

HEALTH REIMBURSEMENT ACCOUNT (HRA)

FOR FORMER CTA EMPLOYEES WHO CONTRIBUTED TO THE RHCT



Your HRA Questions
Answered **2018**





Am I Eligible for the HRA or RHCT Health Care Coverage?

You may be eligible for only the HRA at age 65 or you may have a choice between the HRA and the RHCT health care coverage. You cannot have both an HRA and RHCT health coverage.

If you have ever enrolled in RHCT health care coverage, you are not eligible for the HRA. The table below can help you determine the benefits that apply to you.

Age when you left the CTA	Eligibility Credits	As of January 1, 2018 (Different healthcare eligibility rules applied before 1/1/2018*)
Age 65 or older	20 or more years	RHCT health coverage or HRA immediately
	10-19 years	RHCT health coverage or HRA immediately
	Less than 10 years	Immediate HRA
Ages 55-64	20 or more years	RHCT health coverage at pension start or HRA at age 65
	10-19 years	RHCT health coverage at age 65 or HRA at age 65
	Less than 10 years	HRA at age 65
Less than age 55	20 or more years	RHCT health coverage at pension start or age 55 (whichever is later) or HRA at age 65
	10-19 years	RHCT health coverage at age 65 or HRA at age 65
	Less than 10 years	HRA at age 65

* If you collected a CTA pension prior to January 1, 2018 and had less than 20 Eligibility Credits, you are not eligible for RHCT health coverage.

- You are eligible for the HRA at age 65, even if you are not eligible for a pension.
- If you opted-out of the CTA Pension, or received a refund of your pension contributions, you are **only** eligible for the HRA.
- You may be eligible for immediate health care coverage if you receive a disability allowance, regardless of age.
- Certain part-time or temporary employees, who do not meet the requirements for a pension, may be eligible for health care coverage.

You May Have a Choice

If you meet the eligibility requirements for health care coverage from the RHCT and you have never enrolled in health care benefits from the RHCT, you must choose between the HRA and health care benefits from the RHCT. If you choose the HRA, you and any dependents will never be allowed to enroll in health care benefits from the RHCT. If you choose health care benefits from the RHCT, you will no longer be eligible for the HRA. Consider this choice carefully.

If you do not meet the eligibility requirements for health care coverage from the RHCT, you are only eligible for the HRA.

What You Need to Do

If You Are Eligible to Enroll in Health Care Benefits from the RHCT and you want to Enroll

If you want to enroll in health care benefits, you should call Group Administrators at 1-800-487-1150 and request an enrollment packet.

If You Are Eligible to Enroll in Health Care Benefits from the RHCT, but You Want the HRA

The enclosed personalized Statement of Contributions shows the amount of contributions you have available in your HRA. If you did not receive a statement, you can go online to groupadministrators.com to see your balance and update contact information. You will need to create a username and password. If you just left CTA employment, it will take up to six weeks for your account to be available.

If You Are Age 65 or Older

To begin using your HRA balance to pay for eligible healthcare expenses, you will have to enroll for the debit card.

Enclosed in this packet is an enrollment form and a return envelope. You must complete the enrollment form, sign it, and mail it back. Once you enroll, you will receive your HRA debit card within 3-4 weeks. If you turned age 65 before January 1, 2018, the yearly fee will be deducted every December 31, beginning with December 31, 2018. If you turn age 65 on or after January 1, 2018, a yearly fee will be deducted from your HRA balance each year on the one year anniversary of your eligibility, in other words, on your 66th birthday and on each year thereafter. Currently, the yearly fee is \$25.

What Kind of Expenses Can I Pay with the HRA Debit Card?

Most healthcare expenses that you would pay out-of-pocket can be paid using the debit card. Healthcare expenses include expenses for medical, dental, vision and prescription drug services and supplies as described in IRS Section 213(d) or in publication 502 at <https://www.irs.gov/pub/irs-pdf/p502.pdf>. Here are some common examples of expenses that are and those that are not eligible:

Eligible Expenses

- Copayments, deductibles, and your coinsurance
- Healthcare expenses that are not covered by your healthcare plan
- Premiums for healthcare coverage
- Out-of-pocket transportation expenses essential to obtaining health care
- Out-of-pocket expenses for qualified long-term care services

Ineligible Expenses

- Healthcare expenses reimbursed by insurance, Medicare or another federal or state health care programs
- Expenses you will claim as deductions or credits on your federal or state income tax returns
- Over the counter nonprescription drugs
- Cosmetic procedures
- General health and wellbeing expenses, like vitamins, exercise, or recreational activities
- Expenses that are not eligible to be claimed as deductions for health care on your federal income tax return

Whose Expenses Can I Pay with My Debit Card?

Besides your own expenses, you can pay for eligible expenses incurred for your spouse or eligible child(ren). The same rules about eligible expenses apply to the expenses incurred by your dependents as apply to your expenses. Your spouse is the person to whom you are legally married, as recognized by the State of Illinois. Internal Revenue Code restrictions do not allow reimbursement for expenses incurred by a civil union or domestic partner. If you divorce, your spouse will lose eligibility to participate in the HRA on the last day of the month of the date of dissolution of the marriage.

