

Municipality of Anchorage  
**Police and Fire Retiree Medical Trust**



**HEALTH REIMBURSEMENT  
ARRANGEMENT**

---

SUMMARY PLAN DESCRIPTION

# **TABLE OF CONTENTS**

<b>INTRODUCTION</b> .....	3
<b>ELIGIBILITY</b> .....	3
<b>BENEFITS</b> .....	4
<b>GENERAL INFORMATION ABOUT OUR HRA PLAN</b> .....	7
<b>ADDITIONAL PLAN INFORMATION</b> .....	8
<b>ADOPTION OF THE PLAN DOCUMENT</b> .....	9
<b>AND SUMMARY PLAN DESCRIPTION</b> .....	9

# **HEALTH REIMBURSEMENT ARRANGEMENT**

## **INTRODUCTION**

The Municipality of Anchorage Police and Fire Retiree Medical Trust Health Reimbursement Arrangement (HRA) Plan is a benefit program that allows you to obtain reimbursement of qualified medical expenses not otherwise reimbursed or reimbursable by any other accident or health plan with tax-free funds provided by the Trust from the HRA Account. Expenses incurred may be by you, your spouse or eligible dependents.

The Trust will maintain this “account” on a memorandum nature for accounting purposes, and will not be representative of any identifiable Trust assets. Benefit Credits withdrawn as requested by the Participant will be debited to the then existing account balance.

Participation in this Plan does not require you to enroll and participating in the Municipality of Anchorage (MOA) Group Health Plan. The benefits available under this HRA PLAN are outlined in this summary plan description.

Read this summary plan description carefully so that you understand the provisions of our HRA PLAN and the benefits you will receive. You should direct any questions you have to the Plan Administrator.

## **I ELIGIBILITY**

### **1. What Are the Eligibility Requirements for Our HRA PLAN?**

Represented individuals who are members of the police and fire retirement system and who are appointed to retirement on or after January 1, 1995. An individual who retires under the police and fire retirement system with a normal, early or permanent disability retirement benefit shall become a member of the program on the first day of the month following appointment to retirement.

### **2. When is My Entry Date?**

You can join the HRA PLAN on the day you meet the eligibility requirements.

## II BENEFITS

### 1. What Benefits Are Available?

The MOA allocates funds monthly, to be credited to your HRA Plan. These funds are known as Benefit Credits. These monthly credits for the benefit of each member begin with the first month in which the member becomes a member as described in AMC Section 3.87.040. Contributions end the month in which the member dies. In the case of a member who is receiving a permanent disability retirement benefit under the police and fire retirement system, contributions end with the earlier of the month in which the member dies or in which such disability retirement benefit ceases.

The fixed benefit credit amount will be determined and announced in October of each year. This new benefit credit amount will become effective January 1 of the subsequent year.

The PLAN allows you to be reimbursed up to the full credited value of your account per calendar year for eligible out-of-pocket medical, dental, prescription and vision expenses which are incurred by you and your dependents. The expenses, which qualify, are those permitted by Section 213 of the Internal Revenue Code. Dietary supplements and vitamins that are for general good health vs. medical care are not reimbursable.

Expenses are considered “incurred” when the service is performed, not necessarily when it is paid for. Any amounts reimbursed to you under the HRA PLAN may not be claimed as a deduction on your personal income tax return nor reimbursed by other health plan coverage [including a health flexible spending account]. The HRA PLAN is the “payer of last resort”; therefore you must first submit eligible expenses to an applicable health flexible spending account plan prior to submitting expenses to the HRA PLAN. Once the health flexible spending account plan balance is exhausted or if you do not participate in a health flexible spending account plan you may submit expenses to the HRA PLAN.

### **Special Rule for Members Disabled in the Line of Duty**

Members retired due to permanent occupational disability or reclassified as permanent occupational disability, as defined in chapter 3.85, shall be entitled to Class 1 benefits to remediate the diminution of benefits a member would have been entitled to if the member had continued in service until normal retirement age.

## Municipality of Anchorage Health Insurance Plans

You may choose to purchase the same MOA health plans as active police and fire employees.

ENTRY DATES	RESTRICTIONS
Within 31 days of appointment to retirement	NONE
Annual enrollment period	<p>Must submitting proof of insurability.  <b>(NOT CURRENTLY PRACTICED BY MOA)</b></p> <p>(Requirement waived during the sixth annual enrollment period following a member's appointment to retirement, and during every fifth annual enrollment period thereafter.)</p> <p>Pre-existing condition provisions of such plans apply.  <b>(NOT CURRENTLY PRACTICED BY MOA)</b></p>
Within 31 days of losing credible coverage, and having exhausted all COBRA rights	NONE

The required active insurance premium for such coverage must be paid from your HRA account. If the amount credited to your account is not sufficient to pay the required premium, you shall be required to contribute the balance of the premium. This may be by assignment or other instrument from your retirement benefit from the police and fire retirement system, or other form of payment deemed acceptable by the Municipality of Anchorage, including but not limited to the authorized deduction from the members spouse that is also a member of the program.

The MOA provides a monthly discount from the stated premium to all members purchasing municipal health insurance. This monthly discount is equal to the MOA High Deductible Health Plan monthly premium minus the monthly Class 1 contribution.

