, is invested tax free, and comes out tax free.**

Full Coverage

All medical expenses defined under IRS Code Section 213(d) are eligible under your VEBA HRA including:

- Co-pays, prescriptions, over-the-counter medications, and deductibles
- Dental, medical, and vision services
- Medicare Part B and D
- Medical supplies and equipment

	No VEBA	VEBA
Initial Deposit	+$25,000	**+$25,000**
Federal Income Tax *(appx. 25%)*	-$6,250	**-$0**
FICA Tax *(appx. 7.65%)*	-$1,912	**$0**
Amount you get	**$16,838**	**$25,000**

A Few Guidelines

- VEBA is an acronym for Voluntary Employees' Beneficiary Association. It is a type of trust used to hold plan assets for the purpose of providing employee benefits. VEBAs are authorized by Internal Revenue Code § 501(c)(9).
- A VEBA may only be funded with employer dollars; employees may not contribute.
- You may use funds in the VEBA HRA to pay for eligible medical expenses now or in retirement.
- Unused funds roll over from year to year.
- You have the option to invest a portion of your unused funds in the market which is a great way to save for retirement.
- Funds in the accounts continue to grow until claims are processed and funds are withdrawn.
- You may submit claims for reimbursements one of four ways: Online, Mobile App, Fax, or US Mail. You may also access your funds with the Benefit Card which works just like a credit or debit card.
- You'll need to submit an insurance Explanation of Benefits (EOB) or itemized statement with a claim form to get reimbursed for eligible expenses.
- To ensure IRS compliance, 100% of claim requests are substantiated.
- We issue payments to you for eligible expenses either through direct deposit or with a manual check.
- The IRS requires the VEBA HRA to be integrated with a group health plan. It may not be offered to employees, or spouses and/or dependents without group health coverage. To comply with this IRS rule, you'll need to verify that your spouse and/or eligible dependents are covered under an employer-sponsored health plan before submitting claims on their behalf. Their employer-sponsored health plan may be with your employer or with their employer.

Throughout this guide, you'll find information about the key services and features to help maximize the benefits of your VEBA HRA. Feel free to reach out to us anytime you have questions or concerns. We're here to help.

We Have Your Back

Your VEBA HRA is administered by MEDSURETY, LLC. We believe in delivering a technology that makes healthcare financial decision-making easy and creates opportunities to save for healthcare retirement.

We're delighted to have you as a customer. We'll do everything we can to provide you with the best service in the industry and help ensure your experience with us is always positive.

Online Services

With MEDSURETY, you'll find all of the tools to manage your account with the simple click of a mouse, like:

- Account balance
- Investment elections/ reallocate account balance
- Fund fact sheets and prospectuses
- Online statements with statement on-demand capabilities
- Online claim submission
- Claims status and history
- Plan documents
- Pertinent forms
- Educational materials
- Legislative information
- More

The Benefit Card

Because you're enrolled in the VEBA HRA, you'll receive the Benefit Card at no cost. **It's a quick and easy way to access your VEBA HRA funds.**

It works just like a credit or debit card. When you use it at the doctor's office or pharmacy, funds are automatically pulled from your VEBA HRA and paid directly to the healthcare provider. No more writing checks or paying cash. Use your Benefit Card for any qualified health-care expenses.

Pay off your health care bills with the card too. Simply write the Benefit Card number on your statement for services you received in the plan year and send it to your health care provider. Then, send us a copy of the itemized bill from your provider or insurance carrier. (Sorry, it's an IRS requirement.)

A Few Details and Tips

- **It's in the mail**. About two weeks after enrollment, you'll receive two Benefit Cards in a white envelope marked "do not throw away." If a family member throws away the cards mistaking them for a credit card solicitation, we will have to charge a **$5 VISA replacement fee** for new cards.
- **Available Balance.** VEBAs are subject to fluctuations in market investments. If an expense is more than your remaining balance, the card will be declined. Visit medsurety.com for more details on filing claims.
- **Making a Purchase.** Check your account balance before making a purchase so you can split the cost if you'll be short. Use the card for the exact amount in your account, then pay the remaining amount separately. Benefit card purchases are controlled at the merchant level. If you're card is denied, it is likely due to a merchant restriction. If that happens, you'll need to use another form of payment. Then, keep your receipts and submit them for reimbursement.
- **Three Words: Keep Your Receipts.** The IRS requires that you use the card only for eligible expenses under the VEBA HRA. The card is "merchant coded" so it won't work at gas stations or restaurants. There may be times we'll need to see a receipt to verify an expense. If you receive a receipt request, be sure to submit it as soon as possible to avoid having your card suspended.

What's an itemized receipt? According to IRS rules, an itemized receipt must include the merchant or provider name, description of services received or item purchased, date of service, and amount charged. Canceled checks, handwritten receipts, card transaction receipts, or previous balance statements aren't considered itemized receipts.

What's Covered

Maximize the Value of Your Reimbursement Account - Your VEBA HRA dollars can be used for a variety of out-of-pocket health care expenses. Please note: premiums for individual health insurance are not covered expenses under the VEBA HRA. The following list is based on eligible and ineligible expenses used by Federal employees.