A child is eligible if the child is:

- The retiree's or former employee's natural, adopted (or placed for adoption) or stepchild through age 25, who:
 - Is unmarried;
 - Resides with the retiree (if the child is age 19 or older)*; and
 - Is dependent upon the retiree for over half of his or her financial support.
- A child named as an alternate recipient in a child support order, if the Plan Administrator determines the support order to be a Qualified Medical Child Support Order ("QMCSO").
- The retiree's or former employee's dependent child of any age who was disabled prior to age 26 and who, due to disability:
 - Is incapable of self-sustaining employment; and
 - Is dependent upon the retiree or other care provider for lifetime care and supervision because of the disability.

* *A child who is temporarily away at school but continues to have the same permanent address as the retiree is considered to reside with the retiree.*

Surviving Spouses

If you die after age 65, your surviving spouse may continue to use your HRA debit card as long as there is a balance. To be eligible for the Surviving Spouse HRA, you and your spouse must have been married for at least one year prior to your separation from employment with the CTA and that marriage must have continued uninterrupted until your death. If you die and do not have an eligible spouse, your remaining HRA balance will revert to the RHCT. When you enroll, you will be asked for a copy of your marriage certificate, if applicable.

If You And Your Spouse Are Former CTA Employees

If your spouse is also eligible for the HRA in his/her own right, then you both can enroll in the HRA separately and use both HRAs for eligible expenses for each other and your eligible children.

If you or your spouse is also eligible for Retiree Health Care coverage, the one that is eligible can enroll in the Retiree Health Care Plan (and the other can enroll as a spouse) and the one who is enrolled as a spouse can use his/her HRA for him/herself, his/her spouse and any eligible children.

When Will My Debit Card End?

A former CTA employee's debit card will no longer work if:

- Your account balance goes to zero,
- You die and do not have an eligible Surviving Spouse, or
- You go back to work for the CTA, in which case your debit card will be suspended until you leave CTA employment again.

If you are a Surviving Spouse, your debit card will no longer work if:

- Your account balance goes to zero,
- You become employed by the CTA, in which case your debit card will be suspended for the duration of the employment, or
- You die.

How Do I Use My Debit Card?

Most of the time, you will use your debit card to pay for out-of-pocket healthcare expenses at the time you buy the service or supply. For example, if you have a copayment every time you see the doctor, you can use your debit card to pay that copayment.

Some expenses will require you to pay for the expense first and then submit a reimbursement request form (with supporting documentation) to the Claims Administrator to receive a credit on your debit card. For example, if you use your HRA to pay for healthcare insurance premiums, you will have to pay the premium first and then request reimbursement providing the appropriate documentation.

If you submit a reimbursement request form, you should always keep your receipts in case the Claims Administrator needs to verify an expense. You should save your receipts until the statute of limitations expires for filing your taxes for that year.

Once you enroll, you will receive the HRA Plan Booklet, which contains detailed information about reimbursements.

How Can I Check My HRA Balance?

Before you enroll in the HRA, you can check your contribution balance online at groupadministrators.com. Once you are enrolled, you can always check your balance online at gal.wealthcareportal.com. You can also update your contact information on either site. You will have to create a username and password for each site.

Keep your contact information up to date on the HRA website.



Contact Information

If you have questions about eligibility, your Account or other matters, please contact the Claims Administrator:

Claims Administrator

CTA RHCT

c/o Group Administrators
915 National Parkway, Suite F
Schaumburg, IL 60173

Health Care Benefits Phone: 866-997-3821

HRA Phone: 800-487-1150

Fax: 847-519-1979

Email: ctahra@groupadministrators.com

Website: groupadministrators.com

HRA Debit Card Website: gal.wealthcareportal.com

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Background Information

The Chicago Transit Authority Retiree Health Care Trust (RHCT) was created in January, 2008 by Public Act 95-0708, to provide and administer health care benefits for eligible CTA retirees and their dependents or survivors. With the passage of this Act, employees of the CTA were required to begin making contributions to the RHCT, to help offset the cost of their health care in retirement.

You have to meet certain age and service requirements to be eligible for healthcare benefits from the RHCT. If you were an employee on or after January 18, 2008 and you did not meet these requirements, your contributions remained part of the RHCT. The Trustees and Staff of the RHCT worked with the State Legislature to amend PA 95-0708 to allow, at age 65, for retirees and former employees to have access to their RHCT

contributions. As a result, effective January 1, 2018, the Trustees have established the Health Reimbursement Account (HRA). The HRA was established as a way for you to use your contributions to the RHCT. You can use the HRA to pay for eligible healthcare expenses for yourself and your family. If you enroll in the HRA Plan, you can never enroll in the RHCT health care benefits and vice versa. This brochure provides you with the basic information you need to know about the new HRA plan.