### Example

MOA High Deductible Health Plan	\$993.00
Minus Class 1 Monthly Contribution	<u>-\$758.60</u>
Total Discount	\$234.40

This discount is applied to all plans offered.

The spouse or dependent of a deceased member will be able to purchase these plans at the full premium. The monthly discount described above does not apply. This benefit is available to the spouse until attaining age 65 or until funds in the member's account

are exhausted, whichever is later. A dependent would be eligible if they would still qualify as the member's dependent if the member was alive. The surviving spouse or dependent shall submit proof of insurability.

## **2. When Must Expenses Be Incurred?**

Generally, distributions from an HRA must be paid to reimburse you for qualified medical expenses you have incurred. The expense must have been incurred on or after the date you are enrolled in the HRA.

You should submit reimbursement claims during the Plan Year, but in no event later than 365 days after the end of a Plan Year. Claims submitted after that time will not be considered.

## **3. When Will I Receive Payments From The HRA PLAN?**

During the course of the Coverage Period, you may submit requests for reimbursement of expenses you have incurred. However, you must make your requests for reimbursements no later than 365 days after the end of each calendar year (the Coverage Period). Reimbursement requests must include proof of the expenses you have incurred. Such submitted expenses must not have been paid by any other health plan coverage. Receipts or an explanation of benefits form from the insurance company are acceptable forms of proof. The filing deadline to receive reimbursement request is the 25<sup>th</sup> day of the month. Request received after that date will be processed in the subsequent claims processing period. Reimbursements will be processed starting on the first business day of the month. The Plan Administrator will hold claim submissions of less than \$50 until claims totaling \$50 or more are accumulated. It is intended for all reimbursement checks to be issued and mailed as soon as possible thereafter.

Remember, reimbursements made from the HRA PLAN are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes. Incomplete or ineligible reimbursement will be responded to in writing.

You will receive statements quarterly to show you account activity and how much is available in your account.

### III

## GENERAL INFORMATION ABOUT OUR HRA PLAN

This Section contains certain general information, which you may need to know about the HRA PLAN.

#### 1. General HRA Plan Information

POLICE & FIRE RETIREE MEDICAL TRUST is the name of the HRA PLAN.

The provisions of this PLAN become effective on January 1, 2011.

#### 2. Plan Administrator Information

The name, address, business telephone number and website of your Plan Administrator are:

Municipality of Anchorage  
Police & Fire Retiree Medical Trust  
PO Box 196650  
Anchorage, AK 99519-6650

Ph (907) 267-5094  
(877) 343-8203  
Fax (907) 249-7622

[www.muni.org/pfrmt](http://www.muni.org/pfrmt)

The Plan Administrator keeps the records for the PLAN and is responsible for the administration of the PLAN. The Plan Administrator will answer any questions you may have about the PLAN. The Plan Administrator has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding. You may contact the Plan Administrator for any further information about the PLAN.

#### 3. Type of Administration

The PLAN is a health reimbursement arrangement. The PLAN is not insurance or insured. Benefits are paid from the allocated assets of the PLAN. Balances remaining at the end of the year are rolled over to subsequent years.

## IV ADDITIONAL PLAN INFORMATION

### 1. How to Submit a Claim

When you have a Claim to submit for payment, you must complete a *Reimbursement Request Form*. These forms are available on the Trust website at [www.muni.org/pfrmt](http://www.muni.org/pfrmt). Enclose copies of all bills from the service provider or Explanation of Benefits forms from the insurance company(ies) substantiating the expense(s) for which you are requesting reimbursement and send them the Plan Administrator. This can be done via email, fax, mail or other form of delivery.

A Claim is defined as any request for a Plan benefit, made by a claimant or by a representative of a claimant that complies with the Plan's reasonable procedure for making benefit Claims. The times listed are maximum times only. A period of time begins at the time the Claim is filed. Decisions will be made within a reasonable period of time appropriate to the circumstances. "Days" means calendar days.

The Plan Administrator will provide written or electronic notification of any Claim denial. The notice will state the specific reason or reasons for the denial.

When you receive a denial, you will have 60 days following receipt of the notification in which to appeal the decision. You may submit written comments, documents, records, and other information relating to the Claim. If you request, you will be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the Claim.

The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the Claim, without regard to whether such information was submitted or considered in the initial Claim determination. The review will not afford deference to the initial denial.

You may request that the board of trustees review the appeal at the next regularly scheduled board meeting. A written determination will be made and sent to the member within 30 days thereafter.

### **KEEP YOUR PLAN ADMINISTRATOR INFORMED OF ADDRESS CHANGES**

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator or the Director of Human Resources.



**ADOPTION OF THE PLAN DOCUMENT  
AND SUMMARY PLAN DESCRIPTION**

This SUMMARY PLAN DESCRIPTION, made by the Police & Fire Retiree Medical Trust as of January 1, 2011, hereby sets forth the provisions of the Health Reimbursement Arrangement PLAN.

Effective Date

The Summary Plan Description is effective as of the date first set forth above, and each amendment is effective as of the date set forth therein (the "Effective Date").

Adoption of the HRA Plan Document and Summary Plan Description

The Plan Sponsor hereby adopts this Plan Document and Summary Plan Description as the written description of the HRA PLAN.

IN WITNESS WHEREOF, the Plan Sponsor has caused this Plan Document and Summary Plan Description to be executed.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title