Eligible Expenses

BABY/CHILD TO AGE 13
- Lactation Consultant*
- Lead-Based Paint Removal
- Special Formula*
- Tuition: Special School/Teacher for Disability or Learning Disability*
- Well Baby /Well Child Care
- Baby Electrolytes and Dehydration
- Pedialyte, Enfalyte

DENTAL
- Dental X-Rays
- Dentures and Bridges
- Exams and Teeth Cleaning
- Extractions and Fillings
- Oral Surgery
- Orthodontia
- Periodontal Services

EYES
- Eye Exams
- Eyeglasses and Contact Lenses
- Laser Eye Surgeries
- Prescription Sunglasses
- Radial Keratotomy

HEARING
- Hearing Aids and Batteries
- Hearing Exams

LAB EXAMS/TESTS
- Blood Tests and Metabolism Tests
- Body Scans
- Cardiograms
- Laboratory Fees
- X-Rays

MEDICAL EQUIPMENT/SUPPLIES
- Air Purification Equipment*
- Arches and Orthotic Inserts
- Contraceptive Devices
- Crutches, Walkers, Wheel Chairs
- Exercise Equipment*
- Hospital Beds*
- Mattresses*
- Medic-Alert Bracelet or Necklace
- Menstrual Care Products
- Nebulizers
- Orthopedic Shoes*
- Oxygen*
- Post-Mastectomy Clothing
- Prosthetics
- Syringes
- Wigs*

MEDICAL PROCEDURES/SERVICES
- Acupuncture
- Alcohol and Drug/Substance Abuse *(inpatient and outpatient care)*
- Ambulance
- Fertility Enhancement and Treatment
- Hair Loss Treatment*
- Hospital Services
- Immunization
- In Vitro Fertilization
- Physical Examination *(not employment related)*
- Reconstructive Surgery *(due to a congenital defect, accident, or medical treatment)*
- Service Animals
- Sterilization/Sterilization Reversal
- Transplants *(including organ donor transportation)**

MEDICATIONS
- Insulin
- Over-the-Counter (OTC) Medications
- Prescription Drugs

OBSTETRICS
- Breast Pumps and Lactation Supplies
- Lamaze Class
- OB/GYN Exams
- OB/GYN Prepaid Maternity Fees *(reimbursable after date of birth)*
- Pre- and Post-natal Treatments

PRACTITIONERS
- Allergist
- Chiropractor
- Christian-Science Practitioner
- Dermatologist
- Homeopath
- Naturopath*
- Optometrist
- Osteopath
- Physician
- Psychiatrist or Psychologist

THERAPY
- Alcohol and Drug Addiction
- Counseling *(not marital or career)*
- Exercise Programs*
- Hypnosis
- Massage*
- Occupational
- Physical
- Smoking Cessation Programs*
- Speech
- Weight Loss Programs*

Ineligible Expenses

- Contact Lens or Eyeglass Insurance
- Cosmetic Surgery/Procedures
- Marriage or Career Counseling
- Lotions and Creams
- Electrolysis
- Personal Trainers

Individual Insurance premiums may be an eligible expense under your plan. Check with your HR Department to verify.

Note: This list is not all-inclusive; other expenses not specifically mentioned may also qualify. Also, expenses marked with an asterisk (*) are "potentially eligible expenses" that require a Note of Medical Necessity from your health care provider to qualify for reimbursement. Please visit irs.gov/publications/p502/ for a full list of eligible and ineligible expenses. Publication 502 should be used as a reference guide only.

Fast and Easy Online Claims

You can access the online claims portal directly logging into medsurety.com.

- On the Claims Home Page, select the **"I Want To… File a Claim"** button.
- Follow along with the Reimbursement Request Wizard, then upload documentation.
- Repeat this process until all claims have been added. Read and agree to the Terms & Conditions and click **Submit.**
- The **Transaction Confirmation** page will display. You may print the claim confirmation page as a record of your submission.

NOTE: If you see a **Receipts Needed** link in the **Tasks** section of your Home Page, click on it to see a listing of any claims that require receipts or documentation.

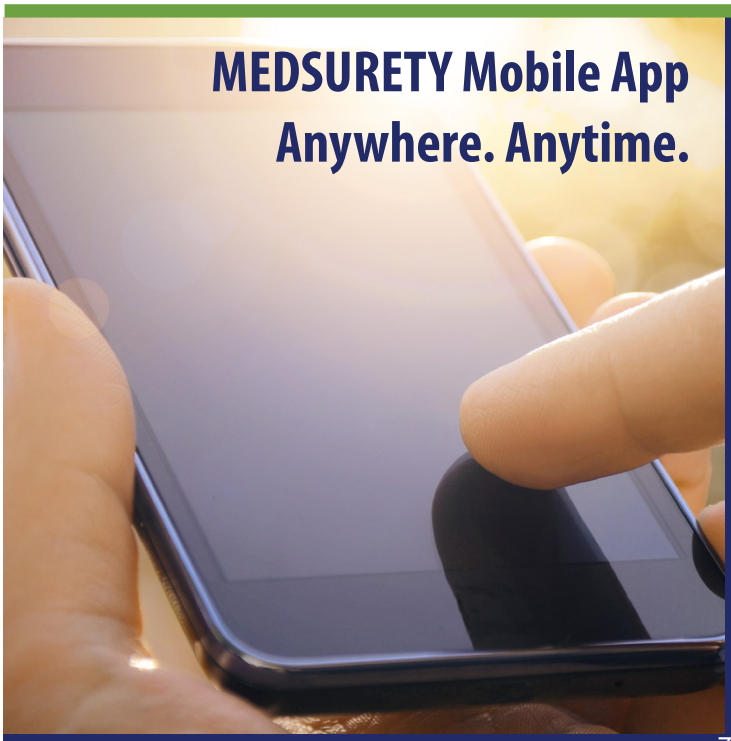
Did you know you can set up recurring claims?

