

VEBA Question & Answers

What if I have a question?

Do NOT contact City of Madison Human Resources, they City has NO involvement with the VEBA. If you have questions send them to the VEBA email address at madisonveba@gmail.com. Please note the VEBA Board members have full time jobs and will get back to you when they can.

How do I request the VEBA benefit?

Submit the claim form by February 15th for expenses from the preceding year.

How do I sign up for the VEBA benefit?

There is no sign up form. To determine whether you are eligible for the VEBA please submit the claim form.

When will I get the VEBA benefit?

Checks or ACH Direct Deposits will go out by April 15th of each year.

How much is my VEBA benefit?

The VEBA benefit reimbursement is reviewed annually by the VEBA Board. The amount established by the VEBA Board is up to \$6,000 (based on eligible receipts). The benefit is calculated based on the average hours you worked in the 3 years immediately preceding retirement or separation from service due to disability. If you worked 100% you are eligible for 100% of the benefit. If you worked less than 100% the amount is prorated to reflect the average percentage of time you worked (i.e. If you worked 50% you are eligible for 50% of the benefit).

Can I submit my receipts throughout the year?

No. Only 1 claim form per participant will be accepted per year. Claim forms may be submitted from December 1st to February 15th.

If my spouse or dependent has qualified medical receipts can I receive a reimbursement?

Yes, you may be reimbursed for any qualified receipt you submit on behalf of yourself, your spouse, your domestic partner or your dependent.

What expenses are eligible for VEBA reimbursement?

Any medical expenses found in 26 U.S.C. §§ 105(b), 213(d); including co-pays, coinsurance, premiums, deductibles and prescriptions. Internal Revenue Code §213(d) defines qualified expenses and premiums, in part, as amounts paid for insurance or for medical care “for the diagnosis, treatment, or prevention of disease...” Expenses solely for cosmetic reasons generally are not eligible (e.g. facelifts, hair transplants, etc...) Common expenses include co-pays, coinsurance, deductibles, and prescriptions. Common insurance premiums include medical, dental, vision, tax-qualified long-term care (subject to IRS limits), Medicare Part B, Medicare Part D and Medicare supplement plans.

The CARES ACT that was recently signed into law permanently reinstates coverage of OTC (Over the Counter) drugs and medicines as eligible for reimbursement without the need for a prescription. This change is effective for expenses incurred on or after January 1, 2020. A complete list of eligible expenses for reimbursement can be found at: irs.gov/publications/p502.

Insurance premiums paid by an employer or premiums that are deducted pre-tax are not eligible for reimbursement.

What if I die before I have received my complete VEBA reimbursement?

Your spouse or partner may potentially qualify to continue to receive the VEBA reimbursement. They should contact the City Employees VEBA Corporation.

Is the \$6,000 “my money”?

No the money is not “yours”, it is a general fund that provides disbursements based on claims and is not assigned to individuals.

If I don't spend all the reimbursement amount allotted to me can I carry over the remainder for the next year?

No, you are allotted a specific amount per year and if that amount is not spent then it is lost.

Where should I submit my claim form and receipts?

Mail, E-mail, Upload or Fax Claim Form with Copies of Your Bills or Receipts On or Before February 15 for Expenses from Preceding Year to:

PELION BENEFITS, INC.
3713-C University Drive
Durham, NC 27707

claims@pelionbenefits.com
www.pelionbenefits.com
Fax 919.942.2804
Telephone 888.532.7526

Can I make partial payments from my sick leave balance through WRS to cover my health insurance premiums and use the VEBA benefit to make up the difference?

No, WRS requires that the full premium come out of your sick leave balance. No partial payments are permitted through WRS.

Do I have to claim benefits the year I retire?

No, benefits may be claimed any time after retirement. But once you start making a claim the claims must be made in consecutive years.

What determines the claim year?

It is the year in which incur the expenses (the year the service occurred) not the year when you paid the expenses.

What if I retire mid-year, can I claim the benefit for that year?

Yes, you can claim the benefit at any point that you have eligible expenses.

Do I have to use my sick leave pay out before I claim the VEBA benefit?

No.

Can I start and stop when I claim the VEBA benefit?

No, once you start taking the benefit it may only be claimed in consecutive years.

What if I submit claims for more than \$6,000?

Your maximum benefit is \$6,000 once that limit has been reached you will be denied on any claims above this amount.

Is the VEBA benefit a flex spending account?

No.

What if I submitted a claim and haven't received my check by April 22nd ?

Please contact the VEBA Board at madisonveba@gmail.com

Should I contact the City of Madison HR Department if I have any questions about the VEBA?

No, you need to contact Pelion Benefits, Inc. at 1-888-532-7526 or claims@pelionbenefits.com or the VEBA Board at madisonveba@gmail.com

Does the City of Madison administer the VEBA?

No, the plan is administered by a Board independent of the City of Madison.

If I email the Board how quickly will I hear back?

You should hear a response within 72 hours.

FOR EMPLOYEES HIRED BEFORE JANUARY 1, 2018

Do I qualify to participate in the VEBA? Yes:

- a. You separated from employment due to disability or retired after 12/4/16, and
- b. You are eligible for WRS payments, and
- c. You were employed for at least 10 years immediately preceding (a) above and
- d. You were in compensation group 16, 20, 23, 31, 32, 33 or 83

How many years can I get the VEBA benefit if I separated from service after 10 years but less than 15 years?

You may receive the VEBA benefit for 5 consecutive years.

How many years can I get the VEBA benefit if I separated from service with 15 years?

You may receive the VEBA benefit for 10 consecutive years.

FOR EMPLOYEES HIRED AFTER JANUARY 1, 2018

Do I qualify to participate in the VEBA? Yes:

- a. You separated from employment due to disability or retired after 12/4/16, and
- b. You are eligible for WRS payments, and
- c. You were employed for at least 15 years immediately preceding (a) above and
- d. You were in compensation group 16, 20, 23, 31, 32, 33 or 83, and
- e. You are a permanent not hourly or seasonal employee.

How many years can I get the VEBA benefit if I separated from service after 15 years but less than 20 years?

You may receive the VEBA benefit for 5 consecutive years.

How many years can I get the VEBA benefit if I separated from service with 20 years?

You may receive the VEBA benefit for 10 consecutive years

What if I have further questions?

Please look at www.madison6000veba.com or email questions to madisonveba@gmail.com