



PAY FOR FUTURE HEALTH CARE COSTS 401(H) RETIREE HEALTH ACCOUNT

Presented by:

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WHY IT MATTERS

Help cover a significant retirement expense



HEALTH CARE COSTS KEEP RISING

– more than worker wages and inflation¹



INDIVIDUALS ARE LIVING LONGER²

– most should plan for living to age 90+

¹ Source: Kaiser Family Foundation, “Health Care Costs – a Primer” (May 2012)

² Source: Society of Actuaries, “Annuity 2000 Mortality Tables”

401(H) RETIREE HEALTH ACCOUNT

- ▶ Designed to help you pay for future health-care costs
- ▶ Covers you, your spouse, and dependents*
- ▶ A tax-advantaged saving and investing vehicle
- ▶ Sponsored by your employer, administered by ICMA-RC



*Dependents include children under age 27 who may not be dependents.

401(H) RETIREE HEALTH ACCOUNT

HOW IT WORKS

PARTICIPATION – your employer determines eligible employee groups

CONTRIBUTIONS – your employer determines who contributes

INVESTMENTS – you control, choosing from available funds

REIMBURSEMENTS – you request, for qualifying health expenses

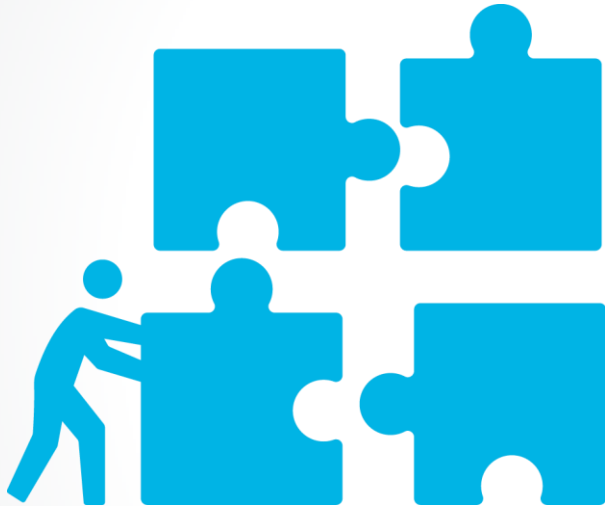
AFTER YOUR DEATH – assets may used by a surviving spouse
and dependents

TAX BENEFITS

1. Pre-tax employee contributions, if applicable, lower taxable income
2. Earnings build up tax-deferred
3. Withdrawals for qualifying expenses are tax-free



INVESTMENTS – CHOOSE YOUR APPROACH



1 I want to build
my own portfolio

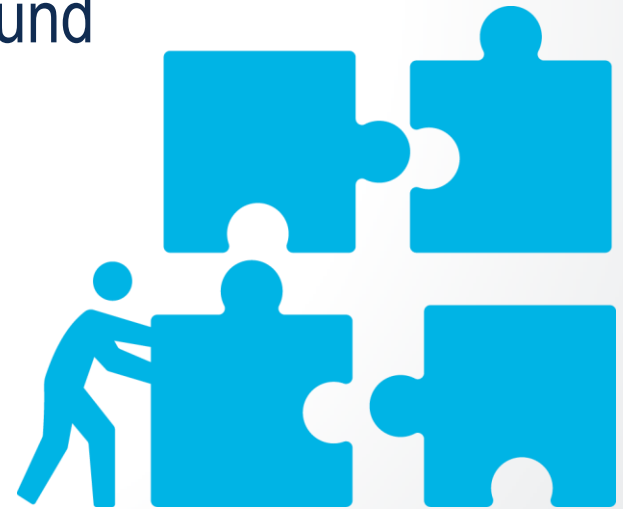


2 I want a simple, yet
diversified portfolio

1 BUILD YOUR OWN PORTFOLIO

Select individual funds

- ▶ Stock funds
- ▶ Bond funds
- ▶ Stable value/cash management fund
- ▶ Balanced funds that combine stocks, bonds



Please refer to the investment option sheet for your 401(h) account to confirm available funds.

2 KEEP IT SIMPLE, YET DIVERSIFIED

TARGET DATE FUNDS¹

- ▶ Based on expected initial withdrawal age
- ▶ Seek to reduce risk over time



TARGET RISK FUNDS

- ▶ Based on desired risk level
- ▶ Maintain defined range of risk

¹ A target-date fund is not a complete solution for all of your retirement savings needs. An investment in the fund includes the risk of loss, including near, at or after the target date of the fund. There is no guarantee that the fund will provide adequate income at and through an investor's retirement. Selecting the fund does not guarantee that you will have adequate savings for retirement.

WITHDRAWALS

Request reimbursements – you, or eligible survivors, must:

1

BE ELIGIBLE FOR BENEFITS FROM THE UNDERLYING PENSION PLAN

- ▶ Retirement
- ▶ Have separated from service
- ▶ Disabled

2

HAVE QUALIFYING BENEFITS*

- ▶ Medical, Dental, Vision Insurance Premiums
- ▶ Medical Out-of-Pocket Expenses
- ▶ Medicare Part B/D Insurance Premiums

3

SUBMIT NECESSARY FORMS, SUPPORTING DOCUMENTS

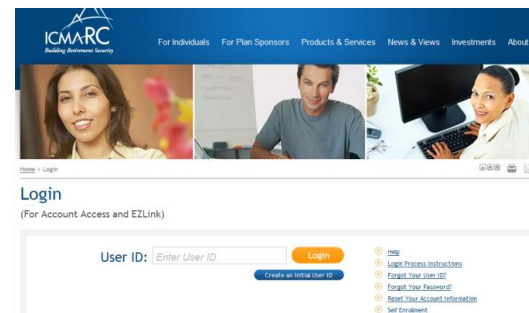
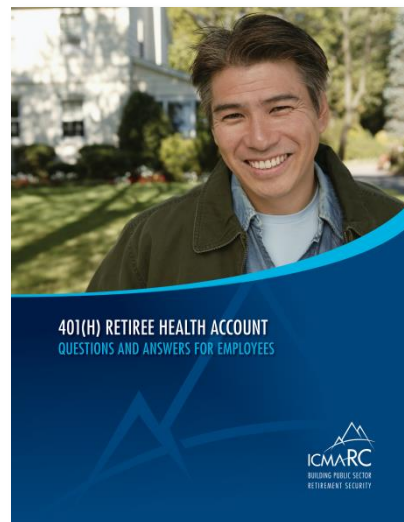
- ▶ Reimbursements are handled by the third-party administrator, Meritain Health

MOST CLAIMS – 10 DAY TURNAROUND TIME

* Examples of typical 401(h) Retiree Health Account Rules plan rules. Actual plan rules may differ based on employer.

KEY RESOURCES

- ▶ Your ICMA-RC Representative
<insert name>
<insert contact info>
- ▶ Manage your account online – www.icmarc.org
- ▶ Meritain Health – claims questions



QUESTIONS?



THANK YOU