File a claim just once and get reimbursements all year long! Just check the box for "Set up a recurring claim for this expense" when completing your claim form.

Add Dependents

IRS guidelines prevent us from paying for services to dependents not listed in your profile. To add/remove dependents:

- Select Claims from the Account Summary tab on the Home page
- Select Access Reimbursement Account
- Hover over Accounts and select Profile Summary . You'll be able to edit dependent data by clicking the view/update link under the dependent name or select Add Dependent to enter a new dependent to your plan. (You'll need a Social Security Number for each dependent to request reimbursements under your VEBA.)

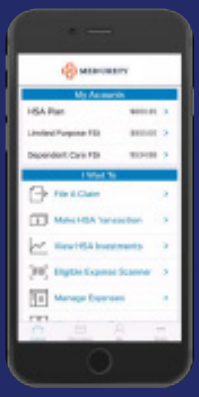


MEDSURETY Mobile App Anywhere. Anytime.

Download the free MEDSURETY mobile app by searching MEDSURETY from the app store or marketplace.

The login for the app is the same as your claims portal login that you have set up.

- Check Your Account Balance
- File Claims
- Check Claims Status
- Upload Receipts - using the camera on your phone.
- Report Lost Cards for Deactivation
- Use the Bar Code Scanner to find Eligible OTC items



A Few Common Questions

How do I view my claims history and status?On the Home Page of the Claims portal, click the Account link that shows your available balance. A list of submitted claims will appear. To view claim details, click anywhere on the claim.

How do I view my payment history?

1. On the Home Page of the Claims portal, hover over the **Accounts** tab and click **Payments.** You will see reimbursement payments made to date, including debit card transactions.
2. Click anywhere on the claim to see claim details.

How do I report a lost debit card and/or request a new card?

1. On the Home Page, hover over Accounts and select Banking/Cards from the menu.
2. Under the Debit Cards column, click Report Lost/Stolen or Order Replacement and follow instructions.

How do I get my reimbursement quickly?

The fastest way to get your money is to sign up for direct deposit to your personal checking account. To sign up online:

1. On the Home Page of the Claims portal, hover over the **Accounts** tab, then choose **Payment Method** from the menu.
2. Under the Current Payment Method, select **Update**. Then simply add or update your bank account information and click Submit.
3. The Payment Method Changed confirmation will display.

How do I receive copies of prior participant statements? Statements will be mailed to your home address quarterly. To get a copy, select the **Resource Center** tab. Statements are organized by plan year under Quarterly Benefit Statements.

Can I choose to get my statements and notices electronically?Yes, in fact we encourage it! To "Go Green," choose the **Account Maintenance** tab, then choose **Preferences.** You may then choose your Go Green options.

How do I reach MEDSURETY for additional assistance?
Call our highly-trained US-based Customer Service team at 1-888-816-4234 anytime Monday through Friday from 8 am to 5 pm CST. You may also send email inquiries to customerservice@medsurety.com.

Why do I need receipts for things I buy with the Benefit Card? There will be times when we'll require a receipt to comply with the IRS guidelines. It's best to send an itemized statement or Explanation of Benefits (EOB) from your insurance carrier so we can verify the service you received complies with IRS rules.

Sometimes the bill from your doctor or dentist doesn't provide enough information to show that the services are eligible for reimbursement. In such cases, we'll need to see an itemized receipt. For example, if you use the benefit card at the dentist, was it for a cleaning, which is eligible; or for teeth whitening, which is ineligible? If it's unclear, we'll send you a receipt request. We'll send out three notices asking for receipts. If
we don't receive the receipt/documentation, we'll have to temporarily deactivate your Benefit Card until we receive the information required by the IRS.

Why do I need to sign a release for you to speak with my spouse or family member?
The Health Insurance Portability and Accountability Act of 1996 (HIPAA) was created to protect your health information and safeguard individually identifiable information, called protected health information or PHI. Under HIPAA, we can only discuss PHI with the individual patient and/or primary plan member unless you authorize us in writing to share the information with someone else, like your spouse. So, even if you tell us it's OK to share PHI with your spouse, we can't legally discuss any information with him/her unless you sign the authorization. For your convenience, you may find an authorization in this enrollment kit and at bpas.com.

Have other questions? Give us a call.
1-888-816-